RAPPORT UNIQUE SUR LA SOLVABILITÉ ET LA SITUATION FINANCIÈRE 2021

(SFCR - Solvency and Financial Conditions Report – dans son acronyme anglais)

coface
FOR TRADE

General comments

COFACE SA is a French public limited company (with a Board of Directors), whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France and registered in the Nanterre Trade and Companies Register under number 432 413 599. It is referred to as the “Company” in this report. Unless stated otherwise, references in this document to the "Group" or the "Coface Group" are references to the Company and its subsidiaries, branches and holdings.

La Compagnie française d’assurance pour le commerce extérieur, a French public limited company (with a Board of Directors), whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France and registered in the Nanterre Trade and Companies Register under number 552 069 791, is referred to as “La Compagnie” in this document.

- **Forward-looking information**

This report includes information on the Coface Group's outlook and future areas of development. These forward-looking statements may be identified by the use of the future or conditional tenses, or forward-looking terminology such as "considers", "anticipates", "thinks", "aims", "expects", "intends", "should", "plans", "estimates", "believes", "hopes", "may" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements do not constitute historical data and should not be interpreted as a guarantee that the stated facts and data will take place or be achieved. They appear in a number of sections of the report and include information regarding the Coface Group's intentions, estimates and objectives with regard, in particular, to the Coface Group's market, strategy, growth, results, financial position and cash flow.

These forward-looking statements are based on data, assumptions and estimates that the Coface Group deems reasonable. They may evolve or be modified due to uncertainty linked, in particular, to the economic, financial, competitive or regulatory environment. Furthermore, the forward-looking statements contained in this report also involve risks, both known and unknown, uncertainty and other factors that, were they to occur, could affect the Coface Group's future results, performance and achievements. Such factors may include, in particular, changes in the economic and commercial climate as well as the risk factors presented in Chapter 5 of the Universal Registration Document filed with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on 06 April 2022 under the number D.22-0244.

- **Risk factors**

You are strongly encouraged to carefully examine the risk factors described in the above-mentioned paragraphs of the Universal Registration Document filed with the Autorité des Marchés Financiers. The occurrence of all or any of these risks is liable to have an adverse effect on the Coface Group's businesses, financial position or financial results. Furthermore, other risks, that are not yet known or that the Coface Group currently considers immaterial at the date of this report, may have the same adverse impact on the Coface Group, its business, financial position, operating results or growth prospects, as well as on the market price of its shares listed on Euronext Paris (**ISIN**: **FR0010667147**).

All such information is available on the websites of the Company (www.coface.com/Investors) and the Autorité des Marchés Financiers (www.amf-france.org).

Clarifications relating to the presentation

This report is drawn up pursuant to Chapter XII of the European Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

Pursuant to Articles L.356-25 and R.356-60 of the French Insurance Code, and in accordance with the ACPR (French Prudential Supervision and Resolution Authority) instruction no. 2015-I-27, this report is a single report on the solvency and financial conditions of COFACE SA (Trade and Companies Register no. 432413599) of the Compagnie française d'assurance pour le commerce extérieur (Trade and Companies Register no. 552069791).

Please note that COFACE SA forms the Coface Group ("COFACE SA" or "the Group"), accounted on a consolidated basis, Compagnie française d'assurance pour le commerce extérieur, an institution accounted on a solo basis, and Coface PKZ, a subsidiary also accounted on a solo basis.

The Coface Group's general scope of consolidation is stated on page 13 of this document and the reader's attention is drawn to the following information:

- The quantitative information relating to COFACE SA was prepared in accordance with IFRS or Solvency II standards, as the case may be.
- In accordance with the regulations, Compagnie française d'assurance pour le commerce extérieur has no obligation to prepare consolidated financial statements and, as a result, the quantitative information in this document is provided on a statutory basis under French accounting standards, in respect of the business and under Solvency II standards for the prudential items.
- The quantitative information for Compagnie française d'assurance pour le commerce extérieur primarily comprises information relating to the parent holding company and to the 31 full-service branches listed in Appendix 1.
- The factoring business and credit insurance or services subsidiaries are not consolidated by Compagnie française d'assurance pour le commerce extérieur but at COFACE SA level: this, for the most part, explains the discrepancies in business revenue and results.
- External reinsurance activities are carried by Coface Re, an entity consolidated at COFACE SA level.
- Coface PKZ is the Group's only European insurance subsidiary located outside France, and is subject to the Solvency II regulations, hence specific reference to it in this report.
- In the absence of a specific paragraph or note, the qualitative or quantitative information in this document is also valid for this establishment.
- This report has not been reviewed by the Statutory Auditors of COFACE SA or Compagnie française d'assurance pour le commerce extérieur, although it has been approved by the respective Boards of Directors of COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

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Summary

- **Business and performance**

Consolidated turnover, which amounted to €1,567.9 million, was up 8.3% compared to 2020 at constant scope and exchange rates. The net combined ratio was 64.6%, 15.2 points below 2020 (79.8%). This can be broken down into a loss ratio down by 14.4 points to 33.3% and a cost ratio down by 0.8 points to 31.3% compared to 2020. The Group ended the year with net income (Group share) up 170% to €223.8 million (compared to €82.9 million in 2020) and a return on equity of 12.2%. As at 31 December 2021 the solvency ratio was estimated at 195.6%, above the target solvency range of between 155% and 175%. Coface intends to propose the payment of a dividend of €1.50 per share to shareholders, bringing the total distribution rate to 100%.

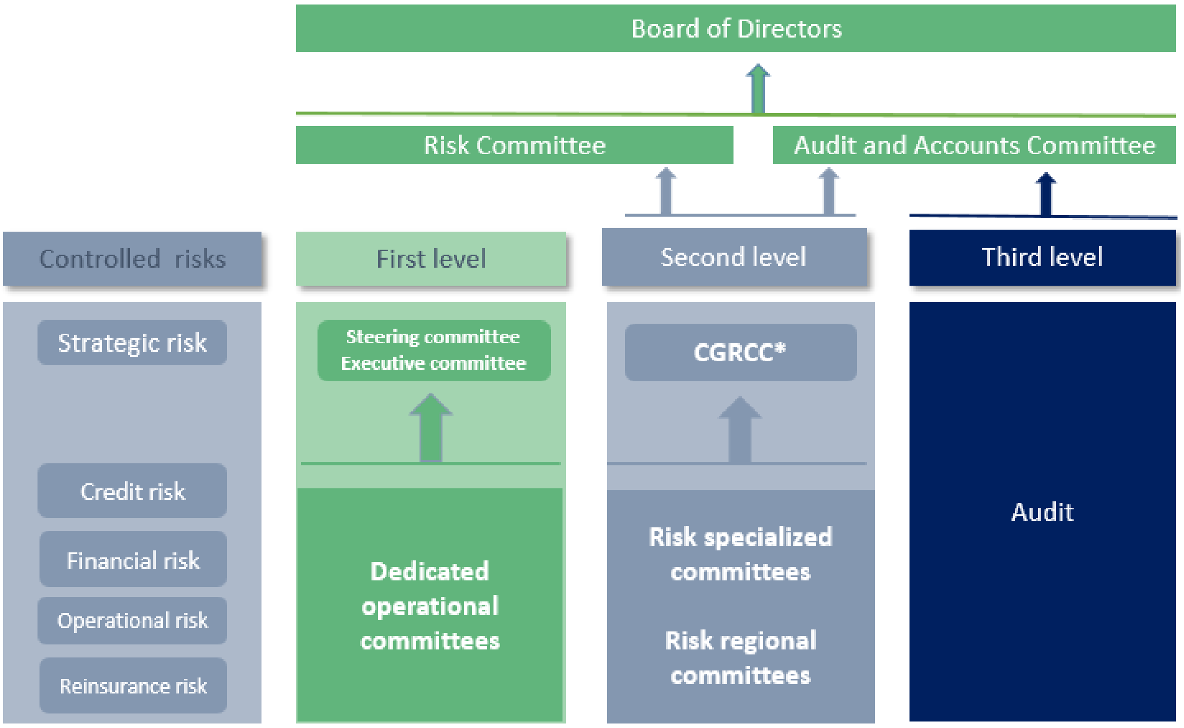
The turnover of Compagnie française d’assurance pour le commerce extérieur, which amounted to €1,221 million, was up 9.4% (at constant scope and exchange rates) compared to 2020; the net loss ratio decreased by 8.7 points to 37.7% and the net cost ratio decreased by 2.4 points to 43.1%. Compagnie Française d'Assurance pour le Commerce Extérieur ended the year with net income of €41.9 million, a decrease of 44% (compared to €74.9 million in 2020).

- **Specific governance linked to the Covid crisis**

In 2021, the Group continued to manage the Covid crisis largely in the same way as in the previous year, with its staff working remotely, which enabled it to maintain its business without any major problems.

- ## Governance system

The Group has implemented a risk management and control system that is based on a clear governance supported by a dedicated organisation based on key functions. This is illustrated by the diagram below, which shows the relationship between the three risk control lines as well as the committees reporting to the Board of Directors and General Management of Coface.



* Coface Group Risk and Compliance Committee (CGRCC)

- ## Risk profile

As a credit insurer, commercial underwriting risk is the Coface Group's main risk, accounting for a significant proportion of the capital requirements. The latter is nonetheless sensitive to market, credit, liquidity and operational risks. Regarding more efficient management, the Group maintains a sufficiently diversified risk portfolio, both in terms of underwriting risk with geographic or sectoral diversification and in terms of investments. The Group also uses reinsurance to improve its solvency when facing an increase in the loss ratio.
In addition, the Group uses ORSA to measure changes in the Group's solvency when facing unfavourable events.

- ## Valuation for solvency purposes

The Coface Group's Solvency balance sheet was closed as at and for the year ended 31 December 2021 in line with Solvency II regulations. The Coface Group values its assets and liabilities based on a going concern assumption. The methods used to value the prudential balance sheet are the same as those used in 2020, allowing comparisons between changes in the major classes of assets and liabilities. This valuation of the assets of the Coface Group, since IFRS in Solvency II standards, is €4,992 million. The Company has total assets of €4,062 million.
As far as liabilities are concerned, the Group's liabilities amounted to €2,590 million, and the excess of assets over liabilities stood at €2,402 million, while Compagnie française d'assurance pour le commerce extérieur's liabilities totalled €1,863 million, with an excess of assets over liabilities of €2,199 million (see Part D for further details).

- **Capital management**

The Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) of the Group are defined using the partial internal model.
The Group has put a capital management policy that it reviews at least once a year in order to meet regulatory requirements, to manage the suitability of its capital with its insurance commitments and to optimise its own funds.
The Compagnie française d'assurance pour le commerce extérieur and Coface PKZ use the standard formula for calculating their Solvency Capital Requirements (SCR) and their Minimum Capital Requirements (MCR).
At 31 December 2021, the Group's solvency ratio was 195.1%.
The Solvency ratios for Compagnie française assurance pour le commerce exterior and Coface PKZ at 31 December 2021 are 263% and 208% respectively.
The Solvency and financial conditions reports of Coface PKZ as at 31 December 2021 is published on the following website:
https://www.coface.si/Home/Footer-links/Dokumenti

/ A. BUSINESS AND PERFORMANCE

A. Business and performance

A.1 Business

A.1.1 General Introduction

- **Name and legal form of the companies**

COFACE SA is a public limited company (société anonyme) with share capital of €300,359,584 whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 432 413 599.

Compagnie française d'assurance pour le commerce extérieur is a public limited company (société anonyme) with share capital of €137,052,417 whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 552 069 791.

Coface PKZ is a Slovenian company with share capital of €8,413,000 which head office is located at Davčna ulica 1, 1000 Ljubljana, Slovenia. It was entered in the register of companies on 31 December 2004 under number 1/39193/00, SRG 2004/12632, and is authorised to carry out insurance activities in the category of credit insurance, as well to carry out insurance activities related to the underwriting of reinsurance in the non-life insurance category. Coface PKZ is governed by the Slovenian Insurance Code and is subject to prudential supervision by the Slovenian Insurance Supervisory Authority.

Coface PKZ is the Group's only European insurance subsidiary outside France.

- **Name and contact details of the supervisory authority responsible for financial control**

COFACE SA and Compagnie française d'assurance pour le commerce extérieur are both governed by the French Insurance Code (Code des Assurances) and are subject to prudential supervision by the ACPR (French Prudential Supervision and Resolution Authority) located at 4 Place de Budapest in Paris (75009).

Name and contact details of the external auditors

Statutory auditors – COFACE SA

Principal Statutory Auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Jérôme LEMIERRE	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY
Alternate auditors	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Mireille BERTHELOT	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Représenté par Mireille BERHELOT

Statutory auditors – Compagnie française d'assurance pour le commerce extérieur

Principal Statutory Auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Jérôme LEMIERRE	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY
Alternate auditors	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Mireille BERTHELOT	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Représenté par Mireille BERHELOT

Statutory auditors – Coface PKZ

Statutory Auditors PKZ	Deloitte revizija d.o.o. Dunajska cesta 165, Ljubljana Represented by Barbara Žibret Kralj	

A.1.2 Holders of qualifying stakes in the company

- ♦ **<u>COFACE SA</u>**

The following table details changes in the Group's capital and voting rights over the past two years:

	At Dec.31st, 2021				At Dec.31st, 2020		At Dec.31st, 2019	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Natixis	15 078 051	10,04%	15 078 051	10,12%	64 153 881	64 153 881	64 153 881	64 153 881
Arch Capital Group	44 849 425	29,86%	44 849 425	30,09%	-	-	-	-
Employees	857 423	0,57%	857 423	0,58%	853 199	853 199	382 256	382 256
Public	88 247 383	58,76%	88 247 383	59,21%	84 682 884	84 682 884	86 062 884	86 062 884
Independent holding (liquidity agreement and treasury share transactions)	1 147 510	0,76%	0	0,00%	2 341 985	0	1 000 752	0
Other	-	-	-	-	-	-	0	0
Total	**150 179 792**	**100%**	**149 032 282**	**100%**	**152 031 949**	**149 689 964**	**152 031 949**	**151 031 197**

(1) Independent holding: liquidity contract, treasury share transactions and redemption for cancellation.

- ♦ **<u>Compagnie française d'assurance pour le commerce extérieur</u>**

Compagnie française d'assurance pour le commerce extérieur is fully owned by COFACE SA.

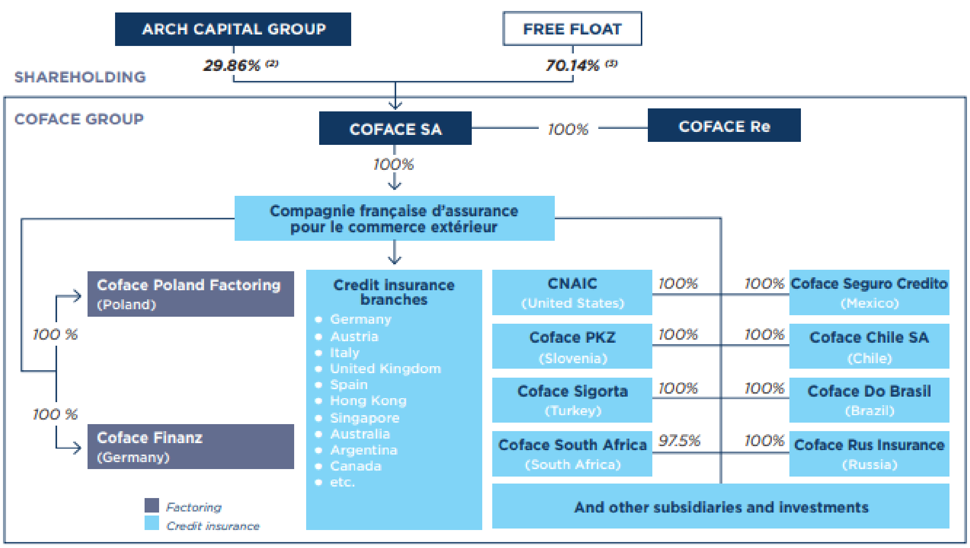
- ♦ **<u>COFACE PKZ</u>**

Coface PKZ is fully owned by Compagnie française d'assurance pour le commerce extérieur since April 15th, 2019.

A.1.3 Information on the position occupied by the company in the Group structure

The following diagram represents COFACE SA's legal structure and shows its material subsidiaries and branches (see Chapter "Overview of Coface" of the Universal Registration Document of the Coface Group).

SIMPLIFIED ORGANISATION CHART



A.1.4 Significant business lines and geographical areas where the establishments carry out their activities

The activity of the institutions is mainly focused on credit insurance, which accounted for 89% of COFACE SA's turnover in 2021 (see Chapter 4, Note 22 "Revenue" in the 2021 Universal Registration Document). It consists of offering solutions to companies to protect them against the risk of financial default by their debtor clients, on both domestic and export markets.
As a general rule, COFACE SA carries out its activities through branches, credit insurance subsidiaries, and two factoring subsidiaries, each fully owned, while the business of Compagnie française d'assurance pour le commerce extérieur is exclusively conducted through its 31 branches.
Both establishments (COFACE SA and Compagnie française d'assurance pour le commerce extérieur) operate in seven operational regions:

- Northern Europe
- Western Europe
- Central Europe
- Mediterranean & Africa
- North America
- Latin America
- Asia-Pacific

Furthermore, the Group is active in the factoring market, the surety bond market and sells information and debt collection products.

A.1.5 Substantial transactions and significant events in 2021

- **Changes in governance**

Membership of the Board of Directors

On 10 February 2021, Natixis and Arch Capital stated that the transaction announced in February 2020 for the sale of a 29.5% stake in Coface capital had received all the necessary approvals for its closing. In line with the announcements made in 2020, all the directors representing Natixis have resigned. The Board then co-opted four directors presented by Arch as well as Bernardo Sanchez Incera, who was then appointed Chairman of the Board. As of today, Coface's Board of Directors has therefore 10 members, 4 women and 6 men, the majority (6) of whom are independent directors.
On 28 July 2021, the Board of Directors co-opted David Gansberg, CEO of World Mortgage Lending at Arch, as a non-independent director, replacing Benoît Lapointe de Vaudreuil, who left the Board to focus on his current professional responsibilities.

Membership of the Group Management Board

Several appointments were made during the course of 2021 to strengthen Coface's management team:

- On 24 March 2021, Declan Daly was appointed Chief Operating Officer of the Coface Group, with effect from 1 April.
- On 1 September 2021, the following appointments were announced:
  - Antonio Marchitelli, Chief Executive Officer of Coface Western Europe Region, was appointed as Chief Executive Officer of Global Specialties, with effect from 1 January 2022;
  - Carine Pichon, Chief Financial and Risk Officer, replaced Antonio Marchitelli as Chief Executive Officer of Coface Western Europe Region;
  - Phalla Gervais replaced Carine Pichon as Chief Financial and Risk Officer with effect from 6 September 2021
  - Jaroslaw Jaworski was confirmed in the role of Chief Executive Officer of Coface Central and Eastern Europe Region, with effect from 1 September 2021
- On 10 September 2021, Marcele Lemos was appointed as the new Chief Executive Officer of Coface Latin America Region, with effect from 13 September 2021.

- ## Rating agencies recognise Coface's good performances

On 10 February 2021, the rating agency Moody's confirmed the financial strength rating (Insurance Financial Strength – IFS) for Coface at A2. The agency has also raised the outlook for Coface, which is now stable.
On 18 March 2021, the rating agency AM Best confirmed the financial strength rating (Insurer Financial Strength – IFS) of 'A' (Excellent) assigned to Compagnie française d'assurance pour le commerce extérieur (the Company), Coface North America Insurance Company (CNAIC) and Coface Ré. The outlook for these ratings remains "stable".
On 20 April 2021, the rating agency Fitch Ratings confirmed the financial strength rating (Insurer Financial Strength – IFS) for Coface at 'AA-'. The agency also removed the negative rating watch attached to this rating. The outlook is now stable. On 9 December 2021, Fitch confirmed its financial solidity rating and maintained the stable outlook.

- ## Capital reduction by cancellation of treasury shares

The Board of Directors of COFACE SA, in its meeting of 3 March 2021, decided to cancel the 1,852,157 shares bought under the share buyback programme, as announced on 27 October 2020, and to make a corresponding reduction in the share capital of the Company.
Therefore, the share capital of COFACE SA now stands at €300,359,584 divided into 150,179,792 shares with a nominal value of €2 each.

- ## Expiry of major government schemes

In 2020, many governments were quick to recognise the crucial role of credit insurance in maintaining business-to-business credit, the primary source of financing for many businesses. In order to guarantee the availability of credit insurance in a period when the risk is not necessarily insurable, many states have set up guarantee mechanisms of varying form and scope. As at 31 December 2020, Coface had finalised 13 agreements in countries that represented 64% of its exposure.
As initially expected, the vast majority of government schemes (excluding top-ups) expired on 30 June 2021, thereby resulting in a run-off of contracts. In fact, governments and major players in the credit insurance industry, including Coface, share the view that an extension is not necessary, given the current market situation. However, after 30 June 2021 the various parties will continue to work closely together, so as to be able to act quickly, in line with European legislation, in the event that the economic situation deteriorates significantly. The government plans had a negative impact on pre-tax income of -€103 million for Q4-2021, bringing the 2021 full-year total to -€160 million.

- ## Renewal of its syndicated credit facility

As part of the refinancing of its factoring business, COFACE SA signed a €700 million early renewal of its syndicated loan with a group of partner banks on 4 August 2021. This is part of the Build to Lead plan, which aims to increase the value of Coface's assets in its speciality business lines, and will therefore enable it to continue supporting the development of the factoring business.
This transaction was initially concluded in 2017 to replace existing bilateral credit lines. Coface relies on a panel of seven relationship banks: BNP Paribas, Crédit Agricole CIB, Natixis and Société Générale, working as mandated lead arrangers and book-runners, and BRED, HSBC and La Banque Postale, working as mandated lead arrangers. Société Générale acts as the documentation bank and facility agent.
The lenders have renewed the loan for a period of three years with two extension options each of one year. This transaction means the Group can improve its financial flexibility and extend the maturity of its refinancing facility, while taking advantage of favourable market conditions and strengthening relations with its leading banks, confirming their medium-term commitment to Coface.

A.1.6 Post closing events at 31 December 2021

- **Changes in shareholding and governance**

On 6 January 2022, Natixis announced the sale of its remaining stake in Coface SA. This sale accounted for approximately 10.04% of the share capital of Coface SA, i.e. 15,078,095 shares. It was carried out by means of an ABB (accelerated book build) at an average price of €11.55. On completion of this transaction, Natixis no longer held any shares in Coface SA.

- **Expected impact of the war in Ukraine**

The invasion of Ukraine by Russia on February 24, 2022 has triggered a war in Europe for the first time since the Second World War. This armed conflict and the numerous economic sanctions taken against Russia will certainly have serious economic and financial consequences for the whole world, while the previous crisis linked to the Covid was not yet over. The inflationary consequences are significant: the hope of seeing the prices of energy, minerals and agricultural products fall in the second half of 2022 is gone, or at least remote.
The decline in freight costs has also been postponed (due to air travel bans and soaring fuel costs). As a result, the standardization of production lines has also been postponed. In addition, the Central European countries have to bear the burden of hundreds of thousands of Ukrainian refugees. These same countries, as Russia's trade corridors and outlets, are suffering from the reduction in trade between the two belligerents and Europe. Finally, energy and food price inflation is a potential source of social unrest, which could lead to political upheaval, especially in developing countries, where government intervention to mitigate its impact on households is made difficult by weak budgetary capacity and high debt levels increased by the pandemic. Faced with high inflation in property prices, real estate and financial assets, as well as a sharp economic slowdown, central banks find themselves in an uncomfortable situation. The extent and duration of the damage caused to the world economy by the conflict are still difficult to determine, as we do not know the duration and evolution of the intensity of the war.

In this context, Coface has adjusted its assessments of Russian, Belarusian and Ukrainian risks and reduced its exposure to these countries. The Group continues to monitor closely the situation on a daily basis and is constantly adjusting its underwriting policy to ensure compliance with international sanctions.
To date, and subject to any changes in the situation, this serious crisis has greatly increased uncertainty and volatility due to its multi-sector and multi-geographical impact.
Coface is not directly exposed to the countries in conflict through its investment portfolio and the impact of this conflict on its business remains very limited.
Coface Russia Insurance's earned premiums will amount to €12.46 million in 2021 (1% of the Group total) and the value of this subsidiary's shares is less than €7 million based on the net book value in the Group's financial statements at 31 December 2021.
The Group's exposure to risk in this region, which was insignificant in its factoring business and overall less than 1% of its global exposure before the start of the conflict, has since been adjusted downwards and monitored regularly.
While the loss experience reported to date in this region has not shown any significant deterioration, the impact of this crisis, whether direct or indirect, could result in a deterioration of its loss ratio.

A.2 Underwriting performance

A.2.1 COFACE SA

COFACE SA's consolidated turnover increased by 8.3% at constant scope and exchange rates to €1,567.9 million in 2021 (+8.1% at current scope and exchange rates). The constant scope and exchange rate variations given for the purposes of comparison in the tables below take into account the integration of the following entries in scope:

- The integration of Coface GK from 1 July 2020,
- During the second quarter of 2021, three entities that have been wholly-owned for several financial years (the percentage of the stake held was 100% but whose balance sheet and results data were below the thresholds for consolidation) entered the scope of consolidation. These entities, which were to be merged with consolidated entities, were finally consolidated. These are Coface Poland insurance service, Coface Romania insurance service and Coface Finance Israel.
- During the fourth quarter of 2021, the Coface Servicios Mexico entity also entered the scope of consolidation.

A more detailed description is available in Chapters 1.3 – Description of principal activities and 3.3 – Comments on income in the 2021 Universal Registration Document.

A.2.2 – "La Compagnie"

- **<u>Revenue</u>**

Turnover for Compagnie française d'assurance pour le commerce extérieur was €1,221 million, up 9.4% compared to December 2020 at constant scope and exchange rates (10.5% at current scope and exchange rates).

The following table illustrates the changes in turnover, for each business line, as at 31 December 2020 and 2021:

Revenue composition "La Compagnie" (in millions of euros)	**As of Dec. 31**		**Change**		
	2021	**2020**	**as a %**	**as a %: at constant exchange**	as a %: at constant scope and exchange rate
Premiums - direct business	1 023	913	12,1%	11,2%	11,2%
Premiums - inward reinsurance	184	178	3,3%	0,8%	0,8%
Written premiums	**1 207**	**1 091**	10,6%	**9,5%**	**9,5%**
Fee and Commission income	**14**	**13**	2,8%	**-1,9%**	**-1,9%**
Other technical products	0	0	22,0%	13,3%	13,3%
Other technical products	**0**	**0**	22,0%	**13,3%**	**13,3%**
Total Revenue	**1 221**	**1 104**	**10,5%**	**9,4%**	**9,4%**

Earned premiums were €1,206.8 million, an increase compared with 2020. Fees and commission income increased by 2.8% to stand at €13.7 million as at 31 December 2021. Lastly, other income totalled €0.2 million, up 13.3% at constant scope and exchange rates compared to December 2020.

♦ Change in revenues by region

The following table shows the changes in revenue of Compagnie française d'assurance pour le commerce extérieur for its seven geographical regions for the financial years ended 31 December 2020 and 2021:

Revenue composition "La Compagnie" (in millions of euros)	As of Dec. 31		Change			
	2021	2020	(in €m)	as a %	as a %: at constant exchange	as a %: at constant scope and exchange rate
Western Europe	282	254	28	11,0%	9,5%	9,5%
Northern Europe	246	210	36	17,1%	16,8%	16,8%
Central Europe	101	94	7	7,5%	7,8%	7,8%
Mediterranean & Africa	343	314	29	9,3%	8,8%	8,8%
Latin America	41	38	3	9%	11,0%	11,0%
North America	80	80	1	0,8%	-1,5%	-1,5%
Asia-Pacific	126	114	12	10,8%	5,5%	5,5%
Total Revenue	**1 221**	**1 104**	**116**	**10,5%**	**9,4%**	**9,4%**

The regions recorded different changes in turnover at constant scope and exchange rates, ranging from 16.8% for Northern Europe to -1.5% for North America.

In Western Europe, revenue increased by 9.5% (11% at current scope and exchange rates), as a result of the rise in short-term credit insurance. This positive change is strongly linked to the economic recovery that has resulted in increased activity levels of policyholders. The positive price effect, linked to re-pricing at the start of the year, also contributed to this growth. Conversely, new contract production was down in 2021 compared to 2020.

In Northern Europe, turnover was up 17.1%. Credit insurance income was the main contributor to this increase thanks to the recovery in policyholder business.

Turnover from the Mediterranean & Africa region rose by 8.8% on a constant scope and exchange rate basis as a result of a good business dynamic (high retention rate and new contract production). This solid business performance was bolstered by the level of activity of Coface's policyholders.

In Latin America, a 11% increase in turnover at constant scope and exchange rates (+9% at current scope and exchange rates) was observed due to the sharp devaluation of currencies in this region, stemming from a rise in new contract production but also more specifically due to the recovery in business activities driven by the rise in price of commodities.

In North America, revenue rose 0.8% at current scope and exchange rates. The credit insurance portfolio increased favourably thanks to new business and the positive impact on policyholder business, despite a drop in the policy retention rate.

Central Europe reported a 7.8% increase in turnover (7.5% at current scope and exchange rates).

In the Asia-Pacific region, revenue rose 5.5% (10.8% at current scope and exchange rates). This growth was driven by credit insurance; the portfolio's growth was linked to the sharp increase in net production and increased policyholder business.

♦ Loss ratio

The cost of claims of Compagnie Française d'Assurance pour le Commerce Extérieur was €265 million, down 51.5% compared to 2020.

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2021	2020	Change (as a %)
Claims expenses	**-265**	**-547**	-51,5%
Earned premiums	1 207	1 091	10,6%
Loss ratio before reinsurance	**22,0%**	**50,1%**	**-56,1%**

The loss ratio before reinsurance and including claims handling expenses fell by 28.1 points, down from 50.1% in 2020 to 22.0% in 2021. This decrease in losses can be explained by rigorous management of past claims and the high level of recoveries from previous years. State support for various economies also played a part in this low level of losses.

♦ Overheads

Overhead "La Compagnie" (in millions of euros)	As of Dec. 31		Change	
	2021	2020	as a %	as a %: at constant scope and exchange rate
Internal overhead costs	-319	-300	6,4%	7,6%
of which claims handling expenses	*-28*	*-25*	9,5%	12,8%
of which internal investment management cost	-3	-3	7,2%	13,2%
Fees and commissions	-198	-171	16,1%	14,8%
Total overhead costs	**-517**	**-470**	**10,0%**	**10,2%**

Total overhead costs, which include claims handling expenses and of internal investment management, was up by 10.2% at constant scope and exchange rates, from €470.3 million in 2020 to €517.1 million in 2021.

Policy acquisition commissions were up 14.8% at constant scope and exchange rate (16.1% at current scope and exchange rate), from €170.7 million in 2020 to €198.16 million in 2021. In percentage terms, this increase is greater than that of earned premiums (9.5% at current scope and exchange rates).

Internal overhead costs, including claims handling expenses and costs of internal investment management, grew 7.6% at constant scope and exchange rates (6.4% at current scope and exchange rates), from €299.7 million in 2020 to €318.9 million.

- **Underwriting income**

Gross underwriting income before reinsurance fell by €299 million (362% compared to December 2020), from -€82.7 million in 2020 to -€381.9 million in 2021.

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2021	2020	Change (as a %)
Ceded premium	-724	-724	0,1%
Claims ceded	76	377	-79,7%
Commissions paid by reinsurers	266	264	0,7%
Reinsurance Income	**-382**	**-83**	**362,0%**

The sharp increase in reinsurance costs is due to the contribution of government reinsurance schemes (estimated negative impact of €160 million) as well as the fall in the loss ratio.

A.3 Investment performance

A.3.1 Detailed results over the period

- **Changes in financial markets**

The global economy bounced back strongly in 2021 after the major shock of 2020. Increased vaccination rates have enabled activities to return to normal, albeit at very different levels in the different countries, and interspersed with the imposition of new restrictions during successive waves of Covid-19. The cumulative effect of the recovery of demand and disruptions to supply chains pushed inflation to very high levels almost everywhere. At the end of the year, the major central banks in the developed economies announced a tapering of their support measures, while those in emerging economies had already tightened their monetary policies. Yields rose sharply on the bond markets. On the equity markets, stock-market indices in developed countries performed very well, while the performance of markets in emerging countries was far more mixed.

In 2021, the US economy recovered strongly, albeit with ups and downs over the year. After a very good first half-year, activity slowed at the end of the third quarter due to a sharp increase in the number of Covid-19 cases. However, activity accelerated again in the fourth quarter, with monthly figures and business surveys reporting very dynamic demand. The year was also marked by significant difficulties in the supply of intermediate products due to disruptions and bottlenecks in global industrial chains, which put prices under pressure. Furthermore, base effects, soaring energy prices and very high demand also helped to push inflation to a very high level in the second half of the year. The labour market continued to recover, while the business climate remained promising. After retaining a very accommodative attitude for most of the year, the Federal Reserve announced at its last two monetary policy committees that it would gradually reduce its asset purchases.

In the eurozone, the spread of the Covid-19 epidemic continued to have a decisive effect on the economy in 2021. In the first quarter, business was severely affected by very strict restrictions aimed at curbing the circulation of the virus. However, from the second quarter, the progress of vaccine campaigns allowed many sectors to reopen, triggering a very sharp recovery in the economic climate up to the autumn. The first payments from the European recovery fund NGEU provided additional support. However, activity slowed again at the end of the year due to the increase in cases of Covid-19 and uncertainties related to the Omicron variant. Disruptions to global industrial chains, the sharp rise in energy prices, base effects and strong demand generated by the reopening of the economy triggered a spike in inflation throughout the eurozone. The labour market improved despite the reduction in support mechanisms. The ECB maintained a very accommodative attitude, providing significant support to the economies of Member States, whose governments also continued to take action via significant budgetary measures on a national level.

Emerging economies experienced a very turbulent 2021. Growth rebounded strongly as vaccination campaigns were rolled out, while mobility normalised following the surge of the Delta variant earlier in the year. Governments have stepped up their support measures, with the improved conditions in advanced economies also generating positive knock-on effects. Inflation accelerated sharply in the second half of the year (often exceeding the targets of the central banks, particularly in Latin America and Eastern Europe) due to robust domestic demand and disruptions to global supply chains - a situation that causes major imbalances in terms of supply and demand. The only option available to central banks was to raise their key rates quickly, unlike their counterparts in developed countries. From a regional perspective, China has prioritised structural rather than economic objectives, tightening regulations in several sectors to increase the share of workers in the national income sharing and to curb rising social inequality. In Latin America, the political pendulum has swung sharply to the left following the election results in Chile and Peru, and the trend observed in polls conducted in Brazil and Colombia. Finally, the economic trend was less volatile in the ASEAN countries, marked by a weaker recovery, lower inflation and less central bank action than in other regions.

- **Financial income from investments – COFACE SA**
    - **Development of the investment portfolio**

During 2021, as part of its strategic allocation, the Group slightly increased its exposure to emerging sovereign debt, high yield debt and equities because the impact of the Covid-19 pandemic on the economy gradually began to recede. Its exposure to real estate decreased by 1.2 points between the end of 2020 and the end of 2021. This share of the portfolio will be reallocated to infrastructure equity funds in 2022.

In 2020, at the start of the Covid-19 pandemic, the Group decided to increase its investments in money market instruments in order to limit the decline in the value of its portfolio and to allow the payment of potential claims. At 31 December 2021, the Group rebalanced its portfolio in line with its strategic allocation and pre-crisis allocation, with bonds representing 69% of the total portfolio, compared with 67.6% at the end of 2020 and 74.4% at the end of 2019. Investments in bonds allow the Group to limit the volatility of its portfolio value. Finally, loans, deposits and other financial investments accounted for 16.6% of the Group’s portfolio at the end of 2021, compared with 18.9% at the end of 2020.

These investments were all carried out in a strictly defined risk context; the quality of issuers, the sensitivity of issues, the dispersion of issuer statuses and geographical areas are the subject of specific rules defined in the different management mandates granted to the Group’s dedicated managers.

The portfolio's market value increased by €234 million in the 2021 financial year, mainly via the bond and equity markets, owing to the contribution of new liquid assets in the portfolio and the rise in equity markets.

The following table shows the financial portfolio by main asset class:

Investment portfolio COFACE SA (in millions of euros)	As of Dec. 31 2021 *(in €m)*	 *(as a %)*	 2020 *(in €m)*	 *(as a %)*
Investment property	213	7,0%	231	8,2%
Equities	233	7,6%	152	5,4%
Bonds	2 110	68,9%	1 912	67,6%
Loans, deposits and other financial investments	507	16,6%	535	18,9%
Total financial assets	**3 063**	**100%**	**2 829**	**100%**

- **Investment portfolio income**

The income from the investment portfolio amounted to €36.7 million, of which €3.6 million in outsourcing operations, charges/reversals and equity/interest rate derivatives (i.e. 1.2% of the 2021 average outstanding and 1.1% excluding outsourcing operations, charges/reversals and equity/interest rate derivatives), to be compared to €31.1 million, of which -€1.7 million of outsourcing operations, charges/reversals and equity/interest rate derivatives in 2020 (1.1% of the 2020 average gains and 1.2% excluding outsourcing operations, charges/reversals and equity/interest rate derivatives). In the context of this crisis, the reduction in the asset allocation to money market products in favour of bond and equity products, as well as the arbitrage of certain assets, helped to improve the return on the investment portfolio.

Investment portfolio income COFACE SA (in millions of euros)	As of Dec. 31 2021	 2020	 Change
Equities	-0,9	-0,8	12,5%
Fixed-income products	23,6	22,2	6,3%
Investment property	14,0	9,7	44,3%
Total Investment portfolio	**36,7**	**31,1**	**18,0%**
Of which outsourcing, depreciation and reversal of provision	3,6	*-1,7*	*-311,8%*
Associated and non-consolidated companies	6,2	5,2	*19,2%*
Net foreign exhange gains and derivatives	7,0	-3,5	*-300,0%*
Financial and investment charges	-7,8	-6,0	30,0%
Total	**42,1**	**26,8**	**57,1%**

After income from equity securities, foreign exchange and derivatives income, financial and investment charges, the Group's financial income for 2021 was €42.1 million.

The portfolio's economic rate of return was positive at +1.6% in 2021 as a result of an increase in revaluation reserves, particularly through the rise in the equity market, which more than offset the fall in bonds due to the rise in interest rates.

- ♦ **Financial income from investments – Compagnie française d'assurance pour le commerce extérieur**

  - **Development of the investment portfolio**

La Compagnie's portfolio followed the same allocation pattern as that of the Group, with a slight increase in exposure to emerging sovereign debt, high yield debt and equities as the impact of the COVID-19 pandemic on the economy was gradually reduced.

The investment portfolio of Compagnie française d'assurance pour le commerce extérieur can be broken down as follows:

Investment portfolio	**As of Dec. 31**			
"La Compagnie"	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	166	6,7%	186	8,0%
Equities	188	7,6%	115	5,0%
Bonds	1 546	62,2%	1 407	60,7%
Loans, deposits and other financial investments	584	23,5%	611	26,4%
Total financial assets	**2 485**	**100%**	**2 319**	**100%**

- **Investment portfolio income**

Compagnie française d'assurance pour le commerce extérieur’s financial income amounted to €64.7 million in 2021, versus €101.9 million in 2020.

Investment portfolio income	**As of Dec. 31**		
"La Compagnie" (in millions of euros)	**2021**	**2020**	**Change**
Investment income	84,2	93,9	-9,7
Gains on investment realization	100,6	143,6	-43,0
Total revenue	**184,8**	**237,4**	**-52,6**
Financial charges	-17,2	-16,9	-0,3
Investment management	-3,0	-2,8	-0,2
Accumulated impairment - investments	-4,9	-13,6	8,7
Other investment charges	-3,6	-2,8	-0,8
Losses on investment realization	-91,4	-99,3	7,9
Total expenses	**-120,2**	**-135,5**	**15,3**
Financial result	**64,7**	**101,9**	**-37,2**

This income is not in line with Group income, due mainly to the differences in scope of consolidation and standards.

In the statutory accounts of Compagnie française d'assurance pour le commerce extérieur, due to the German cash-pooling agreement, the income of the German subsidiaries was recorded in financial income, while in the Group’s IFRS accounts these entities were consolidated and contributed to comprehensive income.

Furthermore, French accounting standards do not allow a detailed breakdown of dedicated funds, unlike the IFRS standards for the Group.

A.3.2 Impact on equity

- **COFACE SA**

The two tables below show the impact on equity at 31 December 2021 and, for comparison purposes, at 31 December 2020:

COFACE SA *(in millions of euros)*	Investments instruments	Reserves - gains and losses not reclassifiable to	Income tax	Revaluation reserves attributable to	Non-controlling interests	Revaluation reserves
At January 1, 2021	**235 988**	**-33 000**	**-24 621**	**178 367**	**-116**	**178 251**
Fair value adjustment on available-for-sale financial assets reclassified to income	-9 184	0	1 821	-7 363	0	-7 363
Faire value adjustment on available-for-sale financial assets recognisez in equity	23 487	0	-5 873	17 614	1	17 615
Change in reserves - gains and losses not reclassificable to income (IAS 19R)	0	2 348	-726	1 622	0	1 622
Transactions with shareholds	0	0	0	0	0	0
At December 31, 2021	**250 291**	**-30 652**	**-29 399**	**190 240**	**-115**	**190 125**

COFACE SA *(in millions of euros)*	Investments instruments	Reserves - gains and losses not reclassifiable to income (IAS 19R)	Income tax	Revaluation reserves attributable to owners of the	Non-controlling interests	Revaluation reserves
At January 1, 2020	**214 812**	**-34 700**	**-20 866**	**159 246**	**-117**	**159 129**
Fair value adjustment on available-for-sale financial assets reclassified to income	958	0	-396	562	0	562
Faire value adjustment on available-for-sale financial assets recognisez in equity	20 218	0	-2 957	17 261	1	17 262
Change in reserves - gains and losses not reclassificable to income (IAS 19R)	0	1 700	-402	1 298	0	1 298
Transactions with shareholds	0	0	0	0	0	0
At December 31, 2020	**235 988**	**-33 000**	**-24 621**	**178 367**	**-116**	**178 251**

- **Compagnie française d'assurance pour le commerce extérieur**

Compagnie française d'assurance pour le commerce extérieur prepares its financial statements in accordance to French GAAP. Profit and loss are not therefore directly recognised as equity.

A.3.3 Securitisation

Not applicable for COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

Indeed, as at 31 December 2021, no institution has investments in securities issued as part of a securitisation in its financial portfolio.

A.4 Income from other activities

A.4.1 Other income and expenses

- **COFACE SA**

Other operating income and expenses represented an expense of €3.2 million as at 31 December 2021.

Other operating expenses mainly included:

- Remission of debts in the amount of €651 thousand
- Optimisation project costs in the amount of €525 thousand
- Costs of €142 thousand related to the setting up of Tradeliner

- **Compagnie française d'assurance pour le commerce extérieur**

Extraordinary income and expenses amounted to €307 thousand as at 31 December 2021. They include a reversal of excess depreciation for €3,452 thousand.

Extraordinary expenses are composed of expenses related to:

- other reserves for restructuring, for €2,001 thousand
- net restructuring charges related to the *Build to lead* strategic plan for €1,636 thousand
- provisions for restructuring and other provisions for risks for €135 thousand

A.4.2 Rental Agreements

- **Operating leases**

Rental agreements mainly concerned office rentals and computer equipment rental and maintenance contracts.

The main office rental agreements are in respect of the head offices of COFACE SA and of Compagnie française d'assurance pour le commerce extérieur and its Italian branch.

- **COFACE SA**

The Group’s registered office is located at 1, Place Costes et Bellonte, 92270, Bois-Colombes, France. The financial terms and conditions of the long-term commercial lease as well as the organisation of occupied surface area were renegotiated in 2018 in the context of the Fit to Win strategic plan. The new 12-year lease granted began on 1 September 2018 and should end on 31 August 2030.

The Italian branch contracted a nine-year lease for its premises effective 2 May 2019, located at Via Lorenteggio n. 240, 20147 Milan, Italy.

Charges due to leasing agreements	As of Dec. 31		
Coface SA (in millions of euros)	2021	2020	Change
Charges due to leasing of offices	25,6	27,4	-1,8
Charges due to IT costs	15,1	15,8	-0,7
Total	**40,7**	**43,2**	**-2,5**

- **Compagnie française d'assurance pour le commerce extérieur**

The table below sets out Compagnie française d'assurance pour le commerce extérieur's rental expenses:

Charges due to leasing agreements "La Compagnie" (in millions of euros)	**As of Dec. 31**		
	2021	**2020**	**Change**
Charges due to leasing of offices	19,0	20,3	-1,3
Charges due to IT costs	13,5	14,3	-0,8
Total	**32,5**	**34,6**	**-2,1**

- **Financial leases**

Not applicable to COFACE SA or Compagnie française d'assurance pour le commerce extérieur.

A.5 Other information

No other material information is to be made publicly available.

/ B. GOVERNANCE SYSTEM

B Governance system

B.1 General information on the system of governance

B.1.1 Governance structure

- **COFACE SA's governance structure**

The Company has a Board of Directors and a Chief Executive Officer.

- **Board of Directors**

As of its meeting on 15 February 2022, the Board of Directors, which approves the parent company and consolidated financial statements, is made up of ten members, of which 40% are women and 60% are independent:

- Mr Bernardo Sanchez Incera, Chairman
- Mr Éric Hémar
- Mrs Isabelle Laforgue
- Mrs Nathalie Lomon
- Mrs Sharon MacBeath
- Mr Olivier Zarrouati
- Mr David Gansberg
- Mr Chris Hovey
- Mrs Janice Englesbe
- Mr Nicolas Papadopoulo

Detailed information on the operation and governance of the Board of Directors is provided in paragraph 2.1 - Composition and operation of the Board of Directors and its specialised committees of the 2021 Universal Registration Document.

- **Audit and accounts committee**

During financial year 2021, the Audit and accounts committee was composed of Mr Éric Hémar (Chairman), Mrs Isabelle Laforgue and Mr David Gansberg (with effect from his appointment on 28/07/2021).

Two-thirds of the members of the Audit and accounts committee are independent members of the Board of Directors. The recommendation of the AFEP-MEDEF Code, according to which this committee must have a majority of independent members, has thus been complied with.

Duties (Article 3 of the Financial Statements and Audit Committee's internal regulations)

The role of the Financial Statements and Audit Committee is to ensure the follow-up of matters concerning the preparation and verification of accounting and financial information, in order to facilitate the Board of Directors' duties of control and verification. In this regard, the Committee issues opinions and/or recommendations to the Board of Directors.

Accordingly, the Financial Statements and Audit Committee will, in particular, exercise the following principal functions:

a) Follow-up on the process of preparing the financial information
b) Follow-up on the control of the external audit of financial statements
c) Selection and renewal of the Statutory Auditors
d) Approval of the provision by the Statutory Auditors of services other than account certification
e) Internal control
f) Annual budget

The opinions and recommendations of the Financial Statements and Audit Committee will be written in a report, one copy of which will be addressed to all members of the Financial Statements and Audit Committee and another, if required, by the Chairman to the directors of the Company.

More details are available in the 2021 Universal Registration Document in the paragraph on the Audit and accounts committee in Section 2.1.8 – Specialised committees set up by the Board of Directors.

- **Risk Committee**

During financial year 2021, the Risk Committee was composed of Mrs Nathalie Lomon (Chairman), Mrs Janice Englesbe and Mrs Isabelle Laforgue.

The duty of the Risk Committee is to ensure the effectiveness of the risk management and monitoring systems, ensure the existence and effectiveness of operational internal control, review the compliance of reports sent to the regulator, monitor the Group's capital requirements management, and monitor the implementation of recommendations from internal audits of areas under its responsibility. The Risk Committee carries out all of these duties in order to facilitate the Board of Directors' duties of control and verification. In this regard, the Committee issues opinions and/or recommendations to the Board of Directors.

Accordingly, the Risk Committee, in particular, exercises the following principal functions:

a) Ensures that risk management systems are running effectively;
b) Reviews all regulatory reports relating to the Company;
c) Monitors changes in prudential regulations;
d) Follows up on the Group's capital requirements;
e) Monitors the internal control system;
f) Reviews items related to the partial internal model.

More details are available in the 2021 Universal Registration Document in the paragraph on the Risk Committee in Section 2.1.8 – Specialised committees set up by the Board of Directors.

- **Nominations and Compensation Committee**

During financial year 2021, the Nominations and Compensation Committee consisted of Mr Olivier Zarrouatti (Chairman), Mrs Sharon Macbeath, Mr Nicolas Papadopoulo and Mr Bernardo Sanchez Incera.
.

The Committee is chaired by an independent director, and two thirds of the committee are independent members of the Board of Directors. The recommendation of the AFEP-MEDEF Code, according to which this committee must have a majority of independent members, has thus been complied with.

Detailed information on its composition, powers, operations and activity is set out in the paragraph on the Nominations and Compensation Committee in Section 2.1.8 – Specialised committees set up by the Board of Directors in the 2021 Universal Registration Document.

- **Chief Executive Officer and Group General Executive Committee**

In addition to Mr Xavier Durand, the Chief Executive Officer, the Group General Executive Committee comprises the following people:

- Pierre Bevierre, Human Resources Director
- Declan Daly, Group Operations Manager
- Cyrille Charbonnel, Underwriting and Claims Director
- Nicolas Garcia, Commercial Director
- Carole Lytton, General Secretary
- Phalla Gervais, Chief Financial and Risk Officer
- Keyvan Shamsa, Business Technology Director
- Thibault Surer, Strategy and Business Development Director

♦ **Governance structure of Compagnie française d'assurance pour le commerce extérieur**

Compagnie française d'assurance pour le commerce extérieur is governed by a Board of Directors. As at 31 December 2021, the Board of Directors comprised seven Directors appointed by the Ordinary Shareholders' Meeting and four Directors representing employees. They are as follows:

- Mr Xavier Durand, Chairman
- Ms Mary Varkados
- Mr Pierre Vilalta
- Mr Cyrille Charbonnel
- Ms Marguerite Fougereux, employee Board member
- Ms Doris Kukla, employee Board member
- Mrs Katarzyna Kompowska
- Ms Cécile Paillard
- Mr Avelino Pereira, employee Board member
- Ms Carine Pichon
- Mr Matthias Rolf, employee director (since 1 July 2020)

♦ **Description of the key functions**

In order to manage and prevent risks, and in compliance with Solvency II regulations, the Group has set up a complete and effective governance system, intended to guarantee sound and prudent management for the business. This governance system is based on a clear separation of responsibilities and must be proportionate to the nature, scale and complexity of the Group's operations.

Heads of key functions carry out their roles for both COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

The Solvency II Regulation grants the Chief Executive Officer and, if necessary, the Deputy Chief Executive Officer, the status of effective directors of a Group. It authorises the appointment of one or more effective directors by the Board of Directors.

It also defines the following four key functions:

- the risk management function
- the compliance function
- the internal audit function
- the actuarial function

Each key function is under the authority of the Chief Executive Officer or an effective executive officer and operates under the ultimate responsibility of the Board of Directors. It has direct access to the Board for reporting any major problem in the function's area of responsibility. This right is enshrined in the Board of Directors' internal rules.

The professional qualifications, knowledge and experience of the heads of key functions should be adequate to enable sound and prudent management, and they must be of good repute and integrity.

Key functions are free from influences that might compromise their ability to perform the tasks that are incumbent upon them in an objective, loyal and independent manner.

Each function is the subject of further development in the following paragraphs (B.4, B.5 et B.6).

Regional audit, risk and compliance functions report to managers in charge of these functions at Group level. Similarly, subject to compliance with local regulations, there is the same hierarchical relationship for each function between the country and regional managers. Further details are provided on each key function in a specific paragraph.

B.1.2 Significant change in governance during the period

- **Changes in governance**
    - **Appointment of Bernardo Sanchez Incera as Chairman of the Board of Directors of COFACE SA**

The Board of Directors of Coface SA met on 10 February 2021 and appointed Bernardo Sanchez Incera as Chairman of the Board of Directors. He replaced Nicolas Namias, who left the Board of Directors of COFACE S.A following the sale of shares by Natixis to Arch Capital.

B.1.3 Compensation policy and other benefits for employee

The compensation policy is a key instrument in implementing COFACE SA’s strategy.
It seeks to attract, motivate and retain the best talent. It encourages individual and collective performance and seeks to be competitive in the market, while respecting the Group’s financial balance.

It is respectful of prevailing regulations and ensures internal fairness and professional equality, in particular between men and women. It incorporates social and environmental issues into its thinking.

Structured in a clear and transparent way, the compensation policy is tailored to the Group's objectives and aims to support its long-term development. In particular, it ensures that there is no conflict of interest.

Coface’s compensation policy is proposed by the Group Human Resources Department in accordance with the principles defined by the regulator and is submitted to the Nominations and Compensation Committee for approval, and then to the Board of Directors. It is then rolled out by human resources in the various regions and countries to ensure consistency of practices within the Group and their compliance with local rules.

The regulatory framework, the general principles and the specific provisions applicable to the regulated population and to the company's representatives (Chief Executive Officer and Directors) are set out in a full and transparent manner in the 2021 Universal Registration Document in Chapters 2.3 (Compensation and benefits paid to managers and corporate officers) and 8 (Draft resolutions on the compensation policy and compensation of the Chief Executive Officer and directors submitted to the Combined Shareholders' Meeting).

♦ Compensation of members of COFACE SA Board of Directors

In accordance with the provisions of the Pacte law, which came into force in November 2019, the attendance fee policy will be replaced by the director compensation policy starting in January 2020. The overall annual budget allocated for directors' compensation amounted to €450,000 for financial year 2021 (excluding compensation of the Chairman of the Board of Directors), split between the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations and Compensation Committee, as follows:

• Board of Directors

For members of the Board of Directors, the compensation policy is determined as follows:

- Fixed component: €8,000 per year (pro rata for the term of office);
- Variable component: €3,000 per meeting, capped at six meetings.

Note: the Chairman of the Board of Directors, Bernardo Sanchez Incera, an independent director, receives an annual fixed fee of €180,000, which is paid monthly.

• Financial Statements and Audit Committee

For members of the Audit and Accounts Committee, the compensation policy is determined as follows:

• Risk Committee

For members of the Risk Committee, the compensation policy is determined as follows:

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at six meetings)
Chairman	17.000 €	3.000 €
Committee Members	5.000 €	2.000 €

• The Nominations and Compensation Committee

For members of the Nominations and Compensation Committee, the compensation policy is determined as follows:

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at five meetings)
Chairman	8.000 €	3.000 €
Committee Members	3.000 €	2.000 €

- **Compensation of members of the Board of Directors of Compagnie française d'assurance pour le commerce extérieur**

On 10 May 2021, the General Meeting of Shareholders of Compagnie Française d’Assurance pour le Commerce Extérieur allocated a total annual budget of €65,000 as remuneration for directors for the 2021 financial year.

Each director is paid €750 per session, and this amount is doubled if they actually attend.

Employee directors of Compagnie Française d’Assurance pour le Commerce Extérieur and/or its subsidiaries who represent the management do not receive any compensation.

B.1.4 Information on significant transactions

For both COFACE SA and Compagnie française d'assurance pour le commerce extérieur, no significant transaction with shareholders, persons exercising significant influence on the company or members of the administrative, management or supervisory body took place in 2021.

B.2 Fit and Proper

The Group has set out a fit and proper policy, applicable to executive officers and heads of key functions at COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

B.2.1 Fit

All persons that perform the functions of director, effective executive officer, or head of key functions, general manager of a branch, or who have the authority to sign on behalf of the Group, should be fit, under all circumstances, to implement a sound and prudent management based on their professional qualifications, knowledge and experiences.

The assessment of the fit of these individuals includes an assessment of their degrees and professional qualifications, their knowledge and relevant experience in the insurance sector or in other financial or business sectors; it takes into account the various tasks entrusted to them and, where appropriate, their fit in the fields of insurance, finance, accounting, actuarial sciences and management.

Furthermore, to evaluate the fit of members of the Board of Directors, their training and their experience with respect to their responsibilities are taken into account, in particular the experience acquired as Chairman of a Board or a committee. The assessment of each person also takes into account the fit, experience and responsibilities of the other members of the Board of Directors on which they sit. When terms of office have been previously exercised, fit is presumed owing to the experience acquired. For new members, the assessment takes into account the training that they can have throughout their term of office.

COFACE SA ensures that directors collectively have the necessary knowledge and experience in the insurance and financial markets, Group strategy and its business model, its governance, financial and actuarial analysis, and the legal and regulatory requirements applicable to the Group, which are suitable to assume the responsibilities conferred to the Board of Directors.

B.2.2 Proper

Evaluating the good character of a person includes an assessment of their honesty and financial stability, based on tangible elements regarding his/her character, personal behaviour and professional conduct, including any information of a criminal, financial or prudential nature relevant for the purpose of this assessment.

Any person who has been subject to a final and binding conviction for any of the following in the past ten years may not carry out the functions of Board member, effective executive officer, head of key functions, general manager of a branch, nor hold the power to sign on the company's behalf:

- a crime;
- an unconditional term of imprisonment or a term of at least six months with a suspended sentence with regard to a crime or a criminal or administrative offence;
- removal from a public or ministerial office.

Persons serving as a Board member, effective manager, head of key functions, general manager of a branch, or who have the authority to sign on behalf of the Company, are required to provide as proof, a declaration of absence of bankruptcy and a police record or, failing that, an equivalent document issued by the relevant judicial or administrative authority of the original Member State of origin of these persons.

This fit and proper policy is applied by all direct or indirect subsidiaries of the Company and may be adapted in line with any stricter local regulations in this area.

The Company's fit and proper policy was approved by COFACE SA's Board of Directors on 15 February 2022 and by the Company's Board of Directors on 22 February 2022.

B.3 Risk management system including own risk and solvency assessment

B.3.1 Risk Management

Within the framework of the Group's activity, risk taking translates the search for business opportunities and the will to develop the Company in an environment intrinsically subject to numerous hazards. The essential goal of the risk management function is to identify the risks to which the Group is exposed and to set up an efficient internal control system to create value.

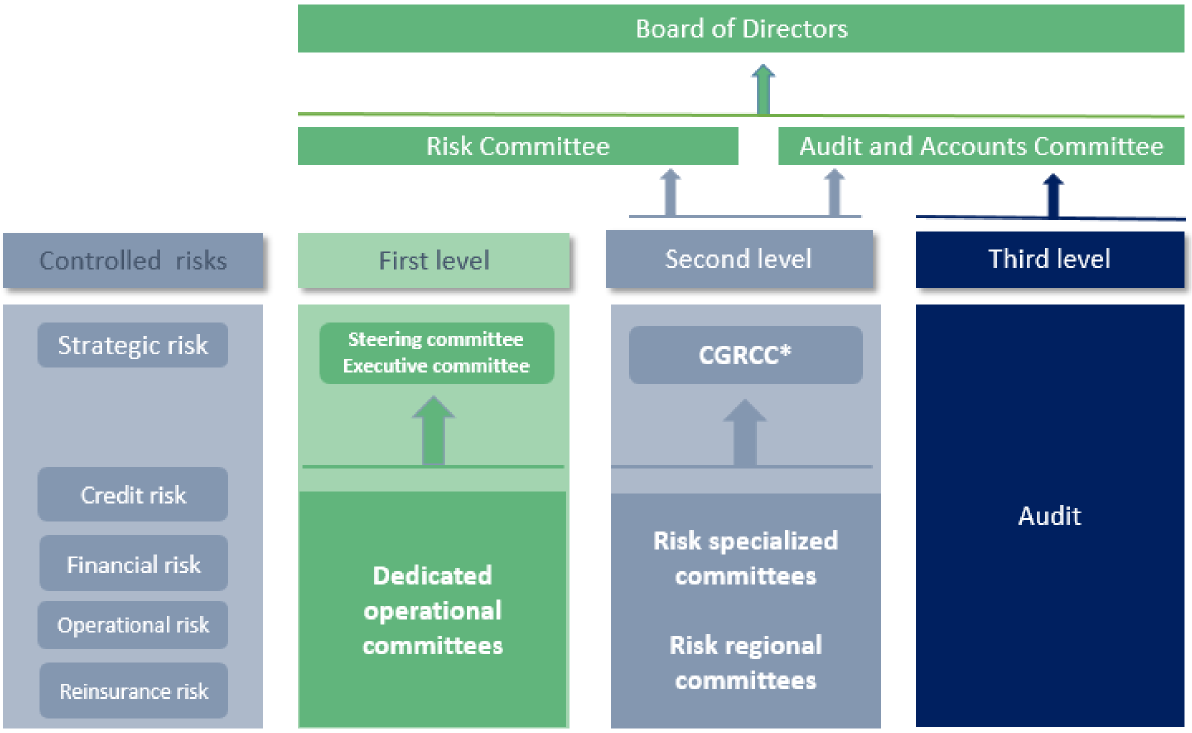
To address these risks, the Group has established a risk management structure to ensure i) the proper functioning of all of its internal processes, ii) compliance with the laws and regulations in all of the countries where it operates, iii) control of compliance by all operating entities with the Group rules enacted in order to manage the operations related risks.

The Group defines the internal control system as a set of mechanisms intended to ensure control of its development, profitability, risks and business operations. These mechanisms seek to ensure that i) risks of any kind are identified, assessed and controlled; ii) operations and behaviours are in accordance with the decisions made by the corporate bodies, and comply with the laws, regulations, values and internal rules of the Group; as concerns more specifically financial information and management, they aim to ensure that they accurately reflect the Group's position and business; and that iii) these operations are carried out with a concern for effectiveness and an efficient use of resources.

Lastly, this system provides managers with access to information and tools – required for the proper analysis and management of these risks. It also ensures the accuracy and relevance of the Group's financial statements as well as the information disclosed to financial markets.

- ## Governance structure

The Group has implemented a risk management and control system that is based on a clear governance supported by a dedicated organisation based on key functions. This is illustrated by the following diagram, which shows the linkages between, on the one hand, the three lines of risk control put in place at Coface and, on the other, the committees that report to Coface's Board of Directors and general management.



* Coface Group Risk and Compliance Committee (CGRCC)

A Regional Risk Committee exists for each of the seven regions where Coface operates and where the Group is represented by the Risk Director and the Compliance Director.

- ## Management structures and control mechanisms

The management structures and control mechanisms are based on the CGRCC. Under the chairmanship of the Chief Executive Officer, the CGRCC meets at least every quarter. Its composition and tasks are detailed in the "Governance structure" paragraph in Chapter 5.3.3 - Governance of the internal control system of the 2021 Universal Registration Document.

- ## Governance of the Partial Internal Model

COFACE has been using a Partial Internal Model (PIM) since 31 December 2019 to calculate the solvency capital requirement of the group. The Partial Internal Model follows a specific governance process, supported by successive approval committees that fall within the Group's governance framework. The governance of the PIM is intended to ensure the adequacy of decision-making that impacts the model, adherence to the model-related processes, and that feedback is shared with the Risk Committee of the

Board of Directors. The governance framework includes two policies dedicated to the PIM, in particular: the model change policy and the model validation policy.

The partial internal model follow-up committee ensures that the model works properly by overseeing the production, development and approval processes of the model and by approving proposals to the CGRCC.

In addition, the independent model validation process is based on the principles set out in the validation policy and complies with the Solvency II standards on internal model validation. It aims to independently obtain assurance that the process and results of the partial internal model are complete, solid and reliable, and that they meet all requirements of the Solvency II regulation. Independent approval monitors the adequacy of the PIM specifications over time. The work of the approval team, its conclusions, recommendations and associated action plans are presented to the Partial Internal Model follow-up committee. Finally, an escalation process is in place for independent approval, in order to involve the decision-making level most appropriate for the severity of the issues raised.

No significant change took place in the governance of the Partial Internal Model during the period.

Information on the scope of the Partial Internal Model, its structure, results and use is available in section E. of this report.

♦ Identification and control of risks

The Group's risk management system is intended to ensure the proper functioning of all of the company's activities and processes, via management and supervision of the risks identified. This system is based on the CGRCC.

• Identification of risks

The Group has identified five main types of risk: credit risk, financial risk, strategic risk, reinsurance risk and lastly operational and non-compliance risk.

Credit risks

Credit risk is defined as the risk of loss, due to non-payment by a debtor, of a receivable due to a policyholder of the Group.

Credit risk may be aggravated due to the concentration of our exposures (countries, sectors, debtors, etc.). Traditionally, we distinguish between frequency risk and catastrophe risk:

- frequency risk represents the risk of a sudden and significant increase in unpaid receivables for a multitude of debtors;
- peak risk represents the risk of abnormally high losses being recorded for a single debtor or group of debtors, or of an accumulation of losses for a given country.

The Group manages credit risk through numerous procedures, which cover the validation of the terms of the policy relating to the products, pricing, following of credit risk coverage and portfolio diversification.

Financial risks

Financial risks cover all risks associated with the management of assets and liabilities. They include investment portfolio risks, as well as risks related to factoring and the associated refinancing (see Universal Registration Document, **section 5.2.2. Financial risks**).

The risks associated with the investment portfolio can be defined as follows:

- interest rate risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the interest rate curve or the volatility of interest rates;
- currency risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of foreign exchange rates;
- liquidity risk results from the inability to deal with contractual or contingent payment obligations;
- equity risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities;
- real estate risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of property assets;
- spread risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of credit margins ("spreads") compared with the risk-free interest rate curve;
- counterparty risk results from the unexpected default, or deterioration in credit status, of the company’s counterparties or debtors.

Strategic risks

Strategic risk means the risk affecting the Group's results and solvency due to changes in market conditions, poor strategic decisions or poor implementation of these decisions and/or long-term and substantial damage to its reputation or image in the market.

Reinsurance risks

Given its risk appetite, COFACE SA and Compagnie française d'assurance pour le commerce extérieur reinsure themselves against the extreme risks they may encounter. Reinsurance Risk is defined as the loss that would ensue from any difference between the Group's risk appetite for extreme credit events and the coverage obtained from the reinsurance market.

Reinsurance generates four types of risk factors:

- residual insurance risk which may originate from differences between the reinsurance requirements and the actual coverage provided for in the treaty;
- counterparty risk that results from the potential inability or refusal of the reinsurer or a treaty party to meet its obligations to the ceding insurer;
- liquidity risk arising from the possible delay between the payment of the benefit by the insurer to its insured and the receipt of the reinsurance benefit;
- operational risk relating to the reinsurance treaty performance.

Operational risks and non-compliance

Operational risk is defined as a risk of direct or indirect losses, due to an inadequacy or failure regarding procedures and persons in all areas of activity, internal systems or external events.

Operational risk also includes the concept of legal risk, such as the risk of dependency. The Group considers that it does not depend on any trademarks, patents or licences whatsoever for its business activity or its profitability. As a matter of fact, in the context of its activity of marketing credit insurance solutions and additional services, the Group does not hold any patents. The corporate name “Coface” is protected by trademark registration, including in France. In the context of its activities, the Group has registered a number of trademarks, logos and domain names worldwide.

Non-compliance risk is defined as the risk of non-compliance with laws, regulations or the Group's internal policies and rules that may lead to sanctions, financial losses and damage to the Group's reputation (image risk). This risk is the risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation resulting from failure to comply with provisions specific to banking and financial activities, whether they are of a legislative or regulatory nature, or whether national or European that are directly applicable or whether they amount to professional and ethical standards or instructions from the actual executive officers decided on, in particular, in application of the guidelines of the supervisory body.

It is worth noting that the risk of internal and external fraud is also monitored by the Compliance Department.

B.3.2 Procedure for the own risk and solvency assessment

The ORSA (Own Risk and Solvency Assessment) policy, applicable for COFACE SA and also Compagnie française d'assurance pour le commerce extérieur, describes the process used for the internal assessment of risks and solvency and its integration into the structures of the relevant companies.

COFACE SA’s Risk Committee is the body managing all of the ORSA process on behalf of COFACE SA’s Board of Directors. It establishes the ORSA assumptions and approves the results, basing itself on the guidelines issued by the CGRCC (Coface Group Risk and Compliance Committee), which acts on behalf of both COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

The ORSA is assessed and approved by the Boards of COFACE SA and Compagnie française d'assurance pour le commerce extérieur on an annual basis but may be requested after any change in the company’s risk profile (creation of a new product, change in the reinsurance structure, etc.).
It may also be reviewed in the context of a change in the structure of equity by tier, particularly following buybacks, refunds, or expiries.

Furthermore, the ORSA is integrated into the strategic decisions made by COFACE SA and Compagnie française d'assurance pour le commerce extérieur as a risk appetite management tool. An assessment of the overall solvency requirement carried out in the context of the ORSA allows solvency to be analysed on a consolidated basis and on a solo basis over the projection horizon following a major shock (similar to the 2008 crisis). The overall solvency requirement allows the Solvency range communicated in the strategic plan, which expresses the Group’s risk appetite, to be defined and monitored.

The ORSA model is identical for COFACE SA (Group) and for Compagnie française d'assurance pour le commerce extérieur (Solo), with the only difference being the scope of exposure to risks. The governanc of Group and Solo ORSAs is common to both (except for the approval by their respective Board) results in a single ORSA declaration within the meaning of article 246 of directive 2009/138/EC.

B.4 Internal control system

B.4.1 Internal control

The internal control system is based on the same functions as the risk management system, and is designed to verify the implementation of the rules and principles defined for the risk management system. Details of the mechanism can be found in the paragraph on the Internal control system in chapter 5.3.1 - Internal control system of the 2021 Universal Registration Document.

B.4.2 Compliance function

The compliance function ensures that the Coface Group remains compliant with the laws and regulations applicable to its business and implements internal rules and standards relating to the main risks of non-compliance listed below:

- Anti-money laundering and combating the financing of terrorism
- Compliance with embargoes, asset freezes and other international financial sanctions
- Prevention of active/passive corruption and influence peddling
- Managing conflicts of interest, agreements or arrangements between competitors
- Protection of clients, fair treatment of intermediaries
- Professional ethics
- Compliance with the laws and regulations related to insurance activities in connection with compliance issues
- Vigilance regarding fraud
- Data protection and confidentiality

B.5 Internal audit function

♦ **Organisation of the internal audit function**

The Group's Internal Audit Department is placed under the responsibility of the Group Audit Director, who is also in charge of the key internal audit function. The Group Audit Director attends the Group General Executive Committee meetings in an advisory capacity. The Group Audit Director reports hierarchically to the Group's Chief Executive Officer.

The Group Audit Department is in particular in charge of auditing Head Office, regional and local entity functions. It is organised in the following manner:

- A central team, based at the head office in Paris
- Regional audit officers
- Local auditors (Region or country)

The Coface Group's audit function is integrated hierarchically (except in the event that local regulations should require an auditor to report to the entity's Board of Directors).

Even if local and regional auditors are more particularly in charge of their specific geographical area, they are now likely to be involved across all of the Group's auditable units, therefore ensuring that resources and skills are pooled.

Independence of the internal audit function

The independence of the audit function is a fundamental part of its assignment. It must be kept free from all interference in the definition of its scope of intervention, in the performance of its work or in the communication of its results. It is strengthened by the hierarchical structure in place.

The Group audit director has every latitude for involving the chairman of the Audit committee and has free access to the Audit committee. Where necessary, and after consulting the chief executive officer and/or the chairman of the Audit Committee, the Group audit director may inform the ACPR (French prudential and resolution control authority) of any breach of which he/she may become aware.

The Group Audit Department does not perform any operational activity. It does not define or manage its controlled mechanisms. In order to avoid any conflict of interests, any new auditor must wait for a minimum period of one year before intervening on a process or entity where he/she has been previously involved. Internal auditors are not responsible for any other function. Lastly, the Group Audit Department has access to all information, all systems and all persons required for carrying out its audit assignments. In this context, no professional secrecy or reserved area can be invoked against it.

Main objectives of the internal audit function

The key objectives of this function include evaluating all or a selection of the points below, according to the scope of each assignment, and according to a risk-based approach, and reporting on them:

- the quality of the financial position;
- the level of risks effectively incurred;
- the quality of organisation, management and governance;
- the coherence, relevance and smooth operation of risk assessment and control mechanisms, and their compliance with regulatory requirements;
- the reliability and integrity of accounting information and management information, including information linked to Solvency II issues;
- adherence to the Group's laws, regulations and rules (compliance) and to the main decisions taken by the Board of Directors. Auditing checks the quality and relevance of the procedures implemented to ensure compliance with laws, regulations and professional standards applicable to the audited activities in France and abroad, and the Group’s policies, decisions by its corporate bodies, and its internal rules;
- the quality, effectiveness and smooth operation of the permanent control mechanism in place and other components of the governance system;
- the quality and level of security offered by the information systems; and
- the effective implementation of the recommendations of prior audit missions, whether they derive from the proceedings of the Group’s audit function or from external audits by the supervisory authorities.

The missions are defined in an audit plan approved by the Audit Committee/Board of Directors and cover the entire Group scope over a limited number of financial years. An audit mission ends with a written report and recommendations which are implemented under the supervision of the audit function.

B.6 Actuarial function

The actuarial function is performed by the Director of the Actuarial Department, who has reported to the Chief Financial Officer since July 1, 2016.

The actuarial function has direct access to the boards of directors in the performance of its duties.

In accordance with the requirements of the European Solvency II Directive, the actuarial function is in charge of the following tasks:

- coordinates the calculation of technical provisions: the actuarial function organizes the reserving process through the steps described in section 2. In particular, it sends to the entities the reserving guidelines at the beginning of the process.
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions: the methodologies for calculating reserves are analysed annually. The analysis is declined in the actuarial report.
- assesses the sufficiency and quality of the data used in the calculation of technical reserves: a dedicated team is in charge of data quality analysis. Independent tests are performed as part of the actuarial report.
- compares best estimates against experience: an analysis of the boni-mali is made in this report.
- informs the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical reserves: the actuarial report is sent by the actuarial function to the Board of Directors. The actuarial function also informs management at the quarterly Group Reserving Committees.
- oversees the calculation of technical reserves in the cases set out in Article 82.
- expresses an opinion on the overall underwriting policy: the advice given by the actuarial function is documented in the actuarial report on underwriting policy.
- expresses an opinion on the adequacy of reinsurance arrangements;
- contributes to the effective implementation of the risk management system under Article 44. In particular, it ensures compliance with provisioning and commercial underwriting policies and the correct implementation of reinsurance, through specific studies listed in the actuarial report.

The Group Actuaral Director is also responsible for coordinating the processes for IBNR provisioning processes under IFRS. He supervises the methodologies relating to the calculation of capital requirement calculations within the framework of the Solvency 2 standard formula for technical reserves and and SCR Underwriting. He also carries out the implementation, calibration and production work model as well as the production of the quantitative aspects of the ORSA.

COFACE SA is a group in which the Actuarial Department is integrated into the various decision-making processes, from underwriting to reinsurance, including provisioning.
The actuarial report consisted in 2021 in 3 different reports:

- an actuarial report on the reserving process
- an actuarial report about reinsurance
- An actuarial report on the underwriting process.

B.7 Subcontracting

B.7.1 Outsourced activities or functions

Outsourcing important or critical activities or operational functions is subject to a Group internal policy called the "Framework Policy on Outsourcing Coface Group Activities" and is defined in accordance with Articles L. 354-3 and R. 354-7 of the French Insurance Code (Code des assurances) transposing Article 49 of the European Directive 2009/138/EC dated 25 November 2009 called "Solvency II", Article 274 of the delegated regulation (EU) 2015/35 dated 10 October 2014 and point 12.4 of the "Solvency II - Governance System" notice of the Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution).

Implemented in 2013 this policy has been reviewed annually since then and updated in 2021 following approval by the Boards of Directors of COFACE SA in July 2021 and of Compagnie française d'assurance pour le commerce extérieur in September 2021. The outsourcing policy aims to identify significant or critical outsourced services and so-called "standard" services and functions, as well as to define:

(i) the criteria for qualifying the concept of outsourcing;

(ii) the regulatory clauses to be stipulated in the outsourcing contracts for important or critical activities and functions, as well as

(iii) the process for prior approval by the Company's Board of Directors and that of COFACE SA of projects to outsource significant or critical activities and functions, as well as the process of notifying the ACPR of such outsourcing projects;

(iv) the control tools at several levels to ensure compliance with the rules and processes established by this policy.

The policy deems the following activities and/or functions important or critical:

- the following four key functions, referred to in Article L.354-1 of the French Insurance Code (code des assurances):
  - the risk management function,
  - the compliance verification function,
  - the internal audit function and
  - the actuarial function, as well as
- functions which, if interrupted once outsourced, could have a significant impact on the company's business or on its ability to manage risks effectively, or which could negate the terms under which its agreement was given with regards to the following:
  - the cost of the outsourced activity;
  - the financial and operational impact or the impact on the company's reputation due to the service provider's inability to accomplish the service within the given deadline;
  - the difficulty of finding alternative provider or of taking over the activity directly within a timeframe that is considered acceptable;
  - the company's ability to meet regulatory requirements if the company encounters issues with the service provider;
  - the potential losses for the policyholders, underwriters, or beneficiaries of policies or the reinsurance companies if the service provider fails.

To date, the significant or critical activities outsourced by Compagnie Française d'Assurance pour le Commerce Extérieur and its branches located within the EU mainly concern (i) the management of the Company's financial investments, (ii) the hosting of IT systems, and (iii) the issuing of surety bonds in Germany. Key functions are rarely outsourced except for the Know Your Customer ("KYC") process, which is outsourced internally at Coface Group and relates to customers of the French entity Compagnie française d'assurance pour le commerce extérieur and the outsourcing of actuarial services by the German branch and the Polish branch.

B.7.2 Service provider quality

When certain activities or functions are outsourced, Compagnie française d'assurance pour le commerce extérieur and all its branches located within the EU have committed to selecting service providers who meet high-quality service standards and have the qualifications and skills necessary to handle the outsourced service, whilst avoiding any conflicts of interest and respecting the commitments of confidentiality applying to Coface Group entitles. Where important or critical activities are concerned, they have also undertaken to inform the ACPR (the French Prudential Supervision and Resolution Authority) of any outsourcing project approved by the Company's Board of Directors and that of COFACE SA, no later than six weeks before the date of entry into force of the contract, in accordance with the applicable regulations. . Finally, any outsourcing contract to be signed with a chosen service provider must include the mandatory clauses imposed by the outsourcing policy.

B.8 Other information

No other material information is to be made publicly available.

/ C. RISK PROFILE

C Risk profile

C.1 Underwriting risk

The main risk for Coface is the risk associated with the commercial underwriting of insurance policies offered to its clients. It occurs when the amount of claims deviates from the estimates.
The Group’s main business line is credit insurance. The Group also carries out factoring activities in Germany and Poland. Consequently, the commercial underwriting risk borne by Coface corresponds to a credit risk, as defined in section B.3.1.

C.1.1 Exposure

The exposure to credit risk arises mainly from the following risk factors:

- **Risk of poor control of exposures**: a downturn in the economic cycle (global, sectoral or country) or a failure in Coface's management systems could result in a delayed reduction and/or concentration of exposures to a debtor or group of debtors, an economic sector or a country. These factors could contribute to a higher level of credit risk.
- **Risk of debtor default**: the risk of default by one or more debtors may be underestimated, especially in the event of a sudden change in the economic situation, internal failures by debtors, over-estimation of the quality of our debtors, or poor quality of the information available on debtors' creditworthiness.
- **Risks related to the constitution of technical insurance provisions:** In order to establish technical provisions for claims incurred, the Group makes estimates, which are mainly based on market actuarial methods (mainly Chain-Ladder and Bornhuetter Ferguson methods) applied to historical data triangles. Experience variances may be observed retrospectively, between the estimates made by the Group and the ultimate costs of claims incurred. Deficiencies in the quality of the data used or a deterioration in the economic environment not reflected in the projections may render the estimates inadequate and consequently have an unfavourable effect on the Group's financial position or solvency margin.

The overall level of exposure to underwriting risk is measured by the non-life underwriting SCRs of Coface SA and Compagnie française d'assurance pour le commerce extérieur, which are detailed in Section E of this document.

C.1.2 Risk mitigation techniques

Since January 2015, the Group’s external reinsurance is carried out by Coface Re on behalf of the Group’s entities. The Coface Group’s external reinsurance is intended to cover both the frequency of claims, catastrophe risk (on a debtor group or on the whole portfolio) and the risk of recession.
Catastrophe risk is addressed by means of one quota share treaties (which also cover frequency risk) and excess of loss treaties (by debtor and by country).
Risk of recession is also addressed by a stop-loss treaty against the disproportionate change in the frequency of claims.
These claims may also be limited by “disbursement limits”. This means a compensation cap for each policy expressed as a percentage of premiums (30 times the premium for example). For 2021, excess of loss treaties as well as the annual stop-loss treaty have not been triggered.

C.1.3 Risk concentration

COFACE SA and Compagnie française d'assurance pour le commerce extérieur have put indicators in place to monitor concentration risks (debtors or group of debtors, sectors and geography) which are managed at least quarterly and fully integrated into the risk appetite of the companies.

Regarding risks on major debtors, a specific body periodically monitors the cumulative risks of more than €500 million on a debtor or a group of debtors and these are then subject to coverage by the Group's XS[1] reinsurance programme.

Furthermore, through the operational management of their activities, COFACE SA and Compagnie française d'assurance pour le commerce extérieur are implementing procedures making it possible to manage debtor risks in the event of deterioration of the claims rate together with reinsurance programmes as described in chapter E.

[1] *Claims excess*

C.2 Market risk

C.2.1 Exposure

Market risk covers all financial risks related to changes in the market value of the investment portfolio. These risks include interest rate, currency, equity, property and spread fluctuations.

Since May 2013, COFACE SA centralised the management of its investments and delegates a major part of this management to various delegated representatives under the aegis of a single investment service provider - the Amundi management company. Coface Re, an entity created in September 2014 and the Group's dedicated reinsurance company, has also delegated the management of its investments to various delegated representatives under the aegis of the Amundi management company, in a dedicated manner and under its own governance.

This platform allows the management of the Group's overall portfolio in line with a target allocation of the various asset classes determined by including (i) risk and liquidity constraints, (ii) regulatory and insurance-related constraints, (iii) capital expenses and compatibility of investments in terms of risk and duration with the Group's liabilities.

This organisation allows the Group access to diversify asset classes and management techniques with the aim of looking for a steady performance for its investment portfolio in the long term while at the same time maintaining a high level of quality and liquidity in underlying assets. It also ensures better monitoring of financial risks, reduces operational risks and allows a more responsive and fine-tuned management of the Group's financial income in a context of general risk that is managed and in line with current and future regulatory requirements.

In terms of governance and control of the policy on investments, the organisation is as follows:

- the Board of Directors ensures compliance with rules relating to insurance regulation: representation of regulated commitments, diversification of assets, congruity, solvency;
- twice a year, the Strategic investment committee reviews the Group's strategic allocation proposed by the manager in consultation with the Group's investments, financing and cash management department. The body therefore defines and reviews the general strategies that are desirable in terms of policy on investment and exposure to various asset classes, dictated by the market situation, the evolution of the Group's funds inflow and liabilities, the optimisation of returns and the evolution of enforceable regulatory constraints.

In addition to these two bodies which govern the general organisation of the Group's investment policy, other specialised committees enable a constant monitoring of the management of investments and its results:

- The monthly investment committee: deals with the evolution of financial markets and the detailed review of the Group's investments. Macroeconomic scenarios and underlying risk factors are presented by the manager together with an analysis of the investment strategies and possible tactical recommendations
- the half-yearly risk committee: is dedicated to the coverage and management of risks, in relation with the manager's services. It therefore covers investment risks (market risk, spread risk (including counterparties and derivatives), liquidity risk) and operational risks. These risks are considered in particular with regard to the meaning given to them by the Solvency II Directive
- The quarterly ALM Committee is responsible for ensuring that all interest rate, liquidity and exchange rate risks are effectively identified, measured, managed and controlled, across all COFACE's businesses and geographical areas.

The Group has introduced an investment policy taking into account the management of financial risks by defining its strategic allocation, the regulations applicable to insurance companies and the investment constraints resulting from managing its liabilities. The investment strategy applied must enable the Group to honour its commitments to its policyholders while optimising the investments and their performance within a defined risk framework.

The Group's investment policy, reviewed twice a year, focuses in particular on strategic asset allocation, asset classes and products eligible for investment, target portfolio maturity, management of any hedges and policy on management of the Group's income. The allocation defined each year is based on analysis of the liabilities, simulations and stress on the risk/return behaviour of the various asset classes in the portfolio and on the compliance with defined parameters associated with the Group's business and commitments: target sensitivity, use of shareholders' equity, maximum loss in line with the behaviour of financial markets, quality and liquidity of the investment portfolio.

The management of financial risks is therefore based on a strict system of standards and checks that is constantly under review.

As an insurance company, the Group retains an allocation predominantly focused on fixed-income instruments offering more recurrent and stable revenues[2].

Investment Portfolio	**As of Dec. 31**			
COFACE SA	**2021**		**2020**	
(in millions of euros; at fair value)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	213	7,0%	231	8,2%
Equities	233	7,6%	152	5,4%
Bonds	2 110	68,9%	1 912	67,6%
Loans, deposits and other financial investments	507	16,6%	535	18,9%
Total financial assets	**3 063**	**100%**	**2 829**	**100%**

Investment Portfolio	**As of Dec. 31**			
La Compagnie	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	166	6,7%	186	8,0%
Equities	188	7,6%	117	5,1%
Bonds	1 546	62,2%	1 407	60,7%
Loans, deposits and other financial investments	584	23,5%	609	26,3%
Total financial assets	**2 485**	**100%**	**2 319**	**100%**

As at 31 December 2021, bonds accounted for 68.9% of the Group's total investment portfolio. The same observation can be made at the level of Compagnie française d'assurance pour le commerce extérieur where the bond portfolio represented the largest part of the investment portfolio (62.2%), while allocations in equities and property remained substantially similar to those of the Group.

Specific limits applied to the whole investment portfolio are also defined in terms of the portfolio's rating, counterparty and country limits. A regular follow-up is carried out on the credit portfolio's liquidity, the evolution of spreads and the Group's cumulative exposure to the main asset/liability exposures. Hedging operations are finally carried out where appropriate: they are systematic on foreign exchange risk and discretionary on interest rate and spread risks.

[2] *The figures presented may differ from those in the Universal Registration Document. This difference is due to a Solvency II presentation in this document and an IFRS presentation in the Universal Registration Document.*

As at 31 December 2021 and 2020, the main features of the bond portfolio were as follows:

Distribution by geographic zone of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	228	10,8%	246	12,9%
Emerging countries	252	11,9%	210	11,0%
Europe outside the eurozone	254	12,0%	237	12,4%
North America	524	24,8%	410	21,4%
Eurozone	851	40,3%	809	42,3%
Others	1	0,0%	1	0,0%
Total	**2 110**	**100%**	**1 912**	**100%**

The investment portfolio is primarily exposed to developed countries in the eurozone and in North America. Exposures to Greek sovereign debt remain at zero. In 2021, the Group increased its international diversification, particularly in emerging countries and North America, to take advantage of higher rates of return or to track the various increases in rates, while capitalising on the reduced cost of foreign exchange hedging.

The breakdown by geographical area over the scope of consolidation of Compagnie française d'assurance pour le commerce extérieur remained in line with that of the group with a strong leaning towards the eurozone (41.3%).

Distribution by geographic zone of the bond portfolio La Compagnie *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	209	13,5%	223	15,9%
Emerging countries	142	9,2%	124	8,8%
Europe outside the eurozone	216	13,9%	184	13,1%
North America	341	22,0%	271	19,3%
Eurozone	638	41,3%	604	42,9%
Others	1	0,0%	1	0,0%
Total	**1 546**	**100%**	**1 407**	**100%**

The interest rate risk carried by the Group on its financial portfolio was limited, since the maximum sensitivity authorised on the bond asset class was intentionally capped at 5[3]. As at 31 December 2021, the bond portfolio's sensitivity stood at 4.01 for the Group and 4.11 for Compagnie française d'assurance pour le commerce extérieur.

Subsidiaries or branches whose financial statements are drawn up in euros and who underwrite in other currencies must comply with the same principles of congruity (matching between assets and liabilities denominated in a currency other than the one used as reference in the issuance of accounting statements). Open positions in other currencies may be hedged in exceptional cases. The Group does not make foreign currency investments for speculative purposes.

[3] *The sensitivity of a bond measures its loss of value if interest rates rise. For example, a bond with a sensitivity of 5 will lose 5% of its market value if interest rates rise by 1%.*

The majority of the Group's investment instruments are denominated in euros. Exposure to foreign exchange risk in respect of the investment portfolios is limited: as at 31 December 2021, 71.1% of investments were therefore denominated in euros.

Breakdown by currency in the investment portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	2 196	71,7%	2 136	75,5%
USD	421	13,7%	274	9,7%
Other (<3%)	447	14,6%	419	14,8%
Total	**3 063**	**100%**	**2 829**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, we find the same high exposures to the EUR (73.4%) and the USD (10%).

Breakdown by currency in the investment portfolio La Compagnie *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	1 823	73,4%	1 802	77,7%
USD	248	10,0%	148	6,4%
Other (<3%)	413	16,6%	369	15,9%
Total	**2 485**	**100%**	**2 319**	**100%**

C.2.2 Risk mitigation techniques

The Group's investment department, in charge of supervising investments and managing the investment portfolio, may authorise the use of hedges on the risk of rising interest rate or equities, by means of forward financial instruments (swaps, futures, options) that can be liquid on a regulated market or privately with counterparties rated A- or more.

These transactions are carried out exclusively for hedging purposes and in strict compliance with the regulations applicable to insurance companies. The nominal value of the hedge is then strictly limited to the amount of underlying assets held in the portfolio (equities or interest rate instruments) in order to hedge the assets actually held in the portfolio.

C.2.3 Sensitivity to risk

Monthly simulations are also carried out on the invested portfolio of the Group, Compagnie française d'assurance pour le commerce extérieur and Coface Re and presented at investment committee meetings. Over different periods, these cover the expected maximum loss in terms of economic performance asset class by asset class with special attention to interest rate and spread risks in particular.

Such sensitivity tests cover all asset classes where the Group is invested and allow each month to appraise the portfolio overall risk exposure in the event of adverse scenario and to take possible precautions for reducing this risk as applicable (reduced exposure to certain risk factors, introduction of hedging strategies, protection of the economic result over a given period, etc.).

It is desirable for results to be representative of the various risks relating to investments made but, like any quantitative analysis, they present limitations associated with the data and models used.

The tables below show that the sensitivity of the portfolio, excluding the impact of the equity hedge in place, is stronger on bonds and equities at 31 December 2021 than in 2020, as a result of rebalancing the portfolio allocation to reflect its pre-crisis allocation.

<u>Sensitivity of the portfolio to changes in stock and bond markets as of 31 December 2021</u>

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As of Dec. 31, 2021**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	2 110	-84,5	0,0	0,0
Equities	233	0,0	-23,3	-46,5
Total	**2 343**	**-84,5**	**-23,3**	**-46,5**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As of Dec. 31, 2021**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1 546	-63,6	0,0	0,0
Equities	188	0,0	-18,8	-37,6
Total	**1 735**	**-63,6**	**-18,8**	**-37,6**

<u>Sensitivity of the portfolio to changes in stock and bond markets as of 31 December 2020</u>

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As of Dec. 31, 2020**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1 912	-79,8	0,0	0,0
Equities	146	0,0	-14,6	-29,2
Total	**2 058**	**-79,8**	**-14,6**	**-29,2**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As of Dec. 31, 2020**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1 407	-61,8	0,0	0,0
Equities	115	0,0	-11,5	-23,1
Total	**1 522**	**-61,8**	**-14,4**	**-28,9**

To the extent that shares and bonds are accounted for in the available-for-sale category, sensitivity would have an impact on "other comprehensive income", to which shareholders' equity is sensitive. Unrealised gains and losses on these financial securities have no impact on the net income, except for any impairment recorded. In the event of a sale, the resulting profit or loss would have an effect on the operating result in the income statement.

C.3 Credit risk

C.3.1 Exposure

Credit risk is the probability of financial loss resulting from the inability of issuers or other counterparties to meet their financial commitments. It may be worsened by the concentration of exposures to a single counterparty, sector or country in the investment portfolio. This risk is taken into account in the investment policy with an imposed portfolio diversification but also a management of the outstanding amounts divided between several asset managers.

Investments in corporate bond securities represent 59.4% of the Group bond portfolio and are concentrated over 93% on companies of investment grade quality. For Compagnie française d'assurance pour le commerce extérieur, corporate bond securities represent 64.2% of the bond portfolio and are concentrated over 93% on companies of investment grade quality. The non-sovereign portion increased by 2% across the Group and 3% across Compagnie française d'assurance pour le commerce extérieur between 2020 and 2021.

Breakdown by type of debt in the bond portfolio	**As of Dec. 31**			
COFACE SA	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	858	40,6%	820	42,9%
Non-sovereign	1 253	59,4%	1 092	57,1%
Total	**2 110**	**100%**	**1 912**	**100%**

Breakdown by type of debt in the bond portfolio	**As of Dec. 31**			
La Compagnie	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	553	35,8%	548	39,0%
Non-sovereign	993	64,2%	859	61,0%
Total	**1 546**	**100%**	**1 407**	**100%**

These investments were all carried out in a strictly defined risk context; the quality of issuers, the sensitivity of issues, the dispersion of issuer statuses and geographical areas are the subject of specific rules defined in the different management mandates granted to the Group's dedicated managers.

The bond portfolios of the Group and Compagnie française d'assurance pour le commerce extérieur remain primarily invested in rated companies and countries rated in investment grade[4]. category. The breakdown by rating for Compagnie française d'assurance pour le commerce extérieur is very similar to that of the Group with a significant proportion on bonds having AA-A and BBB ratings.

Breakdown by rating of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	236	11,2%	213	11,1%
AA - A	1 144	54,2%	998	52,2%
BBB	616	29,2%	613	32,0%
BB - B	115	5,4%	89	4,7%
< CCC	-	0,0%	-	0,0%
Total	**2 110**	**100%**	**1 912**	**100%**

Breakdown by rating of the bond portfolio La Compagnie *(in millions of euros)*	**As of Dec. 31**			
	2021		**2020**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	144	9,3%	139	9,9%
AA - A	837	54,1%	742	52,7%
BBB	494	32,0%	469	33,4%
BB - B	70	4,6%	57	4,0%
< CCC	-	0,0%	-	0,0%
Total	**1 546**	**100%**	**1 407**	**100%**

Within the Group investment policy, which therefore applies to Compagnie française d'assurance pour le commerce extérieur, the Group has defined maximum authorised exposure thresholds. Such thresholds apply to exposures other than sovereign and make it possible to limit the risk on a single issuer. These limits are set in line with the rating associated with the issuers.

Limits are also set on sovereign bonds in order to limit the risk on specific countries. Such exclusions or limits are defined according to the current events, the Coface country rating and the rating produced by rating agencies.

One finds mainly sovereign exposures and Groups recognised worldwide.

C.3.2 Risk mitigation techniques

Within the introduction of its investment policy, the Group has defined specific limits applying to the whole investment portfolio in terms of rating of the portfolio, limits by counterparties and countries. A regular follow-up is carried out on the credit portfolio’s liquidity, the evolution of spreads and the Group’s cumulative exposure to the main asset/liability exposures. Hedging operations can also be carried out in a discretionary basis on the spread risk. However, as at 31 December 2021, the portfolio of the Group and of Compagnie française d'assurance pour le commerce extérieur were not party to any.

[4] *According to the Standard & Poor's rating scale, all bonds with a rating of at least BBB- are considered investment grade and bonds with a rating of BB+ or lower are considered high yield*

C.4 Liquidity risk

Liquidity risk corresponds to the risk that COFACE SA and Compagnie française d'assurance pour le commerce extérieur are not in a position to deal with their payment obligations using their respective liquid financial resources.

The liquidity risk is subject to specific risk limits monitored in the context of the risk appetite of COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

C.4.1 Exposure

Follow-up of the liquidity risk is framed by the liquidity and concentration risk policy whether for COFACE SA or Compagnie française d'assurance pour le commerce extérieur.

The insurance business functions with a reverse production cycle: premiums are collected before the payment of claims. Furthermore, the liquidation period of a provision is less than three years, and all such provisions are covered by liquid assets. Accordingly, the liquidity risk relating to the insurance business is considered to be low.

Liquidity risk is monitored through analysis by the Group treasury department providing cash flow availabilities and forecasts from the various entities across the whole scope of consolidation. Such data is the subject of constant analyses allowing to manage liquidities for purposes of monetary needs or financial investments in the event of recurring excess liquidities.

The majority of other fixed-income products and all equities in the Group’s portfolio are listed on OECD markets and present a liquidity risk deemed to be low at this time.

The Group’s bond portfolio presents a short maturity, in line with its liabilities. The breakdown of bond maturities is shown below:

Breakdown by maturity of the bond portfolio	**As of Dec. 31**			
COFACE SA	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	311	14,7%	281	14,7%
1 year < > 3 years	570	27,0%	466	24,4%
3 years < > 5 years	487	23,1%	407	21,3%
5 years < > 10 years	627	29,7%	612	32,0%
>10 years	115	5,5%	146	7,6%
Others	0	0,0%	0	0,0%
Total	**2 110**	**100%**	**1 912**	**100%**

41.7% of securities in the bond portfolio had a maturity of less than three years as at 31 December 2021.

An insurance company’s liquidity position is assessed by standards that measure the company’s ability to meet its financial obligations.

The breakdown by maturity over the scope of consolidation of Compagnie française d'assurance pour le commerce extérieur is in line with that of the Group:

Breakdown by maturity of the bond portfolio	**As of Dec. 31**			
La Compagnie	**2021**		**2020**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	193	12,5%	208	14,8%
1 year < > 3 years	418	27,0%	299	21,2%
3 years < > 5 years	354	22,9%	288	20,4%
5 years < > 10 years	486	31,4%	486	34,6%
>10 years	96	6,2%	126	9,0%
Others	0	0,0%	0	0,0%
Total	**1 546**	**100%**	**1 407**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, 39.5% of securities in the bond portfolio had a maturity of less than three years as at 31 December 2021.

C.4.2 Risk mitigation techniques

The portfolio’s liquidity via the breakdown by maturity, the maximum threshold of average maturity written into Group rules and through the high monetary level within the allocation give natural protection against an illiquidity peak.

Depending on the results of liquidity monitoring carried out by the Risk and ALM committees, the Group may decide to increase the portfolio’s liquidity by focusing primarily on two areas: increasing the cash component of the asset allocation and/or reducing the portfolio’s average maturity.

C.4.3 Sensitivity to risk

The liquidity of the portfolio of OECD credit bonds and sovereign bonds from emerging markets is monitored on a regular basis via market indicators (evolution of flows, spreads, purchase and sale spreads) and the manager carries out regular analyses on liquidation time frames and costs of lines in portfolios (duration of partial / total liquidation, cost of immediate liquidity and liquidity under stressful market conditions…). These studies are presented in the context of the Risk committee which meets on a half-year basis.

Regarding factoring, the average duration of factoring receivables is very short (less than six months), which reduces the liquidity risk attached to these activities. The Group has put several financing programmes in place: a securitisation programme for its factoring trade receivables, bilateral credit lines with various partners together with a commercial paper issuance program.

C.4.4 Expected profits in future premiums[5]

For the Coface Group, expected profits included in future premiums in 2021 were €93.4 million, compared to €52.3 million for Compagnie française d'assurance pour le commerce extérieur.

They are calculated in accordance with Article 260, paragraph 2, of Delegated Regulation EU/2015/35, as the difference between technical provisions excluding risk margin with and without future premiums.

C.5 Operational risk

Operational risk is defined as a risk of direct or indirect losses, due to an inadequacy or failure regarding procedures and persons in all areas of activity, internal systems or external events.

Non-compliance risk is defined as the risk of non-compliance with laws, regulations or the Group's internal policies and rules that may lead to sanctions, financial losses and damage to the Group's reputation (image risk). The Compliance Department also covers internal and external fraud risks.

Managing and reducing operational risks relies on a Level 1 and Level 2 control plan, which covers all the Group's entities. All of the controls, the anomalies revealed and related action plans is managed within a single software programme (ENABLON), which was rolled out to all Group entities. The management of risks and controls is carried out at the level of each legal entity in order to ensure compliance with the requirements of regulators at "Solo" and "Group" level. The group has also set up a risk map, managed in Enablon, which covers all the group's insurance entities, the entities that are supervised or regulated, and the main service entities.

More details on operational risk measures are available in section 5.2.5.1 Operational and non-compliance risks of the Universal Registration Document.

C.6 Other material risks

Reputational, strategic or regulatory risks and emerging are the subject of special processes.

These types of risk are incorporated into the risk mapping but are not quantified in the standard SCR formula. Their assessment and the definition of an appetite for such risks pass through appraisal criteria of a qualitative nature and their monitoring takes the form of a surveillance system.

[5] In 2021, the EPIFP (Expected Profits In Future Premiums) was not included in the equity QRT; it is referred to in the report and developments will be implemented such that the EPIFP is also reported in the QRT in 2022.

C.6.1 Reputational risk

Reputational risk corresponds to the negative impact that an internal or external event may have on the reputation of Compagnie française d'assurance pour le commerce extérieur or COFACE SA.

The Group has developed a mechanism to reduce this risk in particular through the compliance policy and a code of conduct together with clear rules on internal and external communication. Reputational risk is also mitigated by the control mechanism put in place within the Compliance function.

C.6.2 Strategic risk

Strategic risk means the risk affecting our results and solvency due to changes in market conditions, poor strategic decisions or poor implementation of these decisions and/or long-term and substantial damage to our reputation or image in the market.
The Group Strategy and Development Department manages the strategic planning process by working with the General Executive Committee. They meet on a regular basis to assess the plan's effectiveness and determine necessary changes, where applicable. The Board of Directors is ultimately responsible for monitoring strategic risk.

C.6.3 Emerging risks

Emerging risks cover new situations that may lead to increased exposure to risks already identified or to new risks, and for which the impacts on the company's earnings or equity, on its reputation or on the achievement of its strategic objectives are not always quantifiable.

C.7 Other information

The sensitivity to different risk factors is monitored on a recurring basis by the Group. Firstly, sensitivities to risk factors taken individually are measured. Secondly, scenarios making it possible to measure the sensitivity of the solvency ratio to combined shocks from risk factors.

C.7.1 Sensitivity to financial factors

Section C.2.3 shows the investment portfolio's sensitivity downwards on equity markets and upwards on interest rates.

As detailed in Section C.2.3, the Investment Committees monitor sensitivity to financial factors on a monthly basis for all of the Group's asset classes.

The sensitivities of the SCR coverage ratio to rates, spread and equity factors are also monitored on a regular basis in capital management committee and presented to investors. The results communicated to the markets show the low sensitivity of the Solvency ratio to instantaneous market shocks as at 31 December 2021:

Central scenario	196% [1]
+ 100 basis points interest rates	-6,1 pts
+ 100 basis points Spreads	-5,3 pts
-25% shares	-2,8 pts

[1] The solvency ratio communicated to the market on 04 FEB , 2022 is an estimated ratio.

C.7.2 Sensitivity to other risk factors

The sensitivity of the SCR to a fluctuation of +1% in premiums, +1% in the investment portfolio, or +1% in the loss ratio, is less than or equal to 2%.

In the context of the ORSA process, the sensitivity of the coverage ratio to factors relating to underwriting risk (evolution of the ratio for losses, earned premiums, reinsurance assignment rates), or to other specific factors (tax rate, cost ratio, etc.) is measured.

C.7.3 Scenarios measuring the sensitivity to risks

Scenarios drawn up in the context of ORSA measure the evolution of the solvency of COFACE SA and Compagnie française d'assurance pour le commerce extérieur, on the horizon of the strategic plan, in response to unfavourable events. Such events may correspond to a specific risk (such as political risk) or cover many risk factors in a combined stress shock.

For example, the scenario replicating the 2008 crisis on the Group's current portfolio stresses the market and underwriting risks in combination, by replicating the markets and claims deviations observed in 2008. In this same scenario, the impacts on the portfolio's liquidity, the reinsurance structure and the loss of revenue are also taken into account. Furthermore, a scenario reflecting a prolonged Covid crisis and emerging market sovereign debt risk also included a combined impact on loss experience, turnover and financial market performance. The assessment produced at the time of the 2021 ORSA has made it possible to ensure that the solvency of COFACE SA and Compagnie française d'assurance pour le commerce extérieur was not compromised by these scenarios.

C.7.4 Environmental, Social and Governance risk

Non-financial risk mapping has been carried out in several stages:

- The first stage consisted of identifying a fairly broad spectrum of risks that might affect COFACE SA and Compagnie française d'assurance pour le commerce extérieur, or might affect the Company in the broader sense through the activities of COFACE SA and Compagnie française d'assurance pour le commerce extérieur. This first risk inventory was constructed on the basis of internal thinking – analysis of the CSR issues and CSR data collected during previous financial years, internal consultations with the Risk Department – as well as on the basis of an external benchmark, analysing in particular the non-financial communications of other players in the finance sector as well as best practices in the management of non-financial risks. This stage resulted in the identification of some 30 risks spread over three areas: environmental risks, social risks and governance risks.
- These risks were then qualified and prioritised, particularly according to their inherent risk level, in order to allow COFACE SA and Compagnie française d'assurance pour le commerce extérieur to focus on the most important issues. This prioritisation resulted in a limited selection of the most relevant non-financial risks.
- Each of the non-financial risks selected was subject to an in-depth analysis: assessment of the inherent and residual risk, the level of control, assessment of the mitigation measures implemented, definition of monitoring indicators. All the non-financial risks used were then incorporated into COFACE SA's and Compagnie française d'assurance pour le commerce extérieur's overall risk mapping.

Like the other risks monitored by COFACE SA and Compagnie française d'assurance pour le commerce extérieur, the non-financial risks selected are intended to be reassessed each year. The policies COFACE SA and Compagnie française d'assurance pour le commerce extérieur have put in place to protect against them, and details of the actions and results, are presented throughout this document.

Three ESG indicators, each representing a large category of non-financial risks (environmental, social and governance) were then chosen to be presented to the Risk Committee and to be an integral part of Coface's "Risk Appetite" from Q4 2021.

/ D. VALUATION FOR SOLVENCY PURPOSES

D Valuation for solvency purposes

D.1 Assets

D.1.1 Intangible assets

Intangible assets represent information technology research and development expenses. Information technology development expenses can only be recorded and measured at a value other than zero if they can be sold separately and if there is a price quoted on an active market for similar intangible assets. The book value of COFACE SA's assets corresponds to the recognition of expenses in respect of internally created software for which it is difficult to justify a market value; this is therefore reduced to zero in the Solvency II prudential balance sheet.

The value of intangible assets is therefore also zero for Compagnie française d'assurance pour le commerce extérieur.

D.1.2 Investments

At the time of their initial recordings, financial assets and financial liabilities are generally assessed at their fair value (adjusted for directly attributable transaction costs if the instruments are not classified at fair value through the income statement).

Likewise, for certain of the Coface Group's financial assets for which there is no active market or when observable values are low or unrepresentative, fair value is measured by valuation techniques using methodologies or models having access to assumptions or appraisals that make up a significant part of the ruling.

It cannot be guaranteed that fair value estimates based on such valuation techniques represent the price at which a security may ultimately be disposed of or at which it may be disposed of at a specific time. Assessments and estimates are revised when conditions change or when new information becomes available. In the light of such information and in compliance with the objective principles and methodologies objectives itemised in its consolidated and combined financial statements, the governing bodies of the Coface Group analyse, assess and arbitrate, on a regular basis and in line with their appraisal, the causes of a decrease in the estimation of the fair value of securities, its prospects of recovery in the short term and the level of resulting provisions for impairment deemed to be adequate.

It cannot be guaranteed that any impairment losses or additional provisions recognised will not have a material adverse effect on the Group's results, financial position and solvency margin.

- Investment property: Investment properties are recorded at their fair value
- Other financial assets: Shares, bonds and investment funds are recorded at their fair value in the Solvency II prudential balance sheet
- Funds are recorded under the transparency system in accordance with Solvency II principles.
- Derivatives are measured at market value under Solvency II standards.

Change in investment portfolio COFACE SA (in millions of euros)	As of Dec. 31 2021	 2020	 Change
Property (other than for own use)	0,3	0,3	-0,0
Equities	188,5	143,2	45,3
Equities - listed	180,0	*135,1*	*44,9*
Equities - unlisted	8,6	*8,2*	*0,4*
Bonds	2 110,4	1 912,0	198,4
Government Bonds	856,8	*819,8*	*37,0*
Corporate Bonds	1 253,7	*1 092,3*	*161,4*
Collective Investments Undertakings	661,3	688,0	-26,7
Property	212,7	*230,3*	*-17,6*
Equities	44,2	*8,4*	*35,8*
Bonds and Cash	404,4	*449,4*	*-45,0*
Derivatives	13,3	10,1	3,2
Deposits other than cash equivalents	87,0	64,9	22,1
Other loans and mortgages	2,5	10,4	-7,9
Total investment portfolio	**3 063,4**	**2 829,0**	**234,4**

The market value of COFACE SA's portfolio increased by €234.4 million in the 2021 financial year, mainly via the bond and equity markets, owing to the contribution of new liquid assets in the portfolio and the rise in equity markets.

Change in investment portfolio La Compagnie *(in millions of euros)*	As of Dec. 31 2021	 2020	 Change
Property (other than for own use)	0,3	0,3	-0,0
Equities	151,1	111,6	39,5
Equities - listed	142,5	*103,5*	*39,0*
Equities - unlisted	8,6	*8,2*	*0,4*
Bonds	1 546,5	1 406,8	139,7
Government Bonds	568,8	*547,5*	*21,3*
Corporate Bonds	977,6	*859,3*	*118,3*
Collective Investments Undertakings	555,8	581,3	-25,5
Property	165,6	*185,3*	*-19,7*
Equities	37,0	*5,6*	*31,4*
Bonds and Cash	353,2	*390,4*	*-37,2*
Derivatives	10,6	7,1	3,5
Deposits other than cash equivalents	28,2	30,4	-2,2
Other loans and mortgages	192,2	181,4	10,8
Total investment portfolio	**2 484,7**	**2 318,9**	**165,8**

The balance sheet structure of Compagnie française d’assurance pour le commerce extérieur is similar to that of the Group, with the same fluctuations.

D.1.3 Interests

Investments in unconsolidated companies were valued under the corrected equity method. This method is based on revalued net assets. The revalued net assets retained were determined for each entity by adding up the corporate equity at the end of N-1 increased by the provisional result for financial year N produced by the Group management control department.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Holdings in related undertakings, including participations	98,1	106,4	- 8,3

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Holdings in related undertakings, including participations	378,0	378,7	- 0,7

D.1.4 Receivables

- **Receivables arising from insurance and reinsurance operations**

Receivables are valued at their face value. A provision for write-downs is raised in order to take into account the recovery difficulties that are likely to arise.

Accounts receivable for insurance and reinsurance are not subject to current value accounting due to the low impact (very short-term receivables).

In the IFRS statutory accounts, earned premiums not yet written are presented in receivables arising from insurance and reinsurance operations, while in the prudential balance sheet they are reclassified into underwriting reserves in liabilities (best estimates).

COFACE SA *(in millions of euros)*	**31/12/2021**	**31/12/2020**	**Change**
Insurance and intermediaries receivables	272,8	262,4	10,5
Reinsurance receivables	23,2	79,6	- 56,4
Total insurance end reinsurance receivables	**296,0**	**342,0**	**- 46,0**

La Compagnie *(in millions of euros)*	**31/12/2021**	**31/12/2020**	**Change**
Insurance and intermediaries receivables	228,9	210,6	18,3
Reinsurance receivables	35,3	76,1	- 40,8
Total insurance end reinsurance receivables	**264,2**	**286,7**	**- 22,4**

- **Other receivables (trade, not insurance)**

Other receivables are valued at their face value and are therefore not subject to discounts due to the low impact (very short-term receivables). A provision for write-downs is raised in order to take into account the recovery difficulties that are likely to arise.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Receivables (trade, not insurance)	833,4	784,4	49,0

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Receivables (trade, not insurance)	247,1	264,2	- 17,1

D.1.5 Cash and cash equivalents

Cash and cash equivalents are mainly composed of collective investment undertakings, negotiable debt securities, very short-term bonds and bank deposits, which fell over the 2021 financial year for the Group and for Compagnie française d'assurance pour le commerce extérieur.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Cash and cash equivalents	305,7	369,1	-63,4

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Cash and cash equivalents	202,7	251,5	-48,8

D.1.6 Other assets

- **Goodwill**

In accordance with the Solvency II principles, goodwill is considered to be worthless in the prudential balance sheet and its value is therefore reduced to zero.

- **Deferred acquisition expenses**

In accordance with the Solvency II principles, deferred acquisition expenses are considered to be worthless in the prudential balance sheet and their value is therefore reduced to zero. Future premiums include a proportion of expenses that such acquisition expenses cover, and which can be seen in the calculation of technical reserves as best estimate.

- **Deferred tax assets**

For significant deferred tax assets: information on the origin of the recognition of the deferred tax assets with the amount and maturity date, as applicable, of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet.

The impact of deferred taxes is noted in the prudential balance sheet on the differences between the tax balance sheet and the statutory balance sheet as well as on all restatements that reconcile statutory accounts with prudential accounts.

The main restatements on which a deferred tax asset is recorded are as follows:

- recording of employee-related commitments under the IAS19 revised method
- cancellation of the equalisation reserve
- cancellation of intangible assets
- cancellation of deferred acquisition expenses
- adjustment of subordinate debt to market value
- recording of best estimates and the risk margin
- the differences between the statutory balance sheet and tax balance sheet

Each restatement being impacted on the relevant entity, the corresponding deferred tax charge is calculated using the tax rate applicable in the entity's country.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Deferred tax assets	59,5	64,2	-4,7

The timetable for deferred tax assets as at 31 December 2021 is as follows:

Deferred tax assets timetable COFACE SA *(in millions of euros)*	**At December 31, 2021**			
	less than 1 year	**between 1 and 4 years**	**more than 5 years**	**TOTAL**
Total deferred tax assets	**49,3**	**5,5**	**4,7**	**59,5**

The main component of deferred tax assets involves cancellation of IFRS technical reserves as well as the impact of the Best Estimate for premiums and claims.

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2021 came to €159 million over the Group scope of consolidation.

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Deferred tax assets	84,3	85,8	-1,5

The timetable for deferred tax assets as at 31 December 2021 in the solo scope of consolidation is as follows:

Deferred tax assets timetable La Compagnie *(in millions of euros)*	**At December 31, 2021**			
	less than 1 year	**between 1 and 4 years**	**more than 5 years**	**TOTAL**
Total deferred tax assets	**71,8**	**4,7**	**7,9**	**84,3**

Compagnie française d'assurance pour le commerce extérieur's deferred tax assets decreased slightly between 2020 and 2021.

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2021 totalled €130 million over Compagnie française d'assurance pour le commerce extérieur's scope of consolidation.

- **Tangible assets for own use**

Buildings and land used in the business are valued at their fair value.

The buildings used in the business are the head office of Coface Deutschland. This was acquired by financial lease (pursuant to the Standard IAS 17, an asset (building used in the business) is recorded to assets in return for a financial debt to liabilities).

COFACE SA	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Property, plant & equipment held for own use	155,4	160,1	-4,7

La Compagnie	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Property, plant & equipment held for own use	137,7	142,0	-4,3

D.2 Technical provisions

There are two types of technical provisions: provisions for claims and provisions for premiums, to which a separately calculated risk margin is added under Solvency II. The best estimate of provisions for premiums is valued using the entity* product cross-tabulation, by adapting the simplified method described in the April 2014 technical specifications.

Regarding the best estimate for provisions for claims, this is produced separately on the various products. The Chain Ladder, Bornhuetter-Ferguson and Loss Ratio actuarial methods were used on the basis of accounting triangles (premiums, charges and settlements) in order to determine the best estimate for the technical reserves.

The risk margin determined in accordance with the Solvency II standard as for the cost of liquidation of capital needs. It is calculated directly after reinsurance.

The technical provisions in the financial statements are valued with a quantile level greater than 90% while it is the expectancy that is used in the prudential balance sheet. The methods for assessment of technical reserves have not been significantly changed since the previous financial year.

The assumptions used for the estimation of Best Estimates are objective assumptions based on the Group's past and present experience as well as on projections of the future environment and context. Best estimates are also based on expert opinions that incorporate assumptions relating to the Group's pricing, provisioning, marketing, recovery and arbitration.

The aggregated results at the end of 2021 are given below, for best estimates and the margin for risk.

D.2.1 Best estimates

Best estimate	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Group	514	951	-437
La Compagnie	532	896	-364

Reinsurance recoverables	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Group	174	290	-116
La Compagnie	255	422	-167

With regard to the BE for claims, calculations of ULR not marked-up (*Best Estimate*) and marked-up (for IFRS) are calculated separately:

- by the entities: a local valuation is approved by the local Provisioning Committee and reviewed at the regional level by a dedicated committee
- by the Group Actuarial Department: following an economic expectations committee involving the operational divisions (Commercial Underwriting, Litigation and Commercial) and the Marketing, Management Control, Risks, Economic Studies and Actuarial Departments, a valuation is made by the Provisioning team of the Group Actuarial Department and validated by the Group Actuarial Director.

These valuations are then reconciled at a dedicated meeting between the Group Actuarial and Group Management Control departments in preparation for the Group Reserving Committee, the final decision-making body for IFRS technical provisions that will analyse the margin in the provisions and the BE.

D.2.2 Risk margin

The risk margin determined in accordance with the Solvency II standard as for the cost of liquidation of capital needs. It is calculated directly after reinsurance.

Risk Margin	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Group	83	71	12
La Compagnie	71	60	11

D.3 Other liabilities

D.3.1 Provisions other than technical reserves

This item corresponds to provisions for liabilities and charges excluding provisions for pensions and other benefits.

Provisions for risks and charges excluding provisions for pensions and other benefits COFACE SA (in millions of euros)	As of Dec. 31		
	2021	2020	Change
Provision for litigation	2	2	0
Provision for risk on subsidiaries	10	17	-7
Provisions for restructuring	10	11	-1
Provision for taxes (excludind IS)	1	1	0
Other risk provisions	2	2	0
Total provisions other than technical provisions	**24**	**32**	**-8**

Provisions for risks and charges excluding provisions for pensions and other benefits La Compagnie (in millions of euros)	As of Dec. 31		
	2021	2020	Change
Provision for litigation	1	2	0
Provision for risk on subsidiaries	10	9	0
Provision for free share allocation plan	8	9	-1
Provisions for restructuring	0	0	0
Provision for taxes (excludind IS)	0	0	0
Other risk provisions	2	2	0
Total provisions other than technical provisions	**22**	**22**	**-1**

The changes for liabilities and charges varied little between 2020 [6] and 2021.

D.3.2 Provisions for pensions and other benefits

The employees of COFACE SA in a number of countries are entitled to short-term benefits (such as annual paid leave), long term benefits (such as long-service awards) and post-employment benefits (such as statutory retirement benefits).

Short-term benefits are considered as liabilities in the accounts of the various COFACE SA companies granting them.

[6] In the SFCR for 2020, the amount of provisions other than technical provisions was incorrect (€39 million), it was corrected in the SFCR for 2021

Other benefits (long term benefits and post-employment benefits) are subject to various coverage arrangements as defined below:

- Defined contribution schemes (or plans): these are characterised by payments to agencies releasing the employer from any subsequent obligation, with the agency taking charge of paying to employees the amounts due to them. This generally involves public pension systems such as those seen in France
- Defined benefit schemes (or plans) for which the employer has an obligation towards its employees.

In accordance with IAS 19, COFACE SA shows in its balance sheet the amount corresponding to its commitments mainly in terms of:

- allowances and pre-retirement paid leave
- early retirement and supplementary pension payments
- employer contributions to be paid into post-employment health insurance schemes
- long service awards

On the basis of the internal regulations for each scheme and in each of the countries concerned, independent actuaries calculate:

- the present value of future benefits, corresponding to the present-day value of all benefits to be paid out. This present-day value is mainly based on:
    - the known characteristics of the population concerned
    - the benefits to be paid out (end of career allowances, long-service awards, etc.)
    - the probabilities of occurrence of each event
    - the evaluation of each of the factors entering into calculation of the benefits (changes in salaries, etc.)
    - the interest rates making it possible to work out future benefits at the date of the evaluation
- the actuarial value of benefits related to 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.

In the case of the defined benefit schemes of Coface Austria, Coface Debitoren and Coface rating.de (Germany), the payment of contributions is used to finance the scheme's assets. The scheme's assets are composed of the scheme's investments, mainly government bonds held by funds and insurance policies incorporating a counter-guarantee.

According to IAS19, the scheme's assets are recorded at their fair value in deduction of the amount recorded to liabilities in respect of the defined benefits.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Pension benefit obligations	60	62	-2

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Pension benefit obligations	56	57	-1

D.3.3 Deferred tax liabilities

The basis for accounting for deferred tax liabilities and the amount and maturity date, if any, of deductible temporary differences; the impact of deferred taxes is noted in the prudential balance sheet on the differences between the tax balance sheet and the statutory balance sheet as well as on all restatements that reconcile statutory accounts with prudential accounts.

The main restatements on which a deferred tax liability is recognised are as follows:

- cancellation of the equalisation reserve in the statutory accounts
- recording of technical provisions: best estimate and risk margin
- bringing financial assets and buildings used in the business up to market value
- the differences between the statutory balance sheet and tax balance sheet

Each restatement being impacted on the relevant entity, the corresponding deferred tax charge is calculated using the tax rate applicable in the entity's country.

COFACE SA	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Deferred tax liabilities	303	199	103

The timetable for deferred tax liabilities as at 31 December 2021 for the Group is as follows:

Deferred tax liabilities timetable	At December 31, 2021			
COFACE SA (in millions of euros)	less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax liabilities	**257**	**17**	**29**	**303**

The Group's deferred tax liabilities increased, mainly due to higher deferred taxes on best estimate premiums. Among the S2 restatements, the main component of deferred tax liabilities involves the cancellation of technical provisions.

La Compagnie	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Deferred tax liabilities	218	154	64

The timetable for deferred tax liabilities as at 31 December 2021 for Compagnie française d'assurance pour le commerce extérieur is as follows:

Deferred tax liabilities timetable	At December 31, 2021			
La Compagnie (in millions of euros)	less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax liabilities	**179**	**7**	**32**	**218**

The main item in deferred tax liabilities involves a cancellation of technical provisions and the recording of Best Estimate provisions ceded by Compagnie française d'assurance pour le commerce extérieur to reinsurers.

D.3.4 Financial debt owed to non-credit institutions

For the Group, this item corresponds to commercial papers issued by COFACE SA for the purpose of financing the factoring business.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Debts owed to non-credit institutions	565	538	27

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Debts owed to non-credit institutions	39	-	39

The solo scope of consolidation did not include COFACE SA, the holding company that issues the commercial papers. In addition, there is no equivalent item in the balance sheet of Compagnie française d'assurance pour le commerce extérieur.

In 2021, the decision to merge the Insurance Services and Credit Management Services entities within Compagnie française d'assurance pour le commerce extérieur meets the objective of reducing the overheads of Coface Group's Central Europe region. The Credit Management Services entity was previously attached to Coface Central Europe Holding (CCEH). The completion of this transaction resulted in a loan of €39 million granted by CCEH to Compagnie française d'assurance pour le commerce extérieur, which will use the dividends received for financial year 2021 to repay this loan in 2022.

D.3.5 Payables arising from insurance and reinsurance operations

The main variations between 2020 and 2021 are associated with the reduction in liabilities to reinsurers and debts resulting from direct insurance transactions.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Insurance & intermediaries payables	65	79	-14
Reinsurance payables	134	256	-122
Total liabilities from insurance and resinsurance	**199**	**335**	**-136**

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2021**	**2020**	**Change**
Insurance & intermediaries payables	43	62	-18
Reinsurance payables	171	249	-78
Total liabilities from insurance and resinsurance	**215**	**311**	**-97**

D.3.6 Subordinated liabilities

Financial liabilities are recognised at fair value.

COFACE SA	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Subordinated liabilities	407	417	-10

La Compagnie	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Subordinated liabilities	336	345	-9

The valuation of the subordinated debt is carried out using the methodology described in Article 75 of Directive 2009/138/EC: "When valuing liabilities [...] no adjustment to take account of the own credit standing of the insurance or reinsurance undertaking shall be made". The value of the subordinated debt is therefore obtained by updating the EIOPA risk-free interest rate curve, since the spread relating to the Coface credit status remains constant after initial recognition of the debt.

D.3.7 Other payables

The table below sets out the other liabilities of the Coface Group and Compagnie française d'assurance pour le commerce extérieur:

COFACE SA	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Payables (trade, not insurance)	426	395	31

La Compagnie	As of Dec. 31		
(in millions of euros)	2021	2020	Change
Payables (trade, not insurance)	355	350	5

The change between the two years is mainly related to an increase in rental liabilities between the two years.

D.4 Alternative valuation methods

COFACE SA and Compagnie française d'assurance pour le commerce extérieur do not use other alternative valuation methods.

D.5 Other information

No other material information is to be made publicly available.

/ E. CAPITAL MANAGEMENT

E Capital management

E.1 Own funds

E.1.1 Own funds management policy

In accordance with directive 2009/138/EC, the Coface Group has a capital management policy which applies to the whole Group, including its main operational insurance company – Compagnie française d'assurance pour le commerce extérieur. This policy is subject to approval from the Board of Directors of COFACE SA and Compagnie française d'assurance pour le commerce extérieur and is re-examined at least once per year.

Since the Group carries out its activities in various countries of the world, it is subject to different levels of control depending on the country in which it is located:

- Group head office (France): the business is governed, to a significant degree, by European Directives (i.e. Solvency II) and by internal French regulations on non-life insurance
- The Group's insurance entities: insurers with their registered office in a European Union country (like the Group) are subject to Solvency II regulations; however, in some countries, the insurance business is subject to supervision by local regulators
- The factoring business in Germany and Poland: this business is governed by the regulations in those countries.

The capital management policy mainly deals with the following points:

a) Risk of deterioration of the Group's solvency and non-compliance of the solvency capital requirement (SCR) or minimum capital requirement (MCR)
b) Risk of deterioration of solvency and non-compliance with prudential ratios applicable by the Group's regulated subsidiaries (in particular for Compagnie française d'assurance pour le commerce extérieur)
c) Risk of error in the classification or characterisation of regulatory own fund items for the Group or Compagnie française d'assurance pour le commerce extérieur
d) Risk of insufficient consideration of the quantitative limits applied to own fund items in line with the different categories
e) Risk of non-effectiveness of own fund items in the event of crisis
f) Risk of insufficient fungibility of own funds
g) Risk of failing to consider the Group's solvency in the dividend distribution policy
h) Risk of failing to consider stress-test scenarios in structuring equity

E.1.2 Structure and quality of own funds

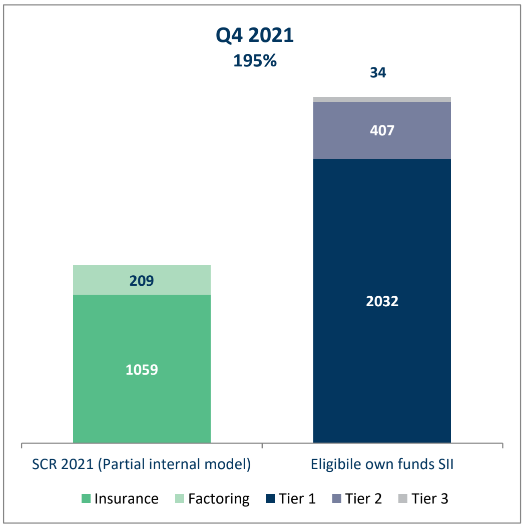
- **COFACE SA**

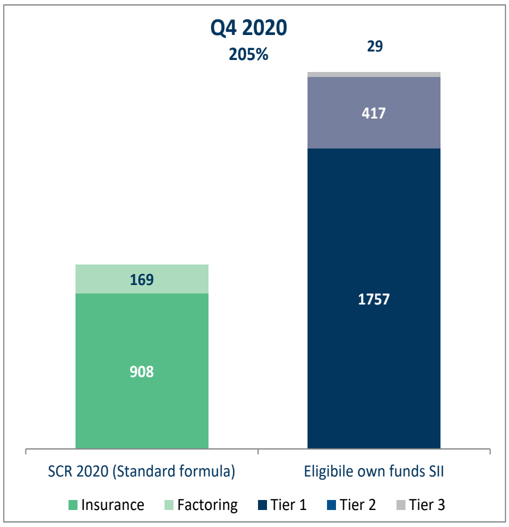
In accordance with regulations, as at 31 December 2021, the Coface Group calculated its available own funds necessary for complying with two levels of capital requirements: minimum capital requirement, MCR, and solvency capital requirement, SCR (see Chapter E.2.).

For insurance activities, in accordance with the Solvency II regulations that came into force on 1 January 2016, the Group calculated the Solvency Capital Requirement (SCR) as of 31 December 2021 using its partial internal model, introduced by European Directive No. 2009/138/EC.

For factoring activities, the Group has deferred its capital requirements under the standard approach of banking regulations since 31 December 2019. It should be noted that local regulators in Germany and Poland (the only countries in which the Group conducts its factoring activities) do not impose equity requirements on factoring companies.

As at 31 December 2021, the Group meets the capital requirements, which amounts to €1,267 million in respect of SCR, as represented in the following chart.





The own funds available to cover the SCR amounted to €2,472 million as at 31 December 2021. In accordance with the Solvency II directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence. The breakdown is as follows:

- ***Tier 1:*** €2,032 million (82% of available own funds), corresponding to the net amount of assets in the Group's prudential balance sheet minus the amount of own funds classified in the other two categories
- ***Tier 2:*** €407 million (17% of available own funds), corresponding to the value of the subordinated debt where the eligibility to this category of own funds is justified by the application of Article 308 ter (10) of Directive 2014/51/EU. A summary of the main characteristics of this subordinated debt is set out below:

Subordinated debt Tier 2 Caracteristics	
Issuer	COFACE SA
Guarantor	"La Compagnie"
Type of guarantee	Joint Guarantee
Instrument	Subordinated debt eligible in Tier 2 own funds guarantee in the context of the transitional measures referred to in Article 308b 10 of Directive 2014/51 / EU
Maturity	10 years w/o amortizing
Issue date	March 27, 2014
Maturity date	March 27, 2024
Loan payment obligation	In case of non-compliance of the SCR
Coupon carry option	In case of non-compliance of the SCR occurring during the period preceding the payment of interest
Issue amount	EUR 380m
Guarantor rating	A2 / AA- (MOODY'S / FITCH) - IFS
Issuer rating	BAAA1 / A (MOODY'S / FITCH)
Coupon	4.125% Annual fixed
ISIN	FR0011805803

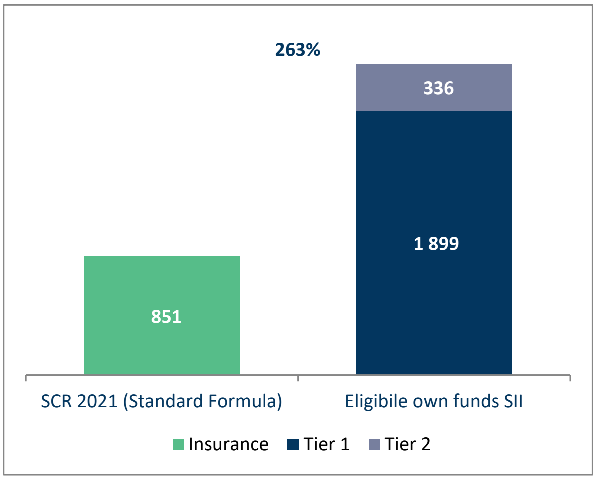
- ***Tier 3:*** €34 million (1% of available own funds), representing the proportion of Solvency II own funds made up of the sum of each tax entity's net deferred tax assets, after implementation of the eligibility test for those net deferred taxes at the local level

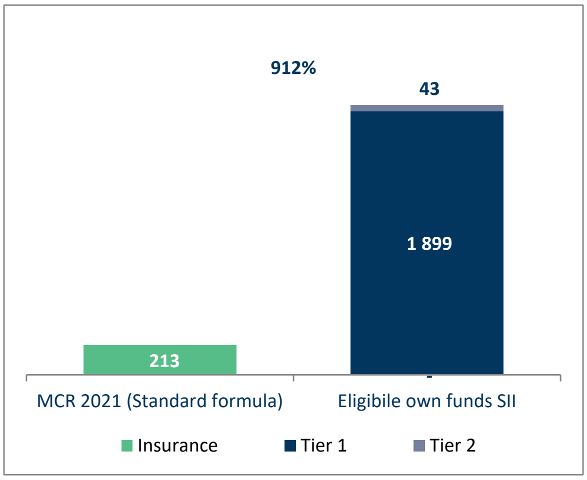
For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

♦ Compagnie française d'assurance pour le commerce extérieur

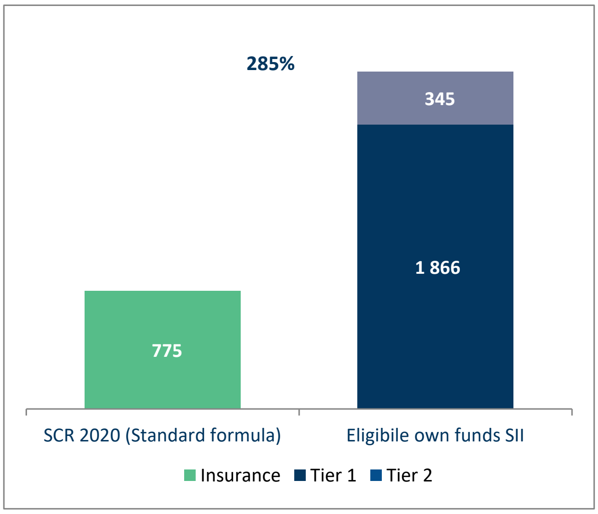
In accordance with regulations, as at 31 December 2020 and 2021, Compagnie française d'assurance pour le commerce extérieur calculated, according to the standard formula, its available own funds necessary to meet the requirements with two levels of capital requirements: the minimum capital requirement and the solvency capital requirement, SCR (see Chapter E.2.).

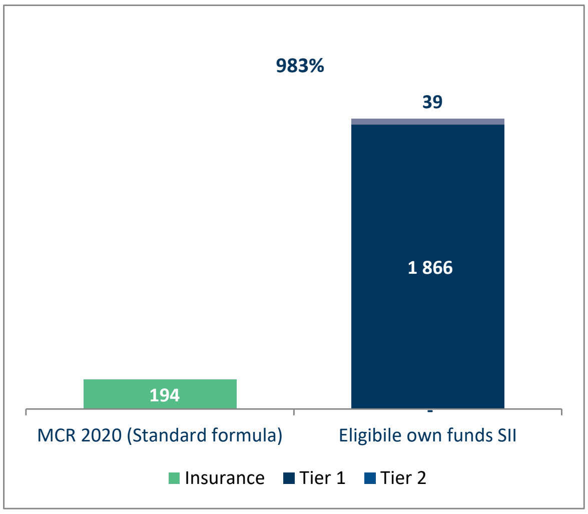
As at 31 December 2021:





As at 31 December 2020:





As at 31 December 2021, Compagnie française d'assurance pour le commerce extérieur met the capital requirements, which amounted to €213 million for MCR and €851 million with respect to SCR, as represented in the above chart.

The own funds available to cover the MCR amounted to €1,942 million as at 31 December 2021. In accordance with the Solvency II directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence.

As at 31 December 2021, the breakdown of own funds available for covering the MCR was as follows:

- ***Tier 1:*** €1,899 million (98% of available own funds), corresponding to the net amount of assets in the prudential balance sheet minus the amount of own funds classified in the other two categories.
- ***Tier 2:*** €43 million (2% of available own funds), which corresponds to the portion of the subordinated loan taken out by COFACE SA eligible to cover the MCR (i.e. 20% of €213 million). The total value of this subordinated loan is €314 million and its classification as "Tier 2" own funds is justified as transitional by Article 308 ter (10) of Directive 2014/51/EU. The features of the subordinated loan correspond to those of the subordinated debt issued by COFACE SA (see table above).

The own funds available for coverage of the SCR at 31 December 2021 amount to €2,235 million, made up as follows:

- ***Tier 1:*** €1,899 million (85% of available own funds), as indicated in the previous paragraph
- ***Tier 2:*** €336 million (15% of available own funds), corresponding to the total value of the subordinated loan indicated in the previous paragraph

Valuation of the subordinated loan is carried out in accordance with the same principle as described for proceeding with the valuation of the Group's subordinated debt.

For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

E.1.3 Basic own funds

At 31 December 2021, Coface SA's and Compagnie française d'assurance pour le commerce extérieur's own funds are exclusively made up of basic own funds, pursuant to Solvency II standard criteria.

E.1.4 Ancillary own funds

At 31 December 2021, Coface SA and Compagnie française d'assurance pour le commerce extérieur do not have ancillary own funds.

E.1.5 Availability of own funds

In accordance with article 330 of delegated regulation (EU) 2015/35, the Coface Group is introducing a test in order to determine the availability, at Group level, of the eligible own funds of affiliated companies. As a first step, the test consists on determining the surplus of each entity's Solvency II own funds above and beyond its SCR then, as a second step, comparing that surplus with the total of own fund items available for the Group's requirements:

- As soon as the surplus of an entity's own funds can be entirely represented by fungible and transferable own fund items, no adjustment of the Group's own funds is considered for this entity.
- Otherwise, the proportion of the surplus not represented by fungible and transferable items gives rise to an adjustment in the Group's own funds. At 31 December 2021, the amount of this adjustment amounted to €113 million.

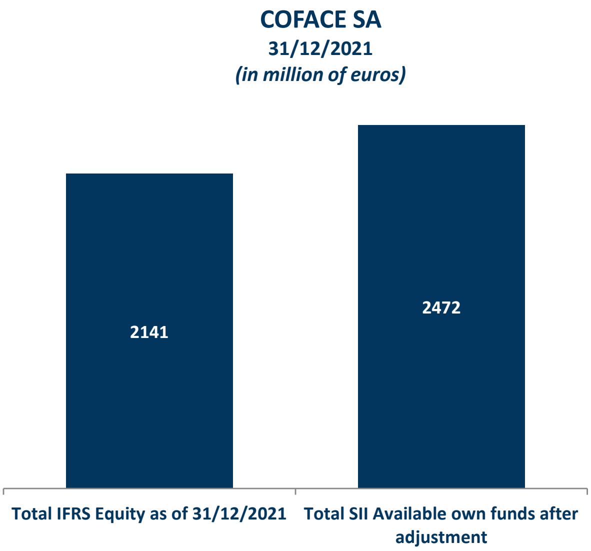
E.1.6 Absorption of losses by capital

Not applicable to the Coface Group. This is explained by the fact that no component of the Tier 1 own funds is represented by preference shares, subordinated mutual member accounts or subordinated liabilities.

E.1.7 Reconciliation reserve

- **COFACE SA**

The following chart illustrates the difference between the Group's own funds that are eligible to cover the solvency capital requirement at 31 December 2021 and the consolidated own funds as shown in the Group's financial statements.



For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

The Group's eligible Solvency II equity was €2,472 million at 31 December 2021.

Eligible own funds at 31 December 2021 included:

- Share capital of €300 million,
- Issue premiums relating to share capital for €810 million,
- A reconciliation reserve[7] of €1,028 million classified as Tier 1.

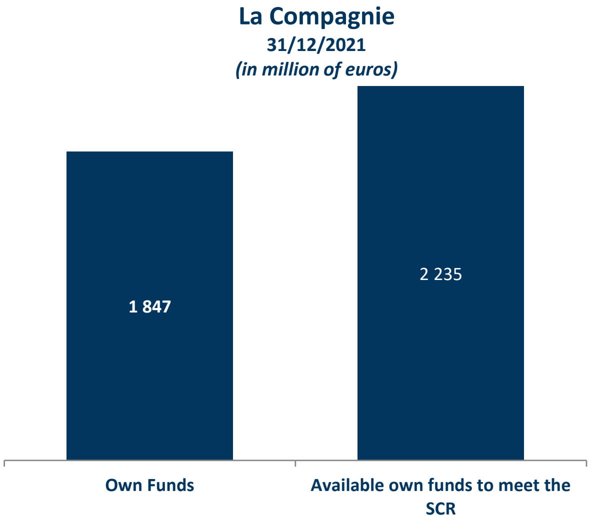
Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. The subordinated debt issued in the form of bonds by COFACE SA in March 2014, rose to €407 million at 31 December 2021 and is classified as Tier 2 by applying the so-called "grandfathering" mechanisms set out in Article 308 ter (10) of the Solvency II Directive.

Lastly, unavailable own funds were assessed at €113 million at 31 December 2021.

[7] *The reconciliation reserve as presented in the statement (S.23.01.t - ex OF-B1Q) is defined as equity excluding capital and premiums related to capital, less dividends payable*

The Board of Directors of COFACE SA plans to propose to shareholders at the Annual General Meeting of 17 May 2022 the distribution of a dividend of €1.50 per share, bringing the payout ratio to 100% of net income.

- **Compagnie française d'assurance pour le commerce extérieur**



The amount of eligible Solvency II shareholders' equity was €2,235 million at 31 December 2021.
Eligible own funds at 31 December 2021 included:

- Share capital for €137.1 million
- Issue premiums relating to share capital for €627.4 million
- A reconciliation reserve[8] of €1,134.9 million classified as Tier 1.

Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. Furthermore, a subordinated loan with COFACE SA for €336 million is classified as Tier 2:

- On 27 March 2014, COFACE SA issued subordinated debt, in the form of bonds, for a nominal amount of €380 million. These securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur.
- A joint surety was issued by Compagnie française d'assurance pour le commerce extérieur on 25 March 2014, for €380 million, to investors in COFACE SA subordinated bonds and lasting until the liquidation of any commitment to investors. This is a subordinated surety falling under off-balance sheet commitments. It is recognised in off-balance sheet commitments in Compagnie française d'assurance pour le commerce extérieur's corporate financial statements and is taken into account in the counterparty default risk type 1 SCR.
- Concomitantly, COFACE SA granted an intra-group subordinated loan to Compagnie française d'assurance pour le commerce extérieur maturing on 26 March 2024 (10 years) at an annual interest rate of 4.125% (payment due on each anniversary). The amount of subordinated debt amounts to €324 million in the statutory accounts. This was €336 million in the Solvency II accounts due to discounting the debt.

Compagnie Française Board of Directors plans to propose the distribution of a dividend of €8.34 per share at the Annual Shareholders' Meeting on 17 May 2022.

[8] *The reconciliation reserve as presented in the statement (S.23.01.t - ex OF-B1Q) is defined as equity excluding capital and premiums related to capital, less dividends payable*

E.1.8 Additional ratios

Not applicable to either the Coface Group or Compagnie française d'assurance pour le commerce extérieur.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Annual requirements

- **Standards used**

The calculations[9] were made in line with the most recent specifications in effect (the Commission's delegated EU regulation 2015/35 of 10 October 2014) in the SAS IRM software which enabled the Coface Group to generate the QRTs in XBRL format. Calculations for the partial internal model scope were made in line with specifications described in the approval file.
The risk-free rate curve used is the curve, without volatility adjustment, published by EIOPA applicable at the end of December 2021.

- **SCR**

The Group SCR at 31 December 2021 and 2020 breaks down as follows:

COFACE SA	As of Dec. 31	
(in millions of euros)	**2021**	**2020**
SCR Global (1)	**1 267**	**1 077**
Insurance SCR	1 059	908
Financial institution SCR	209	169
Own funds eligible (2)	**2 472**	**2 204**
Consolidated SII ratio (3) = (2)/(1)	**195%**	**205%**

Compagnie française d'assurance pour le commerce extérieur's SCR at 31 December 2021 and 2020 breaks down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

La Compagnie	As of Dec. 31	
(in millions of euros)	**2021**	**2020**
SCR Global (1)	**851**	**775**
Insurance SCR	851	775
Financial institution SCR	0	0
Own funds eligible (2)	**2 235**	**2 211**
Consolidated SII ratio (3) = (2)/(1)	**263%**	**285%**
SII insurance ratio	263%	285%
MCR	**213**	**194**

[9] *The "transport", "legal protection" and "pecuniary losses" categories are non-material (less than 0.1% of gross earned company premiums and are included in the credit insurance LOB).*

E.2.2 Calculation methods used

The calculation methods Compagnie française d'assurance pour le commerce extérieur used are as follows:

- ♦ **Non-life SCR**

- **Premium and reserve SCR**

Volumes of premiums and reserves have been defined in accordance with article 116 of the Commission's delegated regulation (EU) 2015/35 of 10 October 2014.

- **Volume of reserves**

The volume of reserves used when calculating the own funds requirement is equal to the Best Estimate for reserves calculated in the balance sheet.

- **Volumes of premiums**

The volume measurement for Compagnie française d'assurance pour le commerce extérieur's premium risk is provided using the following formula (for an assessment date at 12/31/N):

Volume of premiums = Max (Earned premiums (N); Earned premiums (N+1)) + existing FP + future FP

The premiums used are net of policyholders' bonuses and rebates and net of reinsurance. The existing FP and future FP are calculated for each product line (Credit, Single Risk and Surety) in line with the following definitions:

- Existing FP represents the expected actual value of premiums to be acquired by Compagnie française d'assurance pour le commerce extérieur after the coming 12 months for existing contracts
- Future FP represents the expected actual value of premiums to be acquired by Compagnie française d'assurance pour le commerce extérieur for contracts whose date of initial recognition occurs within the coming 12 months, excluding premiums to be acquired during the 12 months that follow 12/31/N.

- **Aggregation of premium and reserve risk**

The standard variances used correspond to those of the credit sector, i.e.:

- 19% applied to the volume of premiums
- 17.2% applied to the volume of reserves.

The overall standard variance to be used in the context of the premiums and reserves risk is then obtained by allowing for a 50% correlation between these two risks.

The final value of the premiums and reserves risk is then obtained directly by taking three times the value of the overall standard variance multiplied by the volume of overall risk (sum of the volumes of reserves and premiums) in accordance with article 115 of the Commission's delegated regulation (EU) 2015/35 of 10 October 2014.

Indeed, it should be recalled that:

- Compagnie française d'assurance pour le commerce extérieur only works in a single segment ("6. Credit insurance and proportional reinsurance"), and therefore there is no correlation with other segments to be taken into account.
- Despite the wide geographical dispersion of Compagnie française d'assurance pour le commerce extérieur's activities, the Credit branch cannot take account of the correction factor in respect of geographical diversification, so there is no calculation of "DIV" to be made.

- **Catastrophe SCR**

Catastrophe risk for the "credit insurance and surety bond" business line takes into account two scenarios:

- A major risk corresponding to a plummet in the two largest portfolio exposures with a 10% loss rate, in accordance with regulations.
- A risk of recession corresponding to a deterioration in the overall economic climate and a mass loss experience.

Calculating Catastrophe SCR for credit and surety bond risks is described in Article 134 of the EU delegated regulation 2015/35 dated 10 October 2014.

- **Description of the external reinsurance programme**

The Coface Group's external reinsurance is intended to cover frequency risk and the risk of recession. Frequency risk is addressed through quota-share treaties. Catastrophe risk is addressed by means of quota share treaties and two excess of loss treaties (by debtor and by country).

Risk of recession is addressed by quota share treaties and the stop-loss treaty against the disproportionate change in the frequency of claims.

- **Surrender risk**

In accordance with Article 118 of the European Commission delegated regulation EU 2015/35 of 10 October 2014, Compagnie française d'assurance pour le commerce extérieur measures winding up SCR at €4.6 million at the end of 2021.

- **Aggregation of Non-life SCR**

The aggregation of these various risk modules is performed in accordance with article 114 of the Commission's delegated regulation (EU) 2015/35 of 10 October 2014 taking the various levels of correlation into account.

These calculations are also made gross of reinsurance so as to take into account the effect of mitigation of the risk relating to reinsurance in the type 1 default risk.

- **<u>Market SCR</u>**

- **Organization**

For financial assets, COFACE SA and Compagnie française d'assurance pour le commerce extérieur use the PICIM platform managed by Amundi to supply SAS IRM. The service is intended to provide COFACE SA and Compagnie française d'assurance pour le commerce extérieur with portfolio inventories enhanced with unitary SCR characteristics and calculations per instrument at 31 December 2021. The PICIM portfolio represents 99% of the investment portfolio excluding equity investments and operating property.

The files provided correspond to book inventories supplied by the asset servicing provider to COFACE SA and Compagnie française d'assurance pour le commerce extérieur "CACEIS"'s financial assets portfolio and enriched by Amundi. Amundi supplies COFACE SA and Compagnie française d'assurance pour le commerce extérieur with Equity, Interest (only on financial assets), Spread and Property SCRs on its scope of consolidation.

The Concentration, Change and Interest SCRs (excluding financial assets) were calculated directly by SAS IRM, as were the shocks to be applied on the equity investments held.

- **Classification of securities**

The CIC field used for the accounting classification of each security is populated by Amundi in the files provided to COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

- **Look-through of funds**

Asset classifications and SCR calculations were carried out on a line-by-line basis for the most of the investment portfolio. The ultimate look-through principle has been applied for UCITS managed by Amundi (primarily money market UCITS). For UCITS not managed by Amundi, we have:

- either used the aggregate SCR calculated by the management companies,
- or applied the maximum SCR expense (Equity type II) for the nine UCITS for which calculation on a line-by-line basis was either unavailable or irrelevant.

- **Equities SCR**

Regarding equities held in portfolio, COFACE SA decided not to use the "grandfathering equity" clause for 2021, as in 2020.

- **Property SCR**

The scope of consolidation on Property SCR consists of 25.7% operating property, 0.1% investment property and 74.2% supports whose underlying assets are property assets.

♦ Default SCR

Default SCR is calculated to assess counterparty risk. It is based on the provisions ceded to the Group's reinsurers at their Best Estimate value (market value) minus the amount of financial sureties (cash deposits, pledges of securities or letters of credit) provided by reinsurers for the Company's benefit.

♦ Simplifications used

- **Capacity for absorption by deferred taxes**

For Compagnie française d'assurance pour le commerce extérieur, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) on the basis of the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2021 + Operational SCR_2021)*Tax rate_2021. Entities in a net deferred tax asset position have a zero SCR adjustment.

♦ Problems and difficulties encountered

Certain risk reduction mechanisms used by Compagnie française d'assurance pour le commerce extérieur cannot be taken into account in the standard formula despite the fact that they represent a major challenge for the Company. This involves in particular:

- The possibility of reducing exposure at any time without waiting until the end of the policy,
- Disbursement limits.

♦ COFACE SA

The calculation method for COFACE SA is described below.

The premium, natural disaster and reserve SCR for the "credit insurance" scope is estimated using a partial internal model developed by the COFACE Group. The partial internal model developed by the COFACE Group covers non-life underwriting risk for credit insurance activities of the group's accounting scope of consolidation. The purpose of this model is two-fold:

- To gain a clear understanding of this risk when calculating the regulatory capital requirement
- To run a tool that enhances existing technical analyses in various operational processes

The capital requirement (SCR rated) of non-life underwriting risk for the partial internal model is calculated as a Value-At-Risk for the underwriting income (as an economic view) over one year.

$$SCR_{Souscription\ Non-Vie,Crédit} = -\mathbb{V}aR_{0.5\%}[Résultat\_Technique]$$

Both the financial and management data used for Coface's partial internal model are fit for purpose. To guarantee it, Coface practices dedicated governance for data quality, including controls that meet three data quality criteria: completeness, consistency and appropriateness. These controls are reviewed on a quarterly basis by all the regional data quality agents and local points of contact.

♦ Non-life SCR

• Premium, reserve and natural disaster SCR

The partial internal model is structured according to the following modules and sub-modules:

- "Reserves risk" module, which models the risk of the claims provision best estimate to pay sliding in one year.
- "Risk of premiums and natural disasters" module, which breaks down as follows:
  - "Default generator", which simulates exposure at default among all of COFACE SA's exposures
  - "Portfolio loss ratio", which estimates claims paid, net of recourse, using exposure at default
  - "Premiums, fees, exposure and profit-sharing", which models the other items in the underwriting income statement
- "Reinsurance" module, which models COFACE SA's external reinsurance agreements

These different modules simulate a large number of underwriting income statements net of reinsurance at one year, then help obtain the solvency capital required for covered risks via the 99.5% quantile of the distribution of underwriting income net of reinsurance.

The premium, natural disaster and reserve SCR within the scope of "other income" is estimated using the standard formula according to the method described for Compagnie française d'assurance pour le commerce extérieur.

• Description of the external reinsurance program

The Coface Group's external reinsurance is intended to cover frequency risk and the risk of recession. Frequency risk is addressed through quota-share treaties. Catastrophe risk is addressed by means of quota share treaties and two excess of loss treaties (by debtor and by country).

Risk of recession is addressed by quota share treaties and the stop-loss treaty against the disproportionate change in the frequency of claims.

• Winding-up risk

In accordance with Article 118 of the European Commission delegated regulation EU 2015/35 of 10 October 2014, COFACE SA measures winding-up SCR at the end of 2021 at €11.8 million.

• Aggregation of Non-life SCR

The diversification effects in the Internal Model result from the application of aggregation methods for different risks, portfolios and entities (with different geographical locations).

Diversification between premium, reserve and catastrophe risks in the partial internal model is achieved in simulation within the projection model via Gaussian copulas.

Premium, reserve and natural disaster risks of the other insurance activities are calculated using the standard formula and estimate non-life underwriting risk (excluding disposal) of other insurance activities. The capital requirement for non-life underwriting risks (excluding winding up) of COFACE's insurance activities is obtained by aggregating the requirement of its credit insurance activities (measured using the partial internal model) and the requirement of the insurance activities excluding credit (measured using the standard formula) using a correlation coefficient calibrated on historical data.

The winding-up risk for all products is estimated then combined with a correlation of 0% in accordance with regulatory provisions.

- **Market SCR**

Market SCR is obtained via the standard formula, the same way as the method described for Compagnie française d'assurance pour le commerce extérieur.

- **Default SCR**

The counterparty default SCR is obtained via the standard formula, the same way as the method described for Compagnie française d'assurance pour le commerce extérieur.

- **Simplifications used**
  - **Capacity for absorption by deferred taxes**

For COFACE SA and Compagnie française d'assurance pour le commerce extérieur, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) on the basis of the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2021 + Operational SCR_2021)*Tax rate_2021. Entities in a net deferred tax asset position have a zero SCR adjustment.

E.2.3 Minimum capital requirement

The minimum capital requirement is calculated as follows:
$MCR=max\ (MCR_{combined}; AMCR)$

or:

(a) $MCR_{combined}$ represents the combined minimum capital requirement;
(b) *AMCR* represents the absolute floor referred to in article 129(1)(d) of Directive 2009/138/EC and article 253 of these regulations.

The combined minimum capital requirement is calculated as follows:
$MCR_{combined=}min(max\ (MCR_{linear}; 0.25*SCR); 0.45*SCR)$

or:

(a) MCR_{linear} represents the linear minimum capital requirement, calculated in accordance with articles 249 to 251;
(b) *SCR* represents the solvency capital requirement, calculated in accordance with chapter V, or chapter VI if the use of a full or partial internal model has been approved.

The data used to calculate the minimum capital requirement is as follows:

- SCR;
- Best estimate;
- Net reinsurance premiums for the financial year.

Details of the calculation of the minimum capital requirement ratio La Compagnie *(in millions of euros)*		**As of Dec. 31**	
		2021	**2020**
A	Technical provisions without risk margin for non-life insurance and reinsurance obligations after deducting amounts recoverable under reinsurance contracts	276,3	473,5
B	Net written premium	482,5	366,9
C	Solvency Capital Requirement - SCR	851,3	821,8
D=0,25*C	0,25*Solvency Capital requirement	212,8	205,4
E=0,45*C	0,45*Solvency Capital requirement	383,1	369,8
F	Risk factor relating to the technical provisions for the credit-insurance segment α	17,7%	17,7%
G	Risk factor for premiums issued for credit-insurance segment β	11,3%	11,3%
H=(A*F)+(B*G)	Non-life Minimum Capital Requiement	**212,8**	**205,4**
I=H	Linear Minimum Capital Requirement	103,4	125,3
J	Non-life AMCR level (absolute threshold)	2,2	2,2
K	**Combined MCR =min(max(I;0,25*C);0,45*C)**	**212,8**	**205,4**
Global MCR	MCR=max (K;J)	212,8	205,4

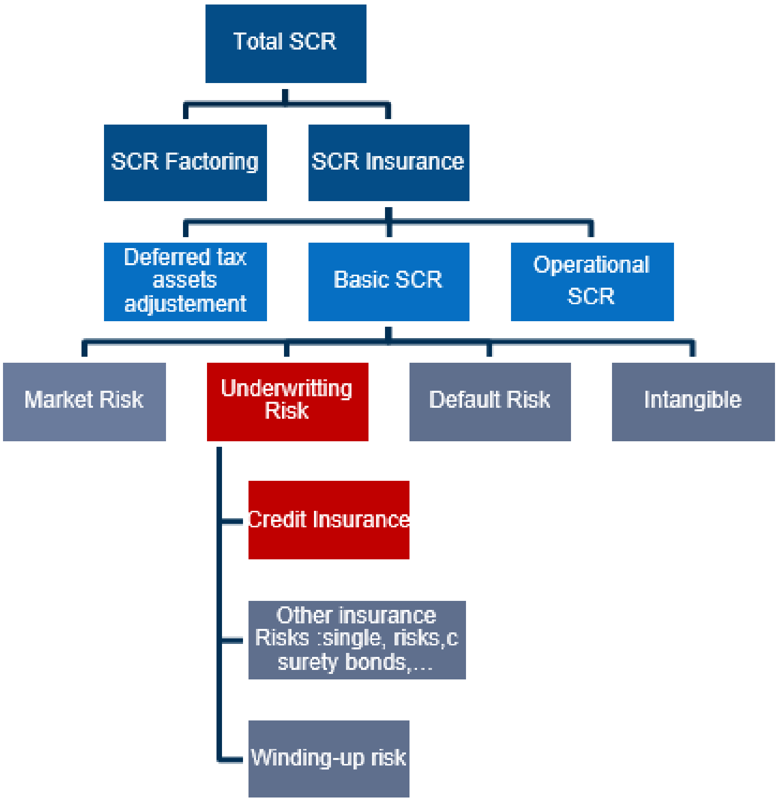
E.3 Use of the duration-based equity risk sub-module to calculate the solvency capital requirement

COFACE SA and Compagnie française d'assurance pour le commerce extérieur do not use the equity risk sub-module based on duration.

E.4 Difference between the standard formula and any internal model used

- **COFACE SA**

The diagram below summarises the various modules used to calculate COFACE Group's capital requirements for all businesses.



. The capital requirement (SCR rated) of non-life underwriting risk for the partial internal model is calculated as a Value-At-Risk for the underwriting income (as an economic view) over one year.

$$SCR_{Souscription\ Non-Vie,Crédit} = -\mathbb{V}aR_{0.5\%}[Résultat\_Technique]$$

To this end, the partial internal model breaks down the income statement to understand credit insurance risks:

- Reserve risk, meaning losses related to having insufficient provisions to cover claim events that have taken place during previous financial years that have not yet been paid;
- Premium and natural disaster risk, meaning losses related to not having enough in premiums to cover the loss ratio in the coming year, based on measuring the main income statement items for the next year, namely:
  - Premiums, net of profit-sharing,
  - Claims for the current year (settlements, claim management fees and provisions),
  - Administrative, sales and marketing expenses,
  - Reinsurance balance.

The partial internal model involves generating a large number of simulations (reflecting probable economic situations at one year) and calculating the related income statement. Based on these simulations, the distribution of net income is obtained. The VaR at 99.5% of this distribution represents the Credit Insurance Underwriting SCR.

More specifically, for the premium risk and catastrophe risk:

- - The default exposure is simulated by the buyer using a Merton model integrated by global risk factors, countries and sectors.
- - The final part of the certificate rendered by default is simulated by the successive application of three factors:
    - o Simulation of a UGD (Usage Given Default) factor which represents the change from defaulted exposure to the unpaid amount: DTS - Declaration of Threat of Sinister, or NOA - Notification of Overdue Amount
    - o Factor CS (Contractual specificities) which represents the reduction in claims resulting from contractual clauses: simulation of a loss rate without follow-up and application of a determined factor to be changed to the first reserve amount
    - o Simulation of an LGD (Loss Given Default) factor which represents the passage from the first to the last net of resources.
- The ultimate loss simulation is based on segmentation and calibration specific to each phenomenon: PD (Probability of Default), UGD, CS, LGD. A classification tree approach associated with expert judgments is used.
- - To this ultimate loss is added the claims experience for which the exposure is unknown: unspecified claims (or Blind Cover) and DCL (or Discretionary Credit Limit); unrelated claims.
- - The other phenomena necessary to feed the income statement are projected: premiums, premiums and claims costs, premium accessories, profit sharing clauses (PS or Profit Sharing), evaluation of the Best Estimate (BE) of premiums at end N + 1.

For the reserve risk, a distribution representing the variability of the 1-year Best Estimates is projected by a Bootstrap approach over six segments. A Gaussian copula is used to aggregate the distributions of the different segments; finally, the premium and reserve risk distributions are in turn aggregated by Gaussian copula.

The various reinsurance treaties, in QS (Quota-Share), XS (excess of loss) and SL (Stop Loss) are applied simulation by simulation. Distributions net of reinsurance feed into the distribution of the net income statement at the end of N + 1, of which the VaR (Value-at-Risk) at 0.5% constitutes the credit insurance subscription SCR valued in the Partial Internal Model.

Thus, unlike the modeling of underwriting risk in credit insurance using the standard formula, the Internal Partial Model makes it possible to reflect Coface's risk profile:

- - Projection of the required capital from the volume of exposure broken down into segments differentiated by level of risk, according to the quality of the exposure
- - Taking into account the dependence between the risk factors world, countries and sectors, allowing to jointly model the risks of premiums and catastrophe, which vary simply by the intensity of the defaults.

Insofar as the Internal Partial Model applies to a limited scope of underwriting risk (credit insurance excluding termination risk and excluding single risk and surety business lines), the default integration methods proposed by the regulations are not suitable. The integration of the MIP in the standard formula can be summarized as follows:

- - Aggregation of the MIP SCR with the non-life SCR of other products, using a specifically calibrated correlation parameter

- - Calculation of a MIP BSCR by aggregating the SCRs relating to the MIP perimeter with a specifically calibrated correlation matrix
- Calculation of a Standard BSCR Formula by aggregating the SCR relating to the Standard Formula scope with a correlation matrix of the standard formula
- Calculation of the total SCR by adding the two BSCR (PIM and Standard Formula scopes), adjusting for taxes and the SCR relating to operational risk.

Finally, the appropriateness of the data used in the MIP is monitored by a data quality system whose governance principles are defined within the data quality policy. This policy is approved by the Board of Directors.

The operational implementation of the policy is ensured by the data quality department:
- - managed by the data quality manager, attached to the Business Technology Department,
- operated by data quality agents appointed within each of the seven regions;

measured by qualitative and quantitative indicators shared during ad hoc meetings (quarterly Data Quality Steering Committee).

- **Compagnie française d'assurance pour le commerce extérieur**

Compagnie française d'assurance pour le commerce extérieur does not use any internal model to calculate its requirements in prudential own funds.

E.5 Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

During the 2021 financial year, neither COFACE SA nor Compagnie française d'assurance pour le commerce extérieur failed to comply with the minimum capital requirement or the solvency capital requirement.

E.6 Other information

None.

/ F. APPENDICES

F Appendices

F.1 Details of parent company-subsidiary relationships

Country	Entity	Consolidation Method	Percentage			
			Control Dec. 31, 2021	Interest Dec. 31, 2021	Control Dec. 31, 2020	Interest Dec. 31, 2020
Northern Europe						
Germany	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung)	-	Branch*		Branch*	
Germany	Coface Finanz GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Debitorenmanagement GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Rating Holding GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Rating GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Kisselberg KG	Full	100,00%	100,00%	100,00%	100,00%
Germany	Fct Vega (Fonds de titrisation)	Full	100,00%	100,00%	100,00%	100,00%
Netherlands	Coface Nederland Services	Full	100,00%	100,00%	100,00%	100,00%
Netherlands	Coface Nederland	-	Branch*		Branch*	
Denmark	Coface Danmark	-	Branch*		Branch*	
Sweden	Coface Sverige	-	Branch*		Branch*	
Norway	Coface Norway - SUCC (Coface Europe)	-	Branch*		100,00%	100,00%
Western Europe						
France	COFACE SA	Parent company	100,00%	100,00%	100,00%	100,00%
France	Compagnie française d'assurance pour le commerce extérieur	Full	100,00%	100,00%	100,00%	100,00%
France	Cofinpar	Full	100,00%	100,00%	100,00%	100,00%
France	Cogeri	Full	100,00%	100,00%	100,00%	100,00%
France	Fimipar	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 2	Full	0,00%	0,00%	100,00%	100,00%
France	Fonds Colombes 2 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 ter	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 quater	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 4	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 5 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 6	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgium Services	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface Ré	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 2	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 2 bis	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 3	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 3 bis	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 5	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 6	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK Holdings	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK Services	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK	-	Branch*		Branch*	
Ireland	Coface Ireland	-	Branch*		Branch*	
Central Europe						
Austria	Coface Austria Kreditversicherung Service GmbH	Full	100,00%	100,00%	100,00%	100,00%
Austria	Coface Central Europe Holding AG	Full	100,00%	100,00%	100,00%	100,00%
Austria	Compagnie francaise d´assurance pour le Commerce Exterieur SA Niederlassung Austria	-	Branch*		Branch*	
Hungary	Compagnie francaise d´assurance pour le commerce extérieur Hungarian Branch Office	-	Branch*		Branch*	
Poland	Coface Poland Credit Management Services Sp. z o.o.	Full	0,00%	0,00%	100,00%	100,00%
Poland	Coface Poland Insurance Services	Full	100,00%	100,00%	100,00%	100,00%
Poland	Coface Poland Factoring Sp. z o.o.	Full	100,00%	100,00%	100,00%	100,00%
Poland	Compagnie francaise d'assurance pour le commerce exterieur Spółka Akcyjna Oddział w Polsc	-	Branch*		Branch*	
Czech Republic	Compagnie francaise d'assurance pour le commerce exterieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania CMS	Full	0,00%	0,00%	100,00%	100,00%
Romania	Coface Romania Insurance Services	Full	100,00%	100,00%	0,00%	0,00%
Romania	Compagnie francaise d'assurance pour le commerce exterieur S.A. Bois - Colombes – Sucursa	-	Branch*		Branch*	
Romania	Coface Technologie - Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného čle	-	Branch*		Branch*	
Slovenia	Coface PKZ	Full	100,00%	100,00%	100,00%	100,00%
Lithuania	Compagnie Francaise d'Assurance pour le Commerce Exterieur Lietuvos filialas	-	Branch*		Branch*	
Bulgaria	Compagnie Francaise d'Assurance pour le Commerce Exterieur SA – Branch Bulgaria	-	Branch*		Branch*	
Russia	CJSC Coface Rus Insurance Company	Full	100,00%	100,00%	100,00%	100,00%

Country	Entity	Consolidation Method	Percentage			
			Control Dec. 31, 2021	Interest Dec. 31, 2021	Control Dec. 31, 2020	Interest Dec. 31, 2020
Mediterranean & Africa						
Italy	Coface Italy (Succursale)	-	Branch*		Branch*	
Italy	Coface Italia	Full	100,00%	100,00%	100,00%	100,00%
Israel	Coface Israel	-	Branch*		Branch*	
Israel	Coface Holding Israel	Full	100,00%	100,00%	100,00%	100,00%
Israel	Coface Finance Israel	Full	100,00%	100,00%	0,00%	0,00%
Israel	BDI – Coface (business data Israel)	Full	100,00%	100,00%	100,00%	100,00%
South Africa	Coface South Africa	Full	97,50%	97,50%	97,50%	97,50%
South Africa	Coface South Africa Services	Full	100,00%	100,00%	100,00%	100,00%
Spain	Coface Servicios España,	Full	100,00%	100,00%	100,00%	100,00%
Spain	Coface Iberica	-	Branch*		Branch*	
Portugal	Coface Portugal	-	Branch*		Branch*	
Greece	Coface Grèce	-	Branch*		Branch*	
Turquey	Coface Sigorta	Full	100,00%	100,00%	100,00%	100,00%
North America						
United States	Coface North America Holding Company	Full	100,00%	100,00%	100,00%	100,00%
United States	Coface North America	Full	0,00%	0,00%	100,00%	100,00%
United States	Coface Services North America	Full	100,00%	100,00%	100,00%	100,00%
United States	Coface North America Insurance company	Full	100,00%	100,00%	100,00%	100,00%
Canada	Coface Canada	-	Branch*		Branch*	
Latin America						
Mexico	Coface Seguro De Credito Mexico SA de CV	Full	100,00%	100,00%	100,00%	100,00%
Mexico	Coface Holding America Latina SA de CV	Full	100,00%	100,00%	100,00%	100,00%
Mexico	Coface Servicios Mexico. S.A.DE C.V.	Full	100,00%	100,00%	0,00%	0,00%
Brazil	Coface Do Brasil Seguros de Credito	Full	100,00%	100,00%	100,00%	100,00%
Chile	Coface Chile SA	Full	100,00%	100,00%	100,00%	100,00%
Chile	Coface Chile	-	Branch*		Branch*	
Argentina	Coface Argentina	-	Branch*		Branch*	
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Singapore	Coface Singapour	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	

F.2 Quantitative reporting templates

Public disclosure QRTs Public Disclosure are declined in euros.

- **S.02.01.01 Balance sheet – COFACE SA**

S.02.01.02

Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0,00
Deferred tax assets	R0040	59 466 988,97
Pension benefit surplus	R0050	.
Property, plant & equipment held for own use	R0060	155 432 142,80
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3 159 003 561,77
Property (other than for own use)	R0080	288 000,00
Holdings in related undertakings, including participations	R0090	98 118 371,20
Equities	R0100	188 523 439,79
Equities - listed	R0110	179 957 405,00
Equities - unlisted	R0120	8 566 034,79
Bonds	R0130	2 110 428 511,22
Government Bonds	R0140	856 753 514,80
Corporate Bonds	R0150	1 253 674 996,42
Structured notes	R0160	.
Collateralised securities	R0170	.
Collective Investments Undertakings	R0180	661 324 838,18
Derivatives	R0190	13 288 183,00
Deposits other than cash equivalents	R0200	87 032 218,38
Other investments	R0210	.
Assets held for index-linked and unit-linked contracts	R0220	.
Loans and mortgages	R0230	2 529 247,00
Loans on policies	R0240	.
Loans and mortgages to individuals	R0250	.
Other loans and mortgages	R0260	2 529 247,00
Reinsurance recoverables from:	R0270	174 282 387,21
Non-life and health similar to non-life	R0280	174 282 387,21
Non-life excluding health	R0290	174 282 387,21
Health similar to non-life	R0300	.
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	.
Health similar to life	R0320	.
Life excluding health and index-linked and unit-linked	R0330	.
Life index-linked and unit-linked	R0340	.
Deposits to cedants	R0350	6 008 486,00
Insurance and intermediaries receivables	R0360	272 826 161,83
Reinsurance receivables	R0370	23 150 039,78
Receivables (trade, not insurance)	R0380	833 391 520,70
Own shares (held directly)	R0390	.
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	.
Cash and cash equivalents	R0410	305 674 711,63
Any other assets, not elsewhere shown	R0420	.
Total assets	R0500	4 991 765 247,69
		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	598 463 763,95
Technical provisions - non-life (excluding health)	R0520	598 463 763,95
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	514 344 909,48
Risk margin	R0550	84 118 854,47
Technical provisions - health (similar to non-life)	R0560	.
Technical provisions calculated as a whole	R0570	.
Best Estimate	R0580	.
Risk margin	R0590	.
Technical provisions - life (excluding index-linked and unit-linked)	R0600	.
Technical provisions - health (similar to life)	R0610	.
Technical provisions calculated as a whole	R0620	.
Best Estimate	R0630	.
Risk margin	R0640	.
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	.
Technical provisions calculated as a whole	R0660	.
Best Estimate	R0670	.
Risk margin	R0680	.
Technical provisions - index-linked and unit-linked	R0690	.
Technical provisions calculated as a whole	R0700	.
Best Estimate	R0710	.
Risk margin	R0720	.
Other technical provisions	R0730	
Contingent liabilities	R0740	.
Provisions other than technical provisions	R0750	24 252 969,65
Pension benefit obligations	R0760	59 707 556,31
Deposits from reinsurers	R0770	2 621 225,00
Deferred tax liabilities	R0780	302 563 546,51
Derivatives	R0790	6 070 394,52
Debts owed to credit institutions	R0800	0,48
Financial liabilities other than debts owed to credit institutions	R0810	564 783 326,00
Insurance & intermediaries payables	R0820	64 867 682,37
Reinsurance payables	R0830	134 264 100,65
Payables (trade, not insurance)	R0840	425 627 616,27
Subordinated liabilities	R0850	406 613 835,00
Subordinated liabilities not in Basic Own Funds	R0860	.
Subordinated liabilities in Basic Own Funds	R0870	406 613 835,00
Any other liabilities, not elsewhere shown	R0880	35 394,40
Total liabilities	R0900	2 589 871 411,11
Excess of assets over liabilities	R1000	2 401 893 836,58

- ## S.02.01.02 Balance sheet – La Compagnie

S.02.01.02
Balance sheet

Assets		Solvency II value C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0,00
Deferred tax assets	R0040	84 303 950,35
Pension benefit surplus	R0050	.
Property, plant & equipment held for own use	R0060	137 718 814,18
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2 670 420 425,34
Property (other than for own use)	R0080	288 000,00
Holdings in related undertakings, including participations	R0090	377 986 840,02
Equities	R0100	151 070 269,00
Equities - listed	R0110	142 504 234,00
Equities - unlisted	R0120	8 566 035,00
Bonds	R0130	1 546 464 765,66
Government Bonds	R0140	568 831 872,85
Corporate Bonds	R0150	977 632 892,81
Structured notes	R0160	.
Collateralised securities	R0170	.
Collective Investments Undertakings	R0180	555 835 932,63
Derivatives	R0190	10 592 592,00
Deposits other than cash equivalents	R0200	28 182 026,03
Other investments	R0210	.
Assets held for index-linked and unit-linked contracts	R0220	.
Loans and mortgages	R0230	192 225 026,00
Loans on policies	R0240	.
Loans and mortgages to individuals	R0250	.
Other loans and mortgages	R0260	192 225 026,00
Reinsurance recoverables from:	R0270	255 383 570,00
Non-life and health similar to non-life	R0280	255 383 570,00
Non-life excluding health	R0290	255 383 570,00
Health similar to non-life	R0300	.
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	.
Health similar to life	R0320	.
Life excluding health and index-linked and unit-linked	R0330	.
Life index-linked and unit-linked	R0340	.
Deposits to cedants	R0350	7 932 018,00
Insurance and intermediaries receivables	R0360	228 911 758,22
Reinsurance receivables	R0370	35 323 359,68
Receivables (trade, not insurance)	R0380	247 145 075,89
Own shares (held directly)	R0390	.
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	.
Cash and cash equivalents	R0410	202 652 286,76
Any other assets, not elsewhere shown	R0420	0,00
Total assets	R0500	4 062 016 284,42

Liabilities		Solvency II value C0010
Technical provisions - non-life	R0510	602 989 101,73
Technical provisions - non-life (excluding health)	R0520	602 989 101,73
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	531 636 335,69
Risk margin	R0550	71 352 766,04
Technical provisions - health (similar to non-life)	R0560	.
Technical provisions calculated as a whole	R0570	.
Best Estimate	R0580	.
Risk margin	R0590	.
Technical provisions - life (excluding index-linked and unit-linked)	R0600	.
Technical provisions - health (similar to life)	R0610	.
Technical provisions calculated as a whole	R0620	.
Best Estimate	R0630	.
Risk margin	R0640	.
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	.
Technical provisions calculated as a whole	R0660	.
Best Estimate	R0670	.
Risk margin	R0680	.
Technical provisions - index-linked and unit-linked	R0690	.
Technical provisions calculated as a whole	R0700	.
Best Estimate	R0710	.
Risk margin	R0720	.
Other technical provisions	R0730	
Contingent liabilities	R0740	.
Provisions other than technical provisions	R0750	21 634 079,16
Pension benefit obligations	R0760	56 359 717,27
Deposits from reinsurers	R0770	14 913 287,99
Deferred tax liabilities	R0780	218 139 667,43
Derivatives	R0790	4 102 100,52
Debts owed to credit institutions	R0800	0,22
Financial liabilities other than debts owed to credit institutions	R0810	39 182 259,00
Insurance & intermediaries payables	R0820	43 404 756,90
Reinsurance payables	R0830	171 163 099,26
Payables (trade, not insurance)	R0840	355 219 293,88
Subordinated liabilities	R0850	335 991 432,00
Subordinated liabilities not in Basic Own Funds	R0860	.
Subordinated liabilities in Basic Own Funds	R0870	335 991 432,00
Any other liabilities, not elsewhere shown	R0880	35 394,40
Total liabilities	R0900	1 863 134 189,76
Excess of assets over liabilities	R1000	2 198 882 094,66

- ## S.05.01.02 Premiums, claims and expenses by line of business – COFACE SA (1/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	1 225 134 083,11	R0110-C0100	R0110-C0110	R0110-C0120					1 225 134 083,11
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	99 971 930,93	R0120-C0100	R0120-C0110	R0120-C0120					99 971 930,93
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	518 330 516,64	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	518 330 516,64
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	806 775 497,39	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	806 775 497,39
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	1 252 129 034,14	R0210-C0100	R0210-C0110	R0210-C0120					1 252 129 034,14
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	98 515 456,09	R0220-C0100	R0220-C0110	R0220-C0120					98 515 456,09
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	511 298 397,44	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	511 298 397,44
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	839 346 092,75	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	839 346 092,75

- ## S.05.01.02 Premiums, claims and expenses by line of business – COFACE SA (2/2)

S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Claims incurred																		
Gross - Direct Business	**R0310**	R0310-C0010	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	221 708 778,67	R0310-C0100	R0310-C0110	R0310-C0120					221 708 778,67
Gross - Proportional reinsurance accepted	**R0320**	R0320-C0010	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	349 850,82	R0320-C0100	R0320-C0110	R0320-C0120					349 850,82
Gross - Non-proportional reinsurance accepted	**R0330**													R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0200
Reinsurers' share	**R0340**	R0340-C0010	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	11 399 814,59	R0340-C0100	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	11 399 814,59
Net	**R0400**	R0400-C0010	R0400-C0020	R0400-C0030	R0400-C0040	R0400-C0050	R0400-C0060	R0400-C0070	R0400-C0080	210 658 814,90	R0400-C0100	R0400-C0110	R0400-C0120	R0400-C0130	R0400-C0140	R0400-C0150	R0400-C0160	210 658 814,90
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	R0410-C0010	R0410-C0020	R0410-C0030	R0410-C0040	R0410-C0050	R0410-C0060	R0410-C0070	R0410-C0080	1 028 287,78	R0410-C0100	R0410-C0110	R0410-C0120					1 028 287,78
Gross - Proportional reinsurance accepted	**R0420**	R0420-C0010	R0420-C0020	R0420-C0030	R0420-C0040	R0420-C0050	R0420-C0060	R0420-C0070	R0420-C0080	R0420-C0090	R0420-C0100	R0420-C0110	R0420-C0120					R0420-C0200
Gross - Non- proportional reinsurance accepted	**R0430**													R0430-C0130	R0430-C0140	R0430-C0150	R0430-C0160	R0430-C0200
Reinsurers' share	**R0440**	R0440-C0010	R0440-C0020	R0440-C0030	R0440-C0040	R0440-C0050	R0440-C0060	R0440-C0070	R0440-C0080	-495 113,00	R0440-C0100	R0440-C0110	R0440-C0120	R0440-C0130	R0440-C0140	R0440-C0150	R0440-C0160	-495 113,00
Net	**R0500**	R0500-C0010	R0500-C0020	R0500-C0030	R0500-C0040	R0500-C0050	R0500-C0060	R0500-C0070	R0500-C0080	1 523 400,78	R0500-C0100	R0500-C0110	R0500-C0120	R0500-C0130	R0500-C0140	R0500-C0150	R0500-C0160	1 523 400,78
Expenses incurred	**R0550**	R0550-C0010	R0550-C0020	R0550-C0030	R0550-C0040	R0550-C0050	R0550-C0060	R0550-C0070	R0550-C0080	454 241 731,43	R0550-C0100	R0550-C0110	R0550-C0120	R0550-C0130	R0550-C0140	R0550-C0150	R0550-C0160	454 241 731,43
Other expenses	**R1200**																	R1200-C0200
Total expenses	**R1300**																	454 241 731,43

- ## S.05.01.02 Premiums, claims and expenses by line of business – La Compagnie (1/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	1 022 969 670,31	R0110-C0100	R0110-C0110	R0110-C0120					1 022 969 670,31
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	186 481 747,05	R0120-C0100	R0120-C0110	R0120-C0120					186 481 747,05
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	741 715 390,28	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	741 715 390,28
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	467 736 027,07	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	467 736 027,07
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	1 044 872 375,48	R0210-C0100	R0210-C0110	R0210-C0120					1 044 872 375,48
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	183 791 639,18	R0220-C0100	R0220-C0110	R0220-C0120					183 791 639,18
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	723 527 973,33	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	723 527 973,33
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	505 136 041,35	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	505 136 041,35

• S.05.01.02 Premiums, claims and expenses by line of business – La Compagnie (2/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Claims incurred																		
Gross - Direct Business	**R0310**	R0310-C0010	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	269 578 357,26	R0310-C0100	R0310-C0110	R0310-C0120					269 578 357,26
Gross - Proportional reinsurance accepted	**R0320**	R0320-C0010	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	13 057 375,69	R0320-C0100	R0320-C0110	R0320-C0120					13 057 375,69
Gross - Non-proportional reinsurance accepted	**R0330**													R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0200
Reinsurers' share	**R0340**	R0340-C0010	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	74 458 484,07	R0340-C0100	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	74 458 484,07
Net	**R0400**	R0400-C0010	R0400-C0020	R0400-C0030	R0400-C0040	R0400-C0050	R0400-C0060	R0400-C0070	R0400-C0080	208 177 248,88	R0400-C0100	R0400-C0110	R0400-C0120	R0400-C0130	R0400-C0140	R0400-C0150	R0400-C0160	208 177 248,88
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	R0410-C0010	R0410-C0020	R0410-C0030	R0410-C0040	R0410-C0050	R0410-C0060	R0410-C0070	R0410-C0080	267 526,05	R0410-C0100	R0410-C0110	R0410-C0120					267 526,05
Gross - Proportional reinsurance accepted	**R0420**	R0420-C0010	R0420-C0020	R0420-C0030	R0420-C0040	R0420-C0050	R0420-C0060	R0420-C0070	R0420-C0080	R0420-C0090	R0420-C0100	R0420-C0110	R0420-C0120					R0420-C0200
Gross - Non- proportional reinsurance accepted	**R0430**													R0430-C0130	R0430-C0140	R0430-C0150	R0430-C0160	R0430-C0200
Reinsurers' share	**R0440**	R0440-C0010	R0440-C0020	R0440-C0030	R0440-C0040	R0440-C0050	R0440-C0060	R0440-C0070	R0440-C0080	R0440-C0090	R0440-C0100	R0440-C0110	R0440-C0120	R0440-C0130	R0440-C0140	R0440-C0150	R0440-C0160	R0440-C0200
Net	**R0500**	R0500-C0010	R0500-C0020	R0500-C0030	R0500-C0040	R0500-C0050	R0500-C0060	R0500-C0070	R0500-C0080	267 526,05	R0500-C0100	R0500-C0110	R0500-C0120	R0500-C0130	R0500-C0140	R0500-C0150	R0500-C0160	267 526,05
Expenses incurred	**R0550**	R0550-C0010	R0550-C0020	R0550-C0030	R0550-C0040	R0550-C0050	R0550-C0060	R0550-C0070	R0550-C0080	264 054 012,16	R0550-C0100	R0550-C0110	R0550-C0120	R0550-C0130	R0550-C0140	R0550-C0150	R0550-C0160	264 054 012,16
Other expenses	**R1200**																	R1200-C0200
Total expenses	**R1300**																	264 054 012,16

S.05.02.01 Premiums, claims and expenses by country – COFACE SA

S.05.02.01
Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	US	ES	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	182 467 508,00	205 427 045,00	156 727 452,00	105 555 446,62	92 321 032,00	52 381 669,83	794 880 153,45
Gross - Proportional reinsurance accepted	R0120	2 547 268,00	R0120-C0090	R0120-C0090	R0120-C0090	R0120-C0090	R0120-C0090	2 547 268,00
Gross - Non-proportional reinsurance accepted	R0130	0,00	R0130-C0090	R0130-C0090	R0130-C0090	R0130-C0090	R0130-C0090	0,00
Reinsurers'share	R0140	62 615 551,00	117 709 402,00	81 800 663,00	24 433 394,93	21 735 708,00	23 065 620,69	331 360 339,62
Net	R0200	122 399 225,00	87 717 643,00	74 926 789,00	81 122 051,69	70 585 324,00	29 316 049,14	466 067 081,83
Premiums earned								
Gross - Direct Business	R0210	182 166 674,00	195 097 315,00	157 336 038,00	102 469 308,10	92 427 720,00	47 664 542,40	777 161 597,50
Gross - Proportional reinsurance accepted	R0220	3 598 970,12	R0220-C0090	R0220-C0090	R0220-C0090	R0220-C0090	R0220-C0090	3 598 970,12
Gross - Non-proportional reinsurance accepted	R0230	0,00	R0230-C0090	R0230-C0090	R0230-C0090	R0230-C0090	R0230-C0090	0,00
Reinsurers'share	R0240	60 719 277,00	103 615 383,00	89 764 364,00	23 015 584,19	21 735 708,00	25 776 099,08	324 626 415,27
Net	R0300	125 046 367,12	91 481 932,00	67 571 674,00	79 453 723,91	70 692 012,00	21 888 443,32	456 134 152,35
Claims incurred								
Gross - Direct Business	R0310	39 178 350,00	56 931 938,00	18 318 073,00	11 867 154,23	18 766 221,00	5 917 498,34	150 979 234,57
Gross - Proportional reinsurance accepted	R0320	0,00	R0320-C0090	R0320-C0090	R0320-C0090	R0320-C0090	R0320-C0090	0,00
Gross - Non-proportional reinsurance accepted	R0330	0,00	R0330-C0090	R0330-C0090	R0330-C0090	R0330-C0090	R0330-C0090	0,00
Reinsurers'share	R0340	-7 733 597,00	15 150 622,00	-2 467 282,00	3 138 999,00	8 201 990,00	-6 909 728,14	9 381 003,86
Net	R0400	46 911 947,00	41 781 316,00	20 785 355,00	8 728 155,23	10 564 231,00	12 827 226,48	141 598 230,71
Changes in other technical provisions								
Gross - Direct Business	R0410	R0410-C0080	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0140
Gross - Proportional reinsurance accepted	R0420	0,00	R0420-C0090	R0420-C0090	R0420-C0090	R0420-C0090	R0420-C0090	0,00
Gross - Non- proportional reinsurance accepted	R0430	0,00	R0430-C0090	R0430-C0090	R0430-C0090	R0430-C0090	R0430-C0090	0,00
Reinsurers'share	R0440	-495 113,00	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	-495 113,00
Net	R0500	495 113,00	R0500-C0090	R0500-C0090	R0500-C0090	R0500-C0090	R0500-C0090	495 113,00
Expenses incurred	R0550	75 485 249,00	38 030 456,00	65 054 641,00	67 055 986,75	43 758 585,00	15 881 294,18	305 266 211,93
Other expenses	R1200							R1200-C0140
Total expenses	R1300							305 266 211,93

S.05.02.01 Premiums, claims and expenses by country – La Compagnie

S.05.02.01
Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	ES	GB	NL	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	**R0110**	182 467 508,00	205 427 045,00	156 727 452,00	92 321 032,00	53 598 267,24	51 478 476,00	742 019 780,24
Gross - Proportional reinsurance accepted	**R0120**	2 547 268,00	0,00	0,00	0,00	0,00	0,00	2 547 268,00
Gross - Non-proportional reinsurance accepted	**R0130**	0,00	0,00	0,00	0,00	0,00		0,00
Reinsurers'share	**R0140**	98 837 717,00	90 259 053,00	65 399 360,00		17 245 525,51	25 893 166,00	297 634 821,51
Net	**R0200**	86 177 059,00	115 167 992,00	91 328 092,00	92 321 032,00	36 352 741,73	25 585 310,00	446 932 226,73
Premiums earned								
Gross - Direct Business	**R0210**	182 166 674,00	195 097 315,00	157 336 038,00	92 427 720,00	48 775 502,21	50 870 797,00	726 674 046,21
Gross - Proportional reinsurance accepted	**R0220**	3 598 970,12	0,00	0,00	0,00	0,00		3 598 970,12
Gross - Non-proportional reinsurance accepted	**R0230**	0,00	0,00	0,00	0,00	0,00		0,00
Reinsurers'share	**R0240**	87 393 480,00	83 251 990,00	58 743 549,00	333 333,00	17 092 111,03	26 162 187,00	272 976 650,03
Net	**R0300**	98 372 164,12	111 845 325,00	98 592 489,00	92 094 387,00	31 683 391,18	24 708 610,00	457 296 366,30
Claims incurred								
Gross - Direct Business	**R0310**	54 579 293,25	57 815 071,25	16 922 233,50	40 585 125,00	6 625 373,57	7 973 841,00	184 500 937,57
Gross - Proportional reinsurance accepted	**R0320**	0,00	0,00	0,00	0,00	0,00		0,00
Gross - Non-proportional reinsurance accepted	**R0330**	0,00	0,00	0,00	0,00	0,00		0,00
Reinsurers'share	**R0340**	26 589 552,00	4 487 152,00	15 634 331,00	2 784 662,00	11 077 911,72	3 920 701,00	64 494 309,72
Net	**R0400**	27 989 741,25	53 327 919,25	1 287 902,50	37 800 463,00	-4 452 538,15	4 053 140,00	120 006 627,85
Changes in other technical provisions								
Gross - Direct Business	**R0410**	R0410-C0080	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0140
Gross - Proportional reinsurance accepted	**R0420**	0,00	0,00	0,00	0,00	0,00		0,00
Gross - Non- proportional reinsurance accepted	**R0430**	0,00	0,00	0,00	0,00	0,00		0,00
Reinsurers'share	**R0440**	R0440-C0080	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0140
Net	**R0500**	0,00	0,00	0,00	0,00	0,00		0,00
Expenses incurred	**R0550**	18 486 990,00	41 839 368,00	65 484 786,00	44 280 758,00	15 456 304,57	13 756 532,00	199 304 738,57
Other expenses	**R1200**							R1200-C0140
Total expenses	**R1300**							199 304 738,57

S.17.01.02 Non-life Technical Provisions – La Compagnie

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	R0010-C0020	R0010-C0030	R0010-C0040	R0010-C0050	R0010-C0060	R0010-C0070	R0010-C0080	R0010-C0090	R0010-C0100	R0010-C0110	R0010-C0120	R0010-C0130	R0010-C0140	R0010-C0150	R0010-C0160	R0010-C0170	R0010-C0180
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	R0050-C0020	R0050-C0030	R0050-C0040	R0050-C0050	R0050-C0060	R0050-C0070	R0050-C0080	R0050-C0090	R0050-C0100	R0050-C0110	R0050-C0120	R0050-C0130	R0050-C0140	R0050-C0150	R0050-C0160	R0050-C0170	R0050-C0180
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	R0060-C0020	R0060-C0030	R0060-C0040	R0060-C0050	R0060-C0060	R0060-C0070	R0060-C0080	R0060-C0090	3 338 534,32	R0060-C0110	R0060-C0120	R0060-C0130	R0060-C0140	R0060-C0150	R0060-C0160	R0060-C0170	3 338 534,32
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	R0140-C0090	-1 990 646,26	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	R0140-C0170	-1 990 646,26
Net Best Estimate of Premium Provisions	**R0150**	R0150-C0020	R0150-C0030	R0150-C0040	R0150-C0050	R0150-C0060	R0150-C0070	R0150-C0080	R0150-C0090	5 329 180,58	R0150-C0110	R0150-C0120	R0150-C0130	R0150-C0140	R0150-C0150	R0150-C0160	R0150-C0170	5 329 180,58
Claims provisions																		
Gross	**R0160**	R0160-C0020	R0160-C0030	R0160-C0040	R0160-C0050	R0160-C0060	R0160-C0070	R0160-C0080	R0160-C0090	528 297 801,28	R0160-C0110	R0160-C0120	R0160-C0130	R0160-C0140	R0160-C0150	R0160-C0160	R0160-C0170	528 297 801,28
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	R0240-C0090	257 374 216,17	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	R0240-C0170	257 374 216,17
Net Best Estimate of Claims Provisions	**R0250**	R0250-C0020	R0250-C0030	R0250-C0040	R0250-C0050	R0250-C0060	R0250-C0070	R0250-C0080	R0250-C0090	270 923 585,11	R0250-C0110	R0250-C0120	R0250-C0130	R0250-C0140	R0250-C0150	R0250-C0160	R0250-C0170	270 923 585,11
Total Best estimate - gross	**R0260**	R0260-C0020	R0260-C0030	R0260-C0040	R0260-C0050	R0260-C0060	R0260-C0070	R0260-C0080	R0260-C0090	531 636 335,60	R0260-C0110	R0260-C0120	R0260-C0130	R0260-C0140	R0260-C0150	R0260-C0160	R0260-C0170	531 636 335,60
Total Best estimate - net	**R0270**	R0270-C0020	R0270-C0030	R0270-C0040	R0270-C0050	R0270-C0060	R0270-C0070	R0270-C0080	R0270-C0090	276 252 765,69	R0270-C0110	R0270-C0120	R0270-C0130	R0270-C0140	R0270-C0150	R0270-C0160	R0270-C0170	276 252 765,69
Risk margin	**R0280**	R0280-C0020	R0280-C0030	R0280-C0040	R0280-C0050	R0280-C0060	R0280-C0070	R0280-C0080	R0280-C0090	71 352 766,30	R0280-C0110	R0280-C0120	R0280-C0130	R0280-C0140	R0280-C0150	R0280-C0160	R0280-C0170	71 352 766,30
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	R0290-C0020	R0290-C0030	R0290-C0040	R0290-C0050	R0290-C0060	R0290-C0070	R0290-C0080	R0290-C0090	R0290-C0100	R0290-C0110	R0290-C0120	R0290-C0130	R0290-C0140	R0290-C0150	R0290-C0160	R0290-C0170	R0290-C0180
Best estimate	**R0300**	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	R0300-C0090	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	R0300-C0170	R0300-C0180
Risk margin	**R0310**	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	R0310-C0090	R0310-C0100	R0310-C0110	R0310-C0120	R0310-C0130	R0310-C0140	R0310-C0150	R0310-C0160	R0310-C0170	R0310-C0180
Technical provisions - total																		
Technical provisions - total	**R0320**	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	R0320-C0090	602 989 101,90	R0320-C0110	R0320-C0120	R0320-C0130	R0320-C0140	R0320-C0150	R0320-C0160	R0320-C0170	602 989 101,90
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	R0330-C0020	R0330-C0030	R0330-C0040	R0330-C0050	R0330-C0060	R0330-C0070	R0330-C0080	R0330-C0090	255 383 569,91	R0330-C0110	R0330-C0120	R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0170	255 383 569,91
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	R0340-C0090	347 605 531,99	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	R0340-C0170	347 605 531,99

- ## S.19.01.21 Non-life Insurance Claims Information – La Compagnie (1/4)

S.19.01.21

Non-life Insurance Claims Information

Accident year / Underwriting year	**Z0020**	Z-Z0020

Gross Claims Paid (non-cumulative)

(absolute amount)

		Development year										
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											-4 772 660,00
N-9	**R0160**	118 174 240,00	303 377 700,00	98 543 150,00	7 532 880,00	3 420 660,00	12 582 090,00	2 702 110,00	4 717 220,00	15 755 370,00	-2 957 820,00	
N-8	**R0170**	80 166 970,00	282 772 700,00	66 718 830,00	30 681 100,00	3 182 750,00	-4 521 830,00	-5 593 090,00	-1 760 120,00	-3 495 090,00		
N-7	**R0180**	84 670 470,00	306 455 420,00	135 529 170,00	31 588 290,00	2 551 810,00	-7 168 010,00	-5 226 050,00	3 798 680,00			
N-6	**R0190**	57 086 550,00	278 507 420,00	84 677 620,00	9 481 730,00	-11 127 730,00	-2 635 020,00	5 051 370,00				
N-5	**R0200**	70 148 560,00	243 641 670,00	92 697 170,00	28 782 780,00	2 361 030,00	2 499 080,00					
N-4	**R0210**	52 477 910,00	233 067 180,00	87 371 870,00	22 069 480,00	2 254 120,00						
N-3	**R0220**	63 861 550,00	248 768 890,00	86 113 300,00	16 546 260,00							
N-2	**R0230**	62 300 520,00	288 478 460,00	86 844 840,00								
N-1	**R0240**	62 842 250,00	123 886 680,00									
N	**R0250**	19 721 360,00										

- **S.19.01.01 Non-life Insurance Claims Information – La Compagnie (2/4)**

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	-4 772 660,00	-4 772 660,00
	R0160	-2 957 820,00	563 847 600,00
	R0170	-3 495 090,00	448 152 220,00
	R0180	3 798 680,00	552 199 780,00
	R0190	5 051 370,00	421 041 940,00
	R0200	2 499 080,00	440 130 290,00
	R0210	2 254 120,00	397 240 560,00
	R0220	16 546 260,00	415 290 000,00
	R0230	86 844 840,00	437 623 820,00
	R0240	123 886 680,00	186 728 930,00
	R0250	19 721 360,00	19 721 360,00
Total	R0260	249 376 820,00	3 877 203 840,00

• S.19.01.01 Non-life Insurance Claims Information – La Compagnie (3/4)

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

		Development year										
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											50 496 402,07
N-9	**R0160**	R0160-C0200	R0160-C0210	R0160-C0220	R0160-C0230	R0160-C0240	R0160-C0250	R0160-C0260	R0160-C0270	9 388 394,64	9 449 333,55	
N-8	**R0170**	R0170-C0200	R0170-C0210	R0170-C0220	R0170-C0230	R0170-C0240	R0170-C0250	R0170-C0260	2 098 554,19	2 190 921,15		
N-7	**R0180**	R0180-C0200	R0180-C0210	R0180-C0220	R0180-C0230	R0180-C0240	R0180-C0250	5 127 149,57	4 169 228,41			
N-6	**R0190**	R0190-C0200	R0190-C0210	R0190-C0220	R0190-C0230	R0190-C0240	36 491 170,44	36 924 622,04				
N-5	**R0200**	R0200-C0200	R0200-C0210	R0200-C0220	R0200-C0230	27 545 318,79	22 237 864,31					
N-4	**R0210**	R0210-C0200	R0210-C0210	R0210-C0220	34 594 796,31	33 734 315,35						
N-3	**R0220**	R0220-C0200	R0220-C0210	42 780 625,71	27 674 741,95							
N-2	**R0230**	R0230-C0200	164 279 277,00	33 666 570,13								
N-1	**R0240**	369 774 625,67	67 286 452,93									
N	**R0250**	240 290 791,26										

- **S.19.01.01 Non-life Insurance Claims Information – La Compagnie (4/4)**

		Year end (discounted data)
		C0360
	R0100	50 779 784,29
	R0160	9 483 085,60
	R0170	2 195 419,99
	R0180	4 182 164,22
	R0190	36 376 564,88
	R0200	22 502 845,51
	R0210	33 637 699,40
	R0220	27 638 857,42
	R0230	33 186 968,18
	R0240	67 694 675,14
	R0250	240 619 736,66
Total	R0260	528 297 801,28

- ## S.23.01.22 Own funds – COFACE SA (1/3)

S.23.01.22
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	**R0010**	300 359 583,63	300 359 583,63		.	
Non-available called but not paid in ordinary share capital at group level	**R0020**	0,00	0,00		0,00	
Share premium account related to ordinary share capital	**R0030**	810 419 792,40	810 419 792,40		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	.	.		.	
Subordinated mutual member accounts	**R0050**	.		.	.	.
Non-available subordinated mutual member accounts at group level	**R0060**	0,00		0,00	0,00	0,00
Surplus funds	**R0070**	.	.			
Non-available surplus funds at group level	**R0080**	.	.			
Preference shares	**R0090**	.		.	.	.
Non-available preference shares at group level	**R0100**	.		.	.	.
Share premium account related to preference shares	**R0110**	.		.	.	.
Non-available share premium account related to preference shares at group level	**R0120**	0,00		0,00	0,00	0,00
Reconciliation reserve	**R0130**	1 028 729 840,37	1 028 729 840,37			
Subordinated liabilities	**R0140**	406 613 835,00		.	406 613 835,00	.
Non-available subordinated liabilities at group level	**R0150**	0,00		0,00	0,00	0,00
An amount equal to the value of net deferred tax assets	**R0160**	38 567 821,23				38 567 821,23
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	5 034 484,57				5 034 484,57
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	0,00	0,00	0,00	0,00	0,00
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	0,00	0,00	0,00	0,00	0,00
Minority interests (if not reported as part of a specific own fund item)	**R0200**	.	.	.	.	.
Non-available minority interests at group level	**R0210**	0,00	0,00	0,00	0,00	0,00
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**	208 718 968,00	208 718 968,00	.	.	
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**	.	.	.	.	
Deductions for participations where there is non-availability of information (Article 229)	**R0250**	.	.	.	.	.
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	.	.	.	.	.
Total of non-available own fund items	**R0270**	112 799 748,90	107 765 264,33			5 034 484,57
Total deductions	**R0280**	321 518 716,90	316 484 232,33	.	.	5 034 484,57

• S.23.01.22 Own funds – COFACE SA (2/3)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	R0290	2 263 172 155,74	1 823 024 984,08	0,00	406 613 835,00	33 533 336,67
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	.			.	
Unpaid and uncalled preference shares callable on demand	R0320	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive **2009/138/EC**	R0350	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	.			.	
Supplementary members calls - other than under **first subparagraph** of Article 96(3) of the Directive **2009/138/EC**	R0370	.			.	.
Non available ancillary own funds at group level	R0380	.			.	.
Other ancillary own funds	R0390	.			.	.
Total ancillary own funds	R0400	.			.	.
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	.	.	.	.	
Institutions for occupational retirement provision	R0420	.	.	.	.	.
Non regulated entities carrying out financial activities	R0430	208 718 968,00	208 718 968,00	.	.	
Total own funds of other financial sectors	R0440	208 718 968,00	208 718 968,00	.	.	.
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	.	.	.	.	.
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	.	.	.	.	.
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	2 263 172 155,74	1 823 024 984,08	0,00	406 613 835,00	33 533 336,67
Total available own funds to meet the minimum consolidated group SCR	R0530	2 229 638 819,08	1 823 024 984,08	0,00	406 613 835,00	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	2 263 172 155,74	1 823 024 984,08	0,00	406 613 835,00	33 533 336,67
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	1 886 386 376,75	1 823 024 984,08	0,00	63 361 392,67	
Minimum consolidated Group SCR	R0610	316 806 963,35				

- ## S.23.01.22 Own funds – COFACE SA (3/3)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	5,95				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	2 471 891 123,74	2 031 743 952,08	0,00	406 613 835,00	33 533 336,67
Group SCR	**R0680**	1 267 227 853,39				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	1,95				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	2 401 893 836,58
Own shares (held directly and indirectly)	**R0710**	.
Foreseeable dividends, distributions and charges	**R0720**	223 816 798,94
Other basic own fund items	**R0730**	1 149 347 197,26
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0,00
Other non available own funds	**R0750**	.
Reconciliation reserve	**R0760**	1 028 729 840,37
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

• S.23.01.01 Ownd funds – La Compagnie (1/2)

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	137 052 417,00	137 052 417,00		.	
Share premium account related to ordinary share capital	R0030	627 437 165,00	627 437 165,00		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	.	.		.	
Subordinated mutual member accounts	R0050	.		.	.	.
Surplus funds	R0070	.	.			
Preference shares	R0090	.		.	.	.
Share premium account related to preference shares	R0110	.		.	.	.
Reconciliation reserve	R0130	1 134 392 512,66	1 134 392 512,66			
Subordinated liabilities	R0140	335 991 432,00		.	335 991 432,00	.
An amount equal to the value of net deferred tax assets	R0160	.				.
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	.	.	.	.	.
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	.	.	.	.	.
Total basic own funds after deductions	R0290	2 234 873 526,66	1 898 882 094,66	.	335 991 432,00	.
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	.			.	
Unpaid and uncalled preference shares callable on demand	R0320	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	.			.	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	.			.	.
Other ancillary own funds	R0390	.			.	.

- ## S.23.01.01 Own funds – La Compagnie (2/2)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**	.			.	.
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	2 234 873 526,66	1 898 882 094,66	.	335 991 432,00	.
Total available own funds to meet the MCR	**R0510**	2 234 873 526,66	1 898 882 094,66	.	335 991 432,00	
Total eligible own funds to meet the SCR	**R0540**	2 234 873 526,66	1 898 882 094,66	0,00	335 991 432,00	0,00
Total eligible own funds to meet the MCR	**R0550**	1 941 445 577,26	1 898 882 094,66	0,00	42 563 482,60	
SCR	**R0580**	851 269 651,91				
MCR	**R0600**	212 817 412,98				
Ratio of Eligible own funds to SCR	**R0620**	2,63				
Ratio of Eligible own funds to MCR	**R0640**	9,12				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	2 198 882 094,66				
Own shares (held directly and indirectly)	**R0710**	.				
Foreseeable dividends, distributions and charges	**R0720**	300 000 000,00				
Other basic own fund items	**R0730**	764 489 582,00				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0,00				
Reconciliation reserve	**R0760**	1 134 392 512,66				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**					
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**					
Total Expected profits included in future premiums (EPIFP)	**R0790**					

S.25.02.22 SCR - for groups using the standard formula and partial internal model – COFACE SA

S.25.02.22
Solvency Capital Requirement - for groups using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	Consideration of the future management actions regarding technical provisions and/or deferred taxes	Amount modelled	USP
C0010	C0020	C0030	C0050	C0060	C0070	C0090
1	Market Risk	388 130 115,57	R-C0050	R-C0060	0,00	
2	Counterparty Default Risk	126 346 361,35	R-C0050	R-C0060	0,00	
5	Non-Life Underwriting Risk	831 258 503,70	R-C0050	R-C0060	738 997 171,19	
7	Operational Risk	39 709 486,18	R-C0050	R-C0060	0,00	
9	Loss-Absorbing Capacity of Deferred Taxes	-167 349 180,71	R-C0050	R-C0060	0,00	

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	1 218 095 286,10
Diversification	R0060	-159 586 400,71
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	1 058 508 885,39
Capital add-ons already set	R0210	0,00
Solvency capital requirement for undertakings under consolidated method	R0220	1 267 227 853,39
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matchingadjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	R0450-C0100
Net future discretionary benefits	R0460	R0460-C0100
Minimum consolidated group solvency capital requirement	R0470	316 806 963,35
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	208 718 968,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	.
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	208 718 968,00
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	1 267 227 853,39

• S.25.01.21 SCR - for undertakings on Standard Formula – La Compagnie

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	363 661 253,83		
Counterparty default risk	R0020	149 042 061,09		
Life underwriting risk	R0030	.	R0030-C0090	R0030-C0100
Health underwriting risk	R0040	.	R0040-C0090	R0040-C0100
Non-life underwriting risk	R0050	677 348 688,92	R0050-C0090	R0050-C0100
Diversification	R0060	-260 277 363,02		
Intangible asset risk	R0070	0,00		
Basic Solvency Capital Requirement	R0100	929 774 640,83		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	36 202 839,28
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	-114 707 828,21
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	.
Solvency Capital Requirement excluding capital add-on	R0200	851 269 651,91
Capital add-on already set	R0210	.
Solvency capital requirement	R0220	851 269 651,91
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	.
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	.
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00

• S.28.01.01 MCR - Only life or only non-life insurance or reinsurance activity – La Compagnie

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	103 418 274,41

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expenses and proportional reinsurance	R0020	.	.
Income protection insurance and proportional reinsurance	R0030	.	.
Workers' compensation insurance and proportional reinsurance	R0040	.	.
Motor vehicle liability insurance and proportional reinsurance	R0050	.	.
Other motor insurance and proportional reinsurance	R0060	.	.
Marine, aviation and transport insurance and proportional reinsurance	R0070	.	.
Fire and other damage to property insurance and proportional reinsurance	R0080	.	.
General liability insurance and proportional reinsurance	R0090	.	.
Credit and suretyship insurance and proportional reinsurance	R0100	276 252 765,69	482 491 459,16
Legal expenses insurance and proportional reinsurance	R0110	.	.
Assistance and proportional reinsurance	R0120	.	.
Miscellaneous financial loss insurance and proportional reinsurance	R0130	.	.
Non-proportional health reinsurance	R0140	.	.
Non-proportional casualty reinsurance	R0150	.	.
Non-proportional marine, aviation and transport reinsurance	R0160	.	.
Non-proportional property reinsurance	R0170	.	.

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	.

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	.	
Obligations with profit participation - future discretionary benefits	R0220	.	
Index-linked and unit-linked insurance obligations	R0230	.	
Other life (re)insurance and health (re)insurance obligations	R0240	.	
Total capital at risk for all life (re)insurance obligations	R0250		.

Overall MCR calculation		C0070
Linear MCR	R0300	103 418 274,41
SCR	R0310	851 269 651,91
MCR cap	R0320	383 071 343,36
MCR floor	R0330	212 817 412,98
Combined MCR	R0340	212 817 412,98
Absolute floor of the MCR	R0350	2 200 000,00
Minimum Capital Requirement	R0400	212 817 412,98

S.32.01.22 Undertakings in the scope of the group – COFACE SA (1/2)

S.32.01.22
Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence: % capital share	Criteria of influence: % used for the establishment of consolidated accounts	Criteria of influence: % voting rights	Criteria of influence: Other criteria	Criteria of influence: Level of influence	Criteria of influence: Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision: [YES/NO]	Inclusion in the scope of Group supervision: Date of decision if art. 214 is applied	Group solvency calculation: Method used and under method 1, treatment of the undertaking
C0020	C0010	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800HKUQBHEN7LHG17	GB	LEI	Coface UK Holdings Limited	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800LK258I58TRLP18	GB	LEI	Coface UK Services Ltd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800W324V1DP573Y92	IL	LEI	Business Data Information	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	ILITA The Israeli Law Information and Techology	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/253400TQL1PRQT3MR535	RU	LEI	Coface RUS Insurance Company	Non-Life undertakings	Closed Joint-Stock Company	Non-mutual	Central Bank of Russian Federation	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/259400ZFRKNWZW6V1196	PL	LEI	Coface Poland Factoring	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/4851000020C6NKQDP691	SI	LEI	Coface PKZ d.d.	Non-Life undertakings	public limited company	Non-mutual	Agencija za zavarovalni nadzor, 1000 Ljubljana, Trg	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5299006D8U9HJM9FY889	DE	LEI	Coface Debitoren (ex-ADGC)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900CW8R9ZEIJNPH06	AT	LEI	Coface Services Austria	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Private Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900F0GY4C443UEI96	DE	LEI	Coface Finanz (ex-AKCF)	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	BaFin / Deutsche Bundesbank	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900HMUTQF2EKYEN39	DE	LEI	cofacerating.de GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900OUQBJGH5QC4B66	AT	LEI	Coface Central Europe Holding	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited Liability Company / GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900UYKF95GQF4OK48	DE	LEI	Cofacerating-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900VLW25U8Q4MI292	ZA	LEI	Coface South Africa Services (ex-CUAL)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LIMITED	Non-mutual	Prudential Authority-370 Helen Joseph	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900ZEEQUB7KU8UA23	ZA	LEI	Coface South Africa	Non-Life undertakings	LIMITED	Non-mutual	FSCA-41 Matroosberg Rd,	97,4953%	100,0000%	97,5000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493000AP6VMDH674E08	US	LEI	Coface North America Holding Company	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493007N150J79H7D539	CL	LEI	Coface Chile S.A. (Insurance)	Non-Life undertakings	S.A.	Non-mutual	SuperIntendencia de Valores y Seguros SVS Avenida Libertador	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AE9J7SZR49FT70	BE	LEI	Coface Belgium Services Holding (ex-RBB)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AH1830FZ5MTX33	US	LEI	Coface Services North America, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300HBAICZQX96YF53	US	LEI	Coface North America Insurance Company	Non-Life undertakings	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation

- ## S.32.01.22 Undertakings in the scope of the group – COFACE SA (2/2)

S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	**Country**	**Type of code of the ID of the undertaking**	**Legal Name of the undertaking**	**Type of undertaking**	**Legal form**	**Category (mutual/non mutual)**	**Supervisory Authority**	**% capital share**	**% used for the establishment of consolidated accounts**	**% voting rights**	**Other criteria**	**Level of influence**	**Proportional share used for group solvency calculation**	**[YES/NO]**	**Date of decision if art. 214 is applied**	**Method used and under method 1, treatment of the undertaking**
C0020	C0010	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/549300L2E9PESIFA5 849	CH	LEI	Coface RE SA	Reinsurance undertakings	SA	Non-mutual	FINMA Laupenstrasse 27 CH – 3003 Berne	100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300R49CJGOAH FN339	BR	LEI	Coface Do brasil Seguros de Credito	Non-Life undertakings	S.A.	Non-mutual	SUSEP - Superintendência de Seguros Privados - Av.	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300U436DACQ WABG42	MX	LEI	Coface Holding America Latina S.A	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA de CV	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300VKNSGSISZ5 SJ15	MX	LEI	Coface Seguro de Credito Mexico	Non-Life undertakings	SA de CV	Non-mutual	Comisión Nacional de Seguros y	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/724500ONKFNDI2R BKA16	NL	LEI	Coface Nederland Services B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Dutch B.V.	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/789000TSX8QMK0Q ATY75	TR	LEI	Coface Sigorta	Non-Life undertakings	ANONIM SIRKETI	Non-mutual	Turkish Prime Ministry Undersecretariat of Treasury	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/815600C3B3BA64D C7A18	IT	LEI	Coface Italia	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Società a responsabilità limitat	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/95980046WUPXWLF 53K62	ES	LEI	Coface Servicios Espana, SL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SLU	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695000CSKX9IHH4 M509	FR	LEI	Cofinpar	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500161CXOCK0 NIW24	FR	LEI	Fimipar	Credit institutions, investment firms and financial institutions	SA	Non-mutual	ACPR - 61 Rue Taitbout - 75009	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/96950025N07LTJYF SN57	FR	LEI	COFACE SA	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	Société Anonyme	Non-mutual	Autorité des Marchés Financiers - 17, place de la	100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695007AC8Q2X70 BLL23	FR	LEI	Coface Europe (ex-Coface SA)	Non-Life undertakings	SA	Non-mutual	Autorite de controle prudentiel et de resolution	99,9952%	100,0000%	99,9952%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500IBHXHF6T3P BH48	FR	LEI	Cogeri	Other	SAS	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
SC/DE9	DE	Specific code	FCT VEGA	Special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC	FCT	Non-mutual	AMF Autorite des marches financiers	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
SC/IL2	IL	Specific code	Coface Finance Israel	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
SC/MX3	MX	Specific code	Coface Servicios Mexico, S.A. DE C.V.	Non-Life undertakings	SA de CV	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation

F.3 Glossary

Autorité de contrôle prudentiel et de résolution (The French Prudential Supervision and Resolution Authority - ACPR): The French authority responsible for supervising the banking and insurance sectors.

Autorité des Marchés Financiers (The French Financial Markets Authority – AMF): The French authority responsible for regulating the French financial markets.

Best Estimate (BE): economic value of insurance liabilities calculated under the Solvency II Directive.

Prudential balance sheet: an insurance company's balance sheet under the Solvency II Directive. The valuation of the prudential balance sheet is based on the economic value of various items.

Brexit: The United Kingdom's exit from the European Union.

European Insurance and Occupational Pensions Authority (EIOPA): European authority that regulates insurance companies and pension funds.

Key functions: the Solvency II Directive has defined four key functions: the internal audit function, the actuarial function, the risk management function and the compliance verification function. These functions are viewed as strategic in managing risks, and the heads of these functions must comply with fit and proper policy requirements.

Unrestricted Tier 1 own funds: correspond to Tier 1 own funds excluding subordinated debt, which is calculated by adding share capital, additional paid-in capital and reconciliation reserve less non-fungible own funds.

Restricted Tier 1 own funds: correspond to Tier 1 subordinated debt including grandfathered perpetual subordinated debt issued before the Solvency II Directive took effect.

Tier 2 own funds: correspond to Tier 2 subordinated debt including grandfathered dated subordinated debt issued before the Solvency II Directive took effect.

Tier 3 own funds: correspond to Tier 3 subordinated debt as well as potential net deferred tax in Tier 3.

Own funds eligible to cover the MCR: correspond to the sum of Tier 1, Tier 2 and Tier 3 own funds that are eligible to cover the MCR. Accordingly, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not authorised to cover the MCR.

Own funds eligible to cover the SCR: correspond to the sum of Tier 1, Tier 2 and Tier 3 own funds eligible to cover the SCR. Against this backdrop, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of the SCR.

International financial reporting standards (IFRS): international financial reporting standards designed to standardise how accounting information is presented at the international level.

Minimum Capital Requirement (MCR) : an insurer's minimum basic own funds defined by the Solvency II Directive to protect insurers and beneficiaries. When the amount of eligible basic own funds falls below the MCR, the insurer's approval is withdrawn if it is not able to bring this amount back up to the MCR level quickly.

Own Risk and Solvency Assessment (ORSA): internal assessment of risks and solvency by the insurance company. All the processes and procedures help identify, assess, monitor, manage and communicate all of an insurance company's short- and long-term risks as well as determine the own funds necessary to cover all these risks. The ORSA is a risk assessment tool used to define a company's strategy. This means, among other things, assessing all risks in a quantitative and qualitative way. The process results in an ORSA report approved by the Board of Directors.

Quantitative Reporting Templates (QRT): Solvency II regulatory reporting in the form of quantitative statements for the supervisor and/or public, produced quarterly.

Risk Margin: adjustment for explicit risk to account for uncertainties regarding the amount and date of cash outflows. In assessing insurance liabilities, the risk margin is on top of the Best Estimate.

Solvency: an insurer's ability to honour its commitments to policyholders while running a sustainable and profitable business.

Solvency II: European rules guaranteeing solvency of insurance companies. Solvency II aims to adjust the level of equity to the real risks it is exposed to. It is based on a framework agreement adopted in 2009 (Directive 2009/138/EC) and on implementing measures.

Solvency Capital Requirement (SCR)**:** level of eligible own funds enabling an insurer to absorb material losses and providing reasonable assurance that the commitments to policyholders and beneficiaries will be honoured when they are due. The SCR is defined by the Solvency II Directive as the Value-at-Risk of the insurer's basic own funds, with a one-year confidence level of 99.5%

Solvency and Financial Condition Report (SFCR): annual report for the general public on an insurer's solvency and financial position, set forth by the Solvency II Directive.

Universal Registration Document (URD)**:** document that allows frequent issuers to make available a description of "the company's structure, activities, financial position, results, outlook, governance and shareholding structure" for each financial year. The URD is a regulatory requirement introduced in July 2019 by regulation Prospectus 2017/1129 of June 14, 2017, replacing the Registration Document.

Market value: value of an asset on the financial markets.

Volatility: measure of the scale of changes of an indicator over time, such as the market price of a financial asset. For instance, it serves as a factor in quantifying the risk of market price fluctuation for a financial asset.