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SOLVENCY AND FINANCIAL CONDITIONS REPORT 2022

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 "Compagnie française d'assurance pour le commerce extérieur" 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 April 06, 2023 under the number D.23-0244.

- **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 October 10, 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 Compagnie française d'assurance pour le commerce extérieur (Trade and Companies Register no. 552069791).

Please note that COFACE SA comprises the Coface Group ("COFACE SA" or "the Group"), accounted for on a consolidated basis and Compagnie française d'assurance pour le commerce extérieur, an institution accounted for 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 35 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.
- 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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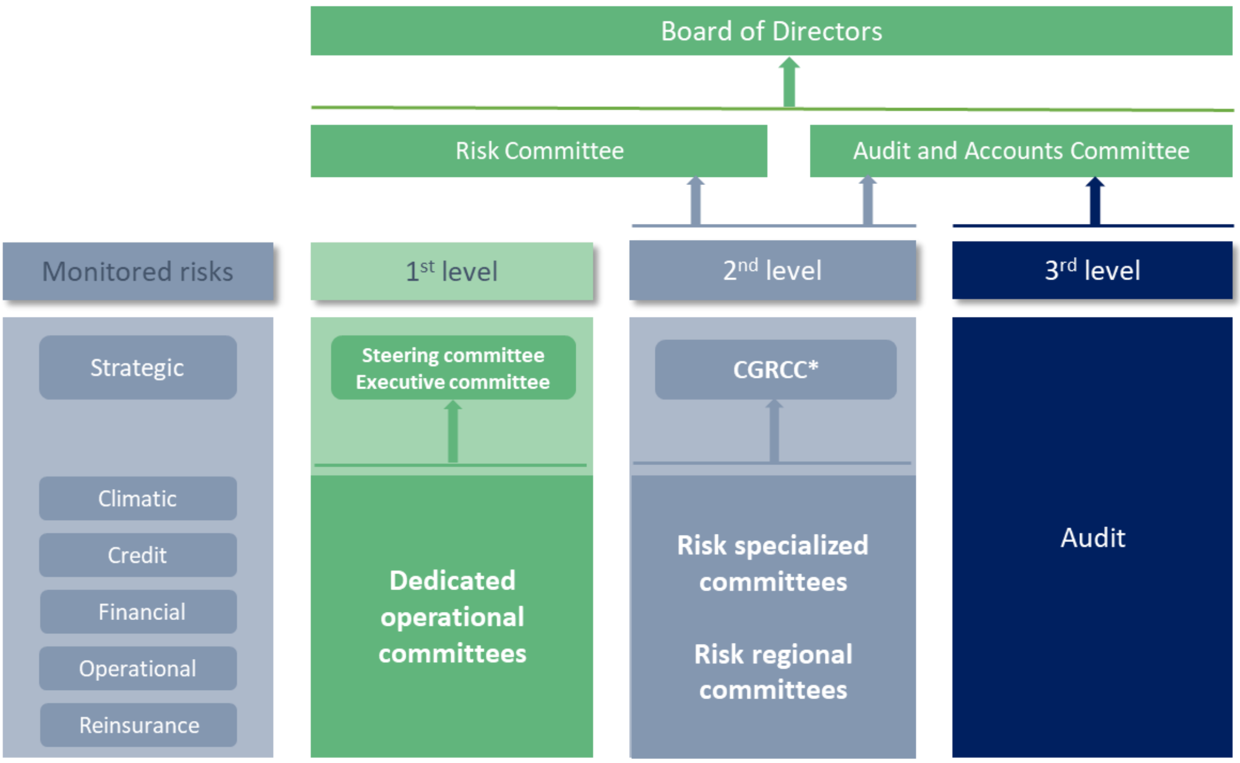
♦ Business and performance

Consolidated turnover amounted to €1,812 million, up 13.4% on 2021 at constant scope and exchange rates. The net combined ratio stood at 64.9%, or 0.3 points below the level recorded in 2021 (64.6%). The loss ratio increased by 9.8 points to 31.2%. The Group ended the year with net income (Group share) up 26.5% at €283 million (compared with €224 million in 2021) and return on equity of 15.6%. As at December 31, 2022, the solvency ratio was estimated at 202%, above the target solvency range of between 155% and 175%.

The turnover of Compagnie française d'assurance pour le commerce extérieur, which amounted to €1,397 million, increased by 14.8% (at constant scope and exchange rates) compared with 2021 and the net loss ratio increased by 10.4 points to 32.4%. Compagnie Française d'Assurance pour le Commerce Extérieur ended the year with net income of €131 million, an increase of 213.0% (compared with €42 million in 2021).

♦ 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, which is essentially a credit risk for Coface, is the Group's main risk, accounting for a significant proportion of the capital requirements. The latter is nonetheless sensitive to market, 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 December 31, 2022 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 2021, allowing comparisons between changes in the major classes of assets and liabilities. This valuation of the assets of the Coface Group is €5,314 million in Solvency II standards. Compagnie française d'assurance pour le commerce extérieur has total assets of €4,294 million.
As far as liabilities are concerned, the Group's liabilities amounted to €3,127 million, and the excess of assets over liabilities stood at €2,187 million, while Compagnie française d'assurance pour le commerce extérieur's liabilities totalled €2,379 million, with an excess of assets over liabilities of €1,915 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.
At December 31, 2022, the Group's solvency ratio was 201.6%.
At December 31,2022, the Compagnie française d'assurance pour le commerce extérieur's solvency ratio was 206.8%.

/ 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.

- **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

  - **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 Statutory Auditors	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Mireille BERTHELOT	

A.1.2 Holders of qualifying stakes in the company

- **COFACE SA**

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

	As at December 31, 2022				As at December 31, 2021		As at December 31, 2020	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Natixis [1]	0	0.00%	0	0.00%	15,078,051	15,078,051	64 153 881	64,153,881
Arch Capiral Group	44,849,425	29.86%	44,849,425	30.09%	44,849,425	44,849,425	-	-
Employees	1,223,920	0.81%	1,223,920	0.82%	857,423	857,423	853,199	853,199
Public	102,990,329	68.58%	102,990,329	69.09%	88,247,383	88,247,383	84,682,884	84,682,884
Treasury shares [2]	1,116,118	0.74%	0	0.00%	1,147,510	0	2,341,985	0
Other	-	-	-	-	-	-	-	-
Total	**150,179,792**	**100%**	**149,063,674**	**100%**	**150,179,792**	**149,032,282**	**152,031,949**	**149,689,964**

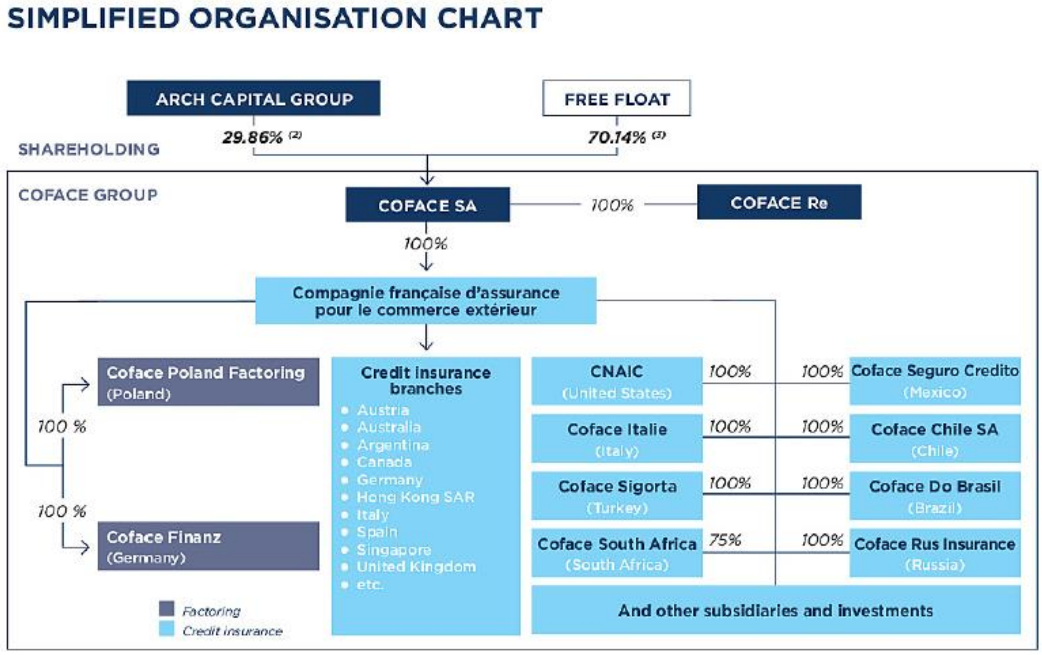
[1] *On January 5, 2022, Natixis announced the sale of 15,078,095 Coface SA shares, representing 10.04% of the share capital, for €11.55 per share, under an accelerated bookbuild transaction with institutional investors.*
[2] *Independent holding: liquidity contract, treasury share transactions and redemption for cancellation.*

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

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

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*).



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 90% of COFACE SA's turnover in 2022 (*see Chapter 4, Note 22 "Revenue" in the 2022 Universal Registration Document*). This entails providing businesses with solutions to protect them against the risk of client debtor insolvency in both their 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 35 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 2022

- **Change in governance**

On the Board of Directors

On May 17, 2022, at the Combined General Meeting, Laetitia Leonard - Reuter and Laurent Musy were elected as independent directors for a term of four years. These appointments follow the expiry of the directorships of Olivier Zarrouati and Eric Hémar, respectively.

Following that General Meeting, the Board of Directors is made up of 10 members, 5 women and 5 men, the majority (6) of whom are independent directors.

On the Group Management Committee

On May 2, 2022, Hugh Burke was appointed Chief Executive Officer of the Asia Pacific region with effect from April 1. He joined the Group's Executive Committee and reports to Xavier Durand, Coface's Chief Executive Officer. He takes over from Bhupesh Gupta, who contributed to a significant transformation in corporate culture over the past six years and managed activities in the region with courage and responsibility during the health crisis.

On September 8, 2022, Matthieu Garnier, Head of Business Information, joined the Group's Executive Committee and will continue to report to Thibault Surer, Group Strategy and Business Development Director. His appointment is part of the growth strategy for business information services, one of the key pillars of our Build to Lead strategic plan.

- **Natixis announces the sale of its remaining stake in Coface SA**

On January 6, 2022, Natixis announced the sale of its remaining stake in Coface SA. This disposal represented approximately 10.04% of Coface SA's share capital, or 15,078,095 shares. It was carried out by means of an accelerated bookbuild (ABB) at an average price of €11.55. As a result of this transaction, Natixis no longer held any shares in Coface SA.

- ## Anticipated impacts of the crisis in Ukraine

Russia's invasion of Ukraine on February 24, 2022 triggered a war in Europe for the first time since the second world war. This armed conflict and the economic sanctions taken against Russia have clearly had serious economic, financial and inflationary consequences for the whole world.

Against this backdrop, Coface adjusted its assessments of Russian, Belarusian and Ukrainian risk and reduced its exposure to these countries in 2022. The Group continues to monitor the situation on a daily basis and continuously adjusts its underwriting policy by ensuring compliance with international sanctions.

As of the date of writing, and subject to changes in the situation, this serious crisis has greatly increased uncertainty and volatility through its impact on a variety of sectors and regions.

Coface is not directly exposed to the countries currently involved in the conflict through its investment portfolio.

Coface *Russia Insurance*'s earned premiums amounted to €12 million in 2022 (compared with €12.5 million in 2021, or 1% of the Group's total). This subsidiary accounted for €26 million of the Group's balance sheet total in 2022 (0.3% of the consolidated balance sheet total). Losses related to this conflict are on the rise but remain limited at the Group level.

The Group's exposure to Russian obligors decreased from just under 1% of the overall exposure to 0.1% at December 31, 2022.

- ## Financial and non-financial rating agency ratings

AM Best confirms the A (Excellent) rating with a stable outlook for Coface's main operating entities

On April 7, 2022, the rating agency AM Best confirmed the Insurer Financial Strength (IFS) A (Excellent) rating given to Compagnie Française d'assurance pour le commerce extérieur, Coface North America Insurance Company (CNAIC) and Coface Ré. The outlook for these ratings remains stable.

MSCI upgrades COFACE SA's rating from AA to AAA

On July 14, 2022, COFACE SA's rating was upgraded to AAA by the non-financial rating agency MSCI, which analyses the environmental, social and governance (ESG) practices of thousands of companies worldwide.

COFACE SA thus ranks among the 4% best performers in its sector in the Property & Casualty Insurance category.

Moody's affirms Coface's ratings, changes outlook to positive

On October 11, 2022, Moody's confirmed Coface's A2 Insurance Financial Strength (IFS) rating. The agency also raised Coface's outlook from stable to positive.

Fitch confirms Coface's AA- rating

On November 23, 2022, the rating agency Fitch Ratings confirmed Coface's AA- Insurer Financial Strength (IFS) rating. The outlook was held at stable.

- ## Successful early bond refinancing

On September 21, 2022, COFACE SA announced the results of the redemption offer for subordinated bonds issued by the Company in 2014 for €380,000,000 bearing interest at a fixed rate of 4.125% and

maturing on March 27, 2024. The Company accepted the redemption of a principal amount of €153,400,000 of securities validly tendered to the Redemption Offer at a fixed price of 103.625%.
On September 22, 2022, COFACE SA also announced the issue of €300,000,000 T2 subordinated bonds bearing interest at a fixed rate of 6.000% and maturing on September 22, 2032.

- **Opening of a Coface branch in New Zealand**

On April 4, 2022, Coface announced the opening of a branch in New Zealand after receiving the approval of the country's central bank. This is consistent with its growth ambitions in new high-potential markets.
According to the World Bank, New Zealand's export value reached USD 51 billion in 2020. This market therefore has significant potential to develop adjacent credit insurance solutions and speciality services.

- **Conversion of Coface PKZ to a branch**

Coface PKZ is a Slovenian company that has been registered on the companies register since December 31, 2014. It is authorised to carry out insurance activities in the category of credit insurance, and to carry out insurance activities related to the underwriting of reinsurance in the non-life reinsurance category.
The Group successfully integrated PKZ, a company acquired in 2019, which was converted into Compagnie française d'assurance pour le commerce extérieur's Slovenian branch in September 2022.

A.1.6 Post closing events at December 31, 2022

- **Acquisition of Rel8ed, a data analysis specialist in North America**

On January 30, 2023, Coface announced that it had acquired Rel8ed, a North American data analysis company. This acquisition will enrich Coface's databases and increase its analytical capabilities. It will benefit Coface's credit insurance and business information businesses.

A.2 Underwriting performance

A.2.1 COFACE SA

COFACE SA's consolidated turnover increased by 13.4% at constant scope and exchange rates to €1,812 million in 2022 (+15.6% 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:

- In 2021: Coface Poland Insurance Services, Coface Romania Insurance Services, Coface Finance Israel and Coface Servicios Mexico.
- In 2022: Coface Norden Services (Denmark), Coface Sverige Services (Sweden), Coface Services Suisse, Coface Baltic Services (Lithuania) and Coface Servicios Argentina.

A more detailed description is available in *Chapters 1.3 – Description of principal activities and 3.3 – Comments on income in the 2022 Universal Registration Document.*

A.2.2 – Compagnie française d'assurance pour le commerce extérieur

- ♦ **Turnover**

Compagnie Française d'Assurance pour le Commerce Extérieur's turnover was €1,397 million. It increased by 14.5% from December 2021 (14.8% at constant scope and exchange rates).
The following table illustrates the changes in turnover, for each business line, as at December 31, 2021 and 2022:

Change in consolidated turnover Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at Dec. 31**		**Change**		
	2022	**2021**	**as a %**	**as a %: at constant exchange rates**	**%: at constant scope and exchange rates**
Direct business premiums	1,167	1,023	14.1%	14.9%	14.9%
Premiums accepted	216	184	17.8%	15.5%	15.5%
Earned premiums	**1,384**	**1,207**	**14.7%**	**15.0%**	**15.0%**
Fee and commission income	**13**	**14**	**-3.0%**	**-2.7%**	**-2.7%**
Other underwriting income	0	0	-76.2%	-78.1%	-78.1%
Other underwriting income	**0**	**0**	**-76.2%**	**-78.1%**	**-78.1%**
Total turnover	**1,397**	**1,221**	**14.5%**	**14.8%**	**14.8%**

Earned premiums were €1,384 million, an increase compared with 2021. Fees and commission income fell by 3% to €13 million as at December 31, 2022. Lastly, other income totalled €39 million, down 78.1% at constant scope and exchange rates compared to December 2021.

♦ Change in turnover 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 December 31, 2021 and 2022:

Change in consolidated turnover Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at Dec. 31**		**Change**			
	2022	**2021**	**(in €m)**	**as a %**	**%: at constant exchange rates**	**%: at constant scope and exchange rates**
Western Europe	319	282	36	12.8%	13.7%	13.7%
Northern Europe	278	246	32	12.9%	13.1%	13.1%
Central Europe	133	101	32	31.7%	32.8%	32.8%
Mediterranean & Africa	381	343	38	11.0%	11.1%	11.1%
Latin America	45	41	3	8%	17.4%	17.4%
North America	93	80	13	16.1%	16.2%	16.2%
Asia-Pacific	149	126	22	17.8%	13.9%	13.9%
Total turnover	**1,397**	**1,221**	**177**	**14.5%**	**14.8%**	**14.8%**

The regions recorded different changes in turnover at constant scope and exchange rates, ranging from 32.8% for Central Europe to -11.1% for the Mediterranean & Africa region.

In Western Europe, revenue increased by 12.8% (13.7% at constant scope and exchange rates), as a result of the rise in short-term credit insurance. This positive change was strongly linked to the economic rebound and high inflation, which generated an increase in policyholders' revenue. Conversely, new contract production declined in 2022 compared to 2021.

In Northern Europe, turnover was up 12.9%. This increase is derived exclusively from two areas: credit insurance and fee and commission income and is due to a rebound in the activity levels of policyholders.

Turnover from the Mediterranean & Africa region rose by 11.1% on a constant scope and exchange rate basis confirming the strong sales momentum (high retention rate and new contract production). This strong commercial performance was boosted by strong activity levels for Coface's policyholders.

In Latin America, turnover increased by 8.5% (17.4% at constant scope and exchange rates), mainly due to the sharp rebound in activity in the commodities sector and inflation.

In North America, turnover was up 16.2% at current scope and exchange rates, due to the positive impact of policyholders' activity levels.

Central Europe reported a 31.7% increase in turnover (32.8% at constant scope and exchange rates). The increase in credit insurance premiums was the main driver of turnover growth in 2022.

In the Asia-Pacific region, revenue rose 17.8% (13.9% at current scope and exchange rates). This growth was driven by credit insurance, with the development of the portfolio linked to the sharp increase in client activity, despite a decline in new business. Single risk insurance grew sharply for the Singapore entity.

♦ Loss experience

The cost of claims of Compagnie Française d'Assurance pour le Commerce Extérieur was €448 million, up 73.5% from 2021.

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
	2022	**2021**	**Change (%)**
Claims expenses	**-448**	-258	73.5%
Earned premiums	1,384	1,207	14.7%
Loss ratio before reinsurance	**32.4%**	**21.4%**	**51.3%**

The loss ratio before reinsurance and including claims handling expenses increased by 11.1 points, up from 21.4% in 2021 to 32.4% in 2022. This increase is explained by a gradual normalisation of the loss experience compared to 2021, which recorded a particularly low loss experience.

♦ Overheads

Overheads Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	As at Dec. 31		Change	
	2022	**2021**	**as a %**	**%: at constant scope and exchange rates**
Internal overheads	-344	-319	7.9%	11.1%
o/w claims handling expenses	*-30*	-28	9.9%	14.3%
o/w internal investment management expenses	-3	-3	2.4%	8.5%
Commissions	-233	-198	17.5%	17.5%
Total overheads	**-577**	**-517**	**11.6%**	**13.5%**

Total overhead costs, which include claims handling expenses and of internal investment management, was up by 11.6% (13.5% at constant scope and exchange rates), from €517 million in 2021 to €577 million in 2022.

Policy acquisition commissions were up 17.5% at constant scope and exchange rates, from €198 million in 2021 to €233 million in 2022.

Internal overheads, which include claims handling expenses and internal investment management expenses, increased by 7.9% (11.1% at constant scope and exchange rates), from €319 million in 2021 to €344 million.

♦ Reinsurance income

The cost of reinsurance decreased by 35.6% in 2022, from €382 million in 2021 to €246 million in 2022.

Compagnie française d'assurance pour le commerce extérieur	As at Dec. 31		
	2022	**2021**	**Change (%)**
Ceded premiums	-706	-724	-2.5%
Ceded claims	176	76	129.7%
Commissions paid by reinsurers	284	266	6.9%
Reinsurance income	**-246**	**-382**	**-35.6%**

The fall in the cost of reinsurance is due to the increase in RFCPs - retrocessions from Coface Europe - which amounted to -€55 million in 2021 versus €68 million in 2022, i.e. a positive impact of €123 million on the cost of reinsurance.

♦ Net underwriting income

Compagnie française d'assurance pour le commerce's underwriting result increases by 130.5% from 69 million in 2021 to 159 million in 2022.

A.3 Investment performance

A.3.1 Detailed results over the period

- **Trends in the financial markets**

2022 was marked by Russia's invasion of Ukraine in February, which exacerbated the inflationary pressure already being felt at the end of 2021 and significantly accelerated the pace and level of interest rate hikes by central banks. The Ukrainian crisis worsened the economic situation in the United States and even more so in Europe. Record inflation has reduced consumers' purchasing power and the crisis led central banks to raise their key rates very quickly. Central banks were more concerned about a possible de-anchoring of inflation expectations than about the risks to growth. Europe is also suffering from the dramatic rise in gas prices as a result of the war. However, the majority of economic figures published during the fourth quarter were not quite as bad as expected. In China, the improvement that followed the easing of anti-Covid lockdowns was short-lived and further difficulties emerged in the real estate sector. The bond market crashed hard, with long-term yields rising by more than 2%, driving up the equity markets for most of the year.

In 2022, the US economy slowed on the back of lower real household income (due to very high inflation) and rising interest rates. The main economic indicators for businesses, such as the ISM indices, entered recession territory in November after slowing for a year. Despite a slight rebound, consumer confidence indicators fell sharply. In the real estate sector, which is highly sensitive to interest rates, figures were particularly disappointing. In contrast, job creation remained strong, the unemployment rate low and the working population saw the return of many workers who had stopped seeking work during the Covid-19 crisis. Inflation has fallen from its peak of 9% in June, while remaining very high (core inflation also peaked in September). The fixed income markets were extremely volatile. In 2022, the Federal Reserve made five rate hikes and clearly indicated its intention to prioritise the fight against inflation even if this were to have negative consequences on the labour market. Against this background, the US 10-year yield increased by 236 basis points to 3.87% at the end of 2022. On the equity side, the S&P 500 fell by -19.4% over the year. Companies' excellent quarterly earnings in Q3 triggered a rally at the beginning of Q4. However, US equities corrected in December in response to a surge in bond yields.

In Europe, the sharp rise in natural gas prices following the drastic reduction in Russian deliveries contributed to rising inflation and monetary tightening. Business climate indicators moved into negative territory in March, hitting a low in October, while consumer confidence collapsed with the Russian invasion and recovered slightly in the last quarter. However, the labour market remained strong, with the unemployment rate at its lowest level since the creation of the eurozone. Inflation exceeded 10% in September. After raising its key rates by 0.50% in July (the first increase since 2011), the ECB followed with three further increases over the rest of the year. The ECB president also indicated that the bank intends to continue this upward cycle to combat inflation despite the weakening growth outlook. Sovereign yields rose sharply over 2022, with the German 10-year yield adding 275 basis points to end the year at 2.57%. On the equity markets, the Euro Stoxx 50 was down -11.7% over the year.

Overall, the growth outlook for emerging markets has been revised downwards on the back of high inflation, slowing global trade and tighter global and domestic monetary conditions. The slowdown was more pronounced in Eastern Europe due to the European energy crisis and rising prices. Inflation is still very high and generally rising, although there has been a stabilisation in a few countries such as Brazil. Unsurprisingly, emerging market central banks continued their rate hikes (except Russia and Turkey) and some laggards finally joined the trend (Thailand, Indonesia). In China, while the economy recorded weak growth in the second quarter due to Covid restrictions, it could recover in 2023 with the easing of both these measures and monetary and fiscal policies.

♦ Financial income from investments – COFACE SA

• Development of the investment portfolio

In 2022, growth slowed from the peaks seen in 2021. The situation was exacerbated by the repercussions of the conflict between Russia and Ukraine, which pushed inflation above central bank expectations.

Under the effect of inflation, rising interest rates and widening credit spreads, the Group continued the downside adjustment of risk in its portfolio that it began in 2021, mainly by reducing its exposure to emerging countries and real estate funds in favour of government bonds. At December 31, 2022, the bond portfolio represented 77.4%, compared with 68.9% at the end of 2021.

Similarly, in anticipation of the implementation of IFRS 9 and in light of the decline in the markets, the Group significantly reduced its equity allocation. As a result, the portfolio's equity exposure fell by 4.7 points between the end of 2021 and the end of 2022 and the remaining equity allocation will be measured at fair value through non-recyclable other comprehensive income (FV OCI-NR) at January 1, 2023.

Finally, loans, deposits and other financial investments accounted for 12.2% of the Group's portfolio at the end of 2022, compared with 16.6% at the end of 2021.

These investments were all made within a strictly defined risk framework. Issuer credit quality, issue sensitivity, and the spread of risk across issuers and geographic regions are covered by clear rules set out in the investment mandates granted to the Group's dedicated asset managers.

The market value of the portfolio fell by €122 million over the 2022 financial year, mainly due to the increase in interest rates.

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

Investment portfolio	**As at Dec. 31**			
COFACE SA	**2022**		**2021**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	220	7.5%	213	7.0%
Shares	86	2.9%	233	7.6%
Bonds	2,277	77.4%	2,110	68.9%
Loans, deposits and other financial investments	358	12.2%	507	16.6%
Total financial assets	**2,941**	**100%**	**3,063**	**100%**

• Investment portfolio income

Income from the investment portfolio amounted to €62 million, of which €18 million in realised gains, impairment/reversals and equity/interest rate derivatives (representing 2.1% of 2022 average annual assets under management and 1.5% excluding realised gains, impairment/reversals and equity/interest rate derivatives), compared with €37 million in 2021, of which €4 million in realised gains, impairment/reversals and equity/interest rate derivatives (1.2% of 2021 average annual assets under management and 1.1% excluding realised gains, impairment/reversals and equity/interest rate derivatives). In this risk-off environment, the Group increased and reallocated its bond portfolio to protect and improve the investment portfolio's return.

Income from the investment portfolio **COFACE SA** *(in millions of euros)*	As at Dec. 31		
	2022	**2021**	**Change**
Shares	38	-1	-4311.1%
Fixed income	-1	24	-102.5%
Investment property	25	14	78.6%
Total investment portfolio	**62**	**37**	**69.8%**
o/w outsourcing, impairment and reserve releases	18	*4*	*391.7%*
Non-consolidated companies	3	6	-56.5%
Foreign exchange income	-16	7	-325.7%
Financial expenses and investment costs	**-9**	-8	18.4%
Total	**40**	**42**	**-4.5%**

After income from equity securities, foreign exchange income, income from derivatives, and financial and investment expenses, the Group's net financial income for 2022 totalled €40 million.
The portfolio's economic rate of return was negative at -6.5% in 2022 mainly due to the collapse of revaluation reserves in 2022 caused by rising rates and the falling equity markets.

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

  - **Development of the investment portfolio**

Compagnie française d'assurance pour le commerce extérieur's portfolio followed the same allocation pattern as that of the Group, with a fall in exposure to equities and emerging markets in favour of sovereign bonds issued by developed countries.
The investment portfolio of Compagnie française d'assurance pour le commerce extérieur can be broken down as follows:

Investment portfolio **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	As at Dec. 31			
	2022		**2021**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	179	7.6%	166	6.7%
Shares	71	3.0%	188	7.6%
Bonds	1,665	70.3%	1,546	62.2%
Loans, deposits and other financial investments	452	19.1%	584	23.5%
Total financial assets	**2,368**	**100%**	**2,484**	**100%**

  - **Investment portfolio income**

Compagnie française d'assurance pour le commerce extérieur's financial income amounted to €139 million in 2022, versus €65 million in 2021.

Income from the investment portfolio **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	**As at Dec. 31** **2022**	 **2021**	 **Change**
Investment income	119	84	35
Gains on the realisation of investments	117	101	16
Total income and gains	**236**	**185**	**51**
Financial expenses	-20	-17	-3
Investment management	-3	-3	0
Provision for impairment of investments	-9	-5	-4
Other investment expenses	-3	-4	0
Losses on the realisation of investments	-62	-91	30
Total expenses	**-97**	**-120**	**23**
Financial income	**139**	**65**	**74**

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.

However, Compagnie française d'assurance pour le commerce extérieur's financial income rose by €74 million mainly as a result of investment income and gains on the realisation of investments due to the various changes made to the investment portfolio described in detail in the above paragraphs.

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 December 31, 2022 and, for comparison purposes, at December 31, 2021:

COFACE SA *(in thousands of euros)*	**Investment instruments**	**Reserves - Non-recyclable gains and losses (IAS19R)**	**Tax**	**Revaluation reserves - Group share**	**Non-controlling interests**	**Revaluation reserves**
Amounts as at January 1, 2022	**250,291**	**-30,652**	**-29,399**	**190,240**	**-115**	**190,125**
Change in the fair value of available-for-sale financial assets - transferred to profit or loss	-12,861		3,629	-9,232	0	-9,232
Change in the fair value of available-for-sale financial assets - recognised in other comprehensive income	-310,306		54,623	-255,683	-32	-255,715
Change in reserves - non-recyclable gains and losses (IAS19R)		13,015	-3,705	9,310	0	9,310
Transactions with shareholders	1		0	1	-1	0
Amounts as at December 31, 2022	**-72,875**	**-17,637**	**25,148**	**-65,364**	**-148**	**-65,512**

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**

- **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 December 31, 2022, 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 €9 million as at December 31, 2022.
The impacts of newly consolidated entities comprise -€557 thousand for the NAR region, €323 thousand for the CER region, €888 thousand for the LAR region and €988 thousand for the WER region.
Other operating expenses, which amounted to €10 million, mainly consisted of costs incurred in connection with the double Run (production of pro forma financial statements for the transition to IFRS 17).

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

Extraordinary income and expenses amounted to -€27 million as at December 31, 2022.
Non-recurring income included a reversal of excess depreciation for €4 million.
Non-recurring expenses consisted of expenses related to other provisions for Build to Lead restructuring costs of €5 million, other non-recurring expenses of €10 million comprising costs incurred in connection with the double Run (production of pro forma financial statements for the transition to IFRS 17) and a provision for liquidity risk of €21 million allocated to other provisions for risks.

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 September 1, 2018 and should end on August 31, 2030.
The Italian branch contracted a nine-year lease for its premises effective May 2, 2019, located at Via Lorenteggio n. 240, 20147 Milan, Italy.

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

Compagnie française d'assurance pour le commerce extérieur's main office rental agreements are the same as those of the Group.

- **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 governance system

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 February 16, 2023, the Board of Directors, which approves the parent company and consolidated financial statements, is made up of ten members, of which 50% are women and 60% are independent:

- Bernardo Sanchez Incera, Chairman
- Janice Englesbe
- David Gansberg
- Chris Hovey
- Isabelle Laforgue
- Laetitia Léonard-Reuter
- Nathalie Lomon
- Sharon MacBeath
- Laurent Musy
- 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 2022 Universal Registration Document*.

- **Audit and Accounts Committee**

During financial year 2022, the members of the Audit and Accounts Committee were Laetitia Léonard-Reuter (Chair), David Gansberg and Isabelle Laforgue.

At least two-thirds of the members of the Audit and Accounts Committee are independent members of the Board of Directors. It thus conforms to the recommendation of the AFEP-MEDEF Code according to which this committee must have a majority of independent members.
Duties (Article 3 of the Financial Statements and Audit Committee's internal regulations)
The role of the Audit and Accounts Committee is to ensure that matters concerning the development and verification of accounting and financial information are monitored, 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 Audit and Accounts Committee will, in particular, exercise the following principal functions:

a) Monitoring the preparation of financial information
b) Monitoring 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 duties
f) Annual budget

The opinions and recommendations of the Audit and Accounts Committee will be included in a written report. One copy of the report will be sent to all members of the Audit and Accounts Committee and another, if required, will be sent by the Chairman to the directors of the Company.
More details are available in *the 2022 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**

In 2022, the members of the Risk Committee were Nathalie Lomon (Chair), Janice Englesbe, Isabelle Laforgue and Laurent Musy.

The role of the Risk Committee is to ensure that the risk management and monitoring mechanisms are effective and that there are efficient operational internal control measures in place, to review the compliance of reports sent to the regulator and monitor the management of the Group's capital requirements. 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 principal functions of the Risk Committee include the following:

a) Efficiency of risk management systems
b) Review of all regulatory reports relating to the company
c) Monitoring of changes in prudential regulations
d) Monitoring of the Group's capital requirements
e) Monitoring of the internal control system
f) Review of items related to the partial internal model

More details are available in the *2022 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**

In the 2022 financial year, the members of the Nominations and Compensation Committee were Sharon MacBeath (Chair), Bernardo Sanchez Incera and Nicolas Papadopoulo.
The Nominations and Compensation Committee is chaired by an independent director, and two thirds of the committee are independent members of the Board of Directors. It thus conforms to the recommendation of the AFEP-MEDEF Code according to which this committee must have a majority of independent members.
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 2022 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
- Cyrille Charbonnel, Underwriting and Claims Director
- Declan Daly, Group Operations Manager
- Nicolas Garcia, Commercial Director
- Phalla Gervais, Chief Financial and Risk Officer
- Carole Lytton, General Secretary
- 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 December 31, 2022, the Board of Directors comprised eight Directors appointed by the Ordinary Shareholders' Meeting and four Directors representing employees. They were as follows:

- Xavier Durand, Chair
- Mary Varkados
- Pierre Vilalta
- Cyrille Charbonnel
- Marguerite Fougereux, employee Board member
- Doris Kukla, employee Board member
- Katarzyna Kompowska
- Cécile Paillard
- Avelino Pereira, employee Board member
- Carine Pichon
- Matthias ROLF, employee Board member
- Oscar Villalonga

B.1.2 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 by the Board of Directors of one or more other executive 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 controlled by the Chief Executive Officer or the effective manager 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' Rules of Procedure.
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 of influences that may compromise their capacity to carry out the tasks assigned to 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, the same reporting line by function has been established between country and regional managers. Further details are provided on each key function in a specific paragraph.

B.1.3 Significant change in governance during the period

- **Change in governance**

Appointment of Laetitia Leonard-Reuter and Laurent Musy as directors of COFACE SA
The shareholders of COFACE SA met in a General Meeting held on May 17, 2021 and appointed Laetitia Leonard-Reuter and Laurent Musy as members of the Board of Directors. They succeeded Eric Hémar and Olivier Zarrouati, respectively.

B.1.4 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. and encouraging risk management
It complies with the regulations in force and guarantees internal fairness and professional equality, particularly between men and women. It incorporates social and environmental issues.
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 and their competitiveness on the market.
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 *2022 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's Board of Directors

In accordance with the provisions of the Pacte Law, which entered into force in November 2019, the attendance fees policy was replaced by the directors' compensation policy in January 2021. The overall annual budget allocated for directors' compensation amounted to €450,000 for financial year 2022 (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:

	Fixed portion (per year prorata to the term of office)	**Variable portion (per meeting and capped at 6 meetings)**
Chairman	€17,000	€3,000
Members	€5,000	€2,000

• Risk Committee

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

	Fixed portion (per year prorata to the term of office)	**Variable portion (per meeting and capped at 6 meetings)**
Chairman	€17,000	€3,000
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 portion (per year prorata to the term of office)	**Variable portion (per meeting and capped at 5 meetings)**
Chairman	€8,000	€3,000
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 2022, 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 2022 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.1.5 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 2022.

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 functions as director, executive manager, head of key functions, general manager of a branch, or who have the authority to sign on behalf of the company, should be fit, under all circumstances, to implement sound and prudent management based on their professional qualifications, knowledge and experience.

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 considers the training they may receive 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 16 February 2023 and by Compagnie française d’assurance pour le commerce extérieur’s Board of Directors on 20 February 2023.

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 reflects the search for business opportunities and the strategy of developing 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.

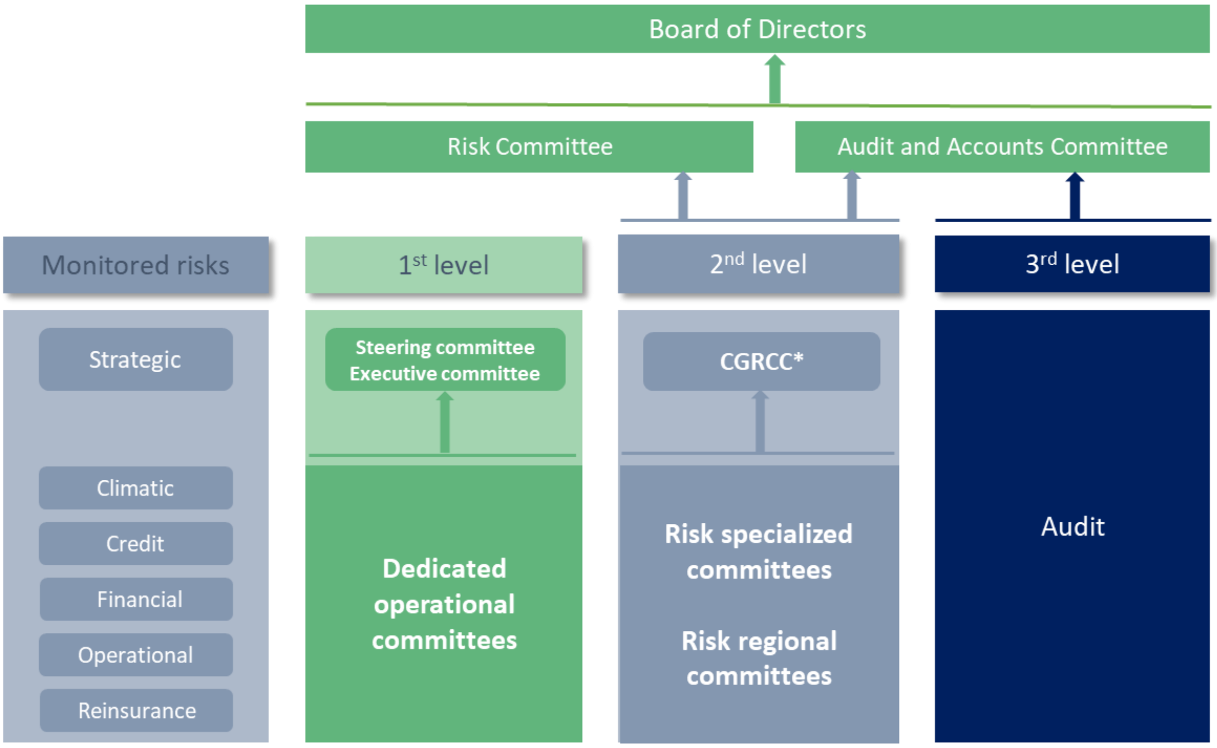
To address these risks, the Group has established a risk management structure which aims to ensure i) the proper functioning of all of its internal processes, ii) compliance with the laws and regulations in all of the countries where it operates, and iii) control of compliance by all operating entities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

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 managed; ii) operations and behaviours are in accordance with the decisions made by the management bodies, and comply with the laws, regulations, values and internal rules of the Group; as concerns financial information and management more specifically, they aim to ensure that they accurately reflect the Group's position and business; and iii) these operations are carried out to ensure effectiveness and efficient use of resources.

Lastly, this system provides managers with access to the 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 2022 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 six main types of risk: credit risk, financial risk, strategic risk, reinsurance risk, operational and non-compliance risk, and risks linked to climate change.

➢ *Credit risks*

Credit risk is the risk of losses arising from non-payment by a debtor of a receivable owed to one of the Group's policyholders.
Credit risk may increase if exposures are concentrated (by country, sector, debtor, 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
- major 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 include all risks related to 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 represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of credit spreads against the risk-free yield curve
- counterparty risk results from the unexpected default, or deterioration in credit status, of the company's counterparties or debtors

➢ *Strategic risks*

Strategic risk refers to the risk to the Group's results and solvency caused by changes in market conditions or countries as a result of geopolitical considerations, poor strategic decisions or inadequate implementation of these decisions, the inability to comply with regulatory changes, new accounting standards or tax reforms and/or a lasting and serious deterioration in our reputation or our image on 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 incurred by any gap between the Group's risk appetite with respect to extreme credit events and the coverage obtained on 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 and compliance risks*

Operational risk is defined as a risk of direct or indirect losses due to an inadequacy or failure regarding procedures and internal processes (non-compliance with procedures, data recording errors), persons (skill requirements, unsatisfactory availability or ethics) including the risk of internal or external fraud, internal systems or external events (the political situation, a natural disaster leading to damage or destruction or a pandemic, cyberattacks).

Operational risk also includes the notion of legal risk, including the risk of dependency. The Group does not consider that its business or profitability is dependent on any trademarks, patents or licences. Indeed, as part of its business selling credit insurance solutions and additional services, the Group does not hold any patent. The name Coface is protected by trademark registration, including in France. Lastly, the Group has registered a number of trademarks, logos and domain names used in its businesses 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 constitutes the risk of judicial, administrative or disciplinary sanctions, significant financial loss or damage to reputation arising from failure to comply with provisions specific to banking and financial activities, including legislative and regulatory provisions, national or directly applicable European requirements, professional and ethical standards, or instructions from executive managers made in accordance with guidelines issued by the company's supervisory body.
At Coface, the risk of external fraud is jointly monitored by the Compliance Department and the Risk Division (for risks related to information systems and cyber security).

➢ ***Climate change risks***

Over the past several years, collective awareness of climate risks has grown, leading businesses across the board to integrate ESG (Environmental, Social and Governance) considerations in their day-to-day management. Climate risks are one of Coface's strategic priorities as they affect its activities at two levels. Although Coface's exposure to climate change risks seems limited as its business is credit insurance, the Group constantly monitors these risks as climate events are intensifying. There are two key risk categories:

- Physical risk: measures the financial impacts resulting from the effects of climate change such as extreme weather events (fires, floods, storms, etc.). This depends on both the country's exposure to this type of event and its dependence on external trade for goods that will become scarcer owing to climate change. The main threat of climate change is the increase in the frequency and violence of extreme weather events with massive financial consequences.
- Transition risk: incorporates all the risks brought about by the transition to a low carbon model. Transition risk includes political risk, regulatory risk, technology risk, reputational risk and market sentiment risk (such as consumer or business preference for products or services that are less damaging to the climate)

As part of the Group and Company ORSA, a climate risk stress test was conducted in 2022, mainly focused on transition risk. It did not reveal any significant impacts on the Group's solvency.

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 governance of Group and Solo ORSAs is common to both (except for the approval by their respective Board) and 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 2022 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:

- Combating money laundering and terrorist financing
- 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 internal audit key function. The Audit Director attends the Group General Executive Committee meetings in an advisory capacity and reports 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 inherent in its mission. 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. Independence 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 has no 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. The internal auditors have no other responsibility under 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 consistency, adequacy and proper functioning of risk assessment and control systems, 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. The audit 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 with the Group's policies, decisions by its corporate bodies, and its internal rules

- the quality, effectiveness and smooth operation of the permanent control mechanism and other components of the governance system
- the quality and level of security offered by the information systems
- 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 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. To perform its duties, the actuarial function has direct access to Board meetings.

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

- 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, underlying models and assumptions used in the calculation of technical provisions: the methodologies for calculating reserves are analysed annually. The analysis is set out 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 the management at the quarterly Group Reserving Committees
- supervises the calculation of technical provisions in the cases specified 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
- issues an opinion on the appropriateness of measures taken in terms of reinsurance: the opinion given by the actuarial function is documented in the actuarial report on reinsurance
- contributes to the effective implementation of the risk management system under Article 44. In particular, it ensures compliance with reserving and commercial underwriting policies and the correct implementation of reinsurance, through specific studies included in the actuarial report

The Group Actuarial 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 II partial internal model for technical reserves 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 2022 of 3 different reports:

- an actuarial report on the reserving process
- an actuarial report on 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).

This policy was implemented in 2013, has been reviewed annually since then, was overhauled in 2021 and was updated in 2022 following approval by the Boards of Directors of COFACE SA in July and of Compagnie française d'assurance pour le commerce extérieur in December. 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 Compagnie française d'assurance pour le commerce extérieur'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 four key functions mentioned in Article L.354-1 of the French Insurance Code (Code des assurances):

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

- the functions, where interrupting them, 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 conditions of its approval with regards to the following items:
  - 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 another provider or taking over the activity directly within a timeframe deemed 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 main material or critical activities outsourced by the Group concern (i) the Company's financial investment management activity and (ii) the hosting of information systems. Key functions are rarely outsourced: Key functions are rarely outsourced with the exception of the Know Your Customer (KYC) process, which has been outsourced internally by certain Group entities.

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 exposure management:** Exposure to certain countries with high corporate default rates or the concentration of exposures in fragile economic sectors could have a material impact on the Group's loss ratio, operating income, liquidity and solvency margin.
- **Risk of debtor insolvency**: An overestimation of the quality of our debtors, poor management of the concentration of debtors or a delay in assessing certain adverse economic developments could lead to the granting of inappropriate limits to companies that may encounter financial difficulties and potentially default on their payment obligations towards our policyholders, thereby increasing the claims submitted to the Group.
- **Risks related to the constitution of technical insurance provisions:** To establish technical provisions for claims, the Group makes estimates, which are primarily based on widely used actuarial methods (mainly the Chain-Ladder and Bornhuetter Ferguson methods), which are applied to past data triangles. Experience differences may be observed retrospectively between the Group's estimates and the final cost of observed claims. Poor quality data or a deterioration in the economic environment not reflected in projections may make estimates inadequate and have an adverse 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 has been 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 2022, 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 has 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 that takes into account the management of financial risk in its strategic allocation, the regulations applicable to insurance companies, and the investment constraints resulting from the management of 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 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 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 at Dec. 31**			
COFACE SA	**2022**		**2021**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	220	7.5%	213	7.0%
Shares	86	2.9%	233	7.6%
Bonds	2,277	77.4%	2,110	68.9%
Loans, deposits and other financial investments	358	12.2%	507	16.6%
Total financial assets	**2,941**	**100%**	**3,063**	**100%**

Investment portfolio	**As at Dec. 31**			
Compagnie française d'assurance pour le commerce extérieur	**2022**		**2021**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	179	7.6%	166	6.7%
Shares	71	3.0%	188	7.6%
Bonds	1,665	70.3%	1,546	62.2%
Loans, deposits and other financial investments	452	19.1%	584	23.5%
Total financial assets	**2,368**	**100%**	**2,484**	**100%**

As at December 31, 2022, bonds accounted for 77.4% 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 (70.3%), 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.

As at December 31, 2022 and 2021, the main features of the bond portfolio were as follows:

[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.

Breakdown of the bond portfolio by geographical region	As at Dec. 31			
COFACE SA	**2022**		**2021**	
(in millions of euros)	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Asia	211	9.3%	228	10.8%
Emerging countries	220	9.7%	252	11.9%
Europe	200	8.8%	254	12.0%
North America	450	19.8%	524	24.8%
Eurozone	1,195	52.5%	851	40.3%
Other	1	0.0%	1	0.0%
Total	**2,277**	**100%**	**2,110**	**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 2022, 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.

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 (54.0%).

Breakdown of the bond portfolio by geographical region	As at Dec. 31			
Compagnie française d'assurance pour le commerce extérieur	**2022**		**2021**	
(in millions of euros)	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Asia	196	11.8%	209	13.5%
Emerging countries	113	6.8%	142	9.2%
Europe	165	9.9%	216	13.9%
North America	290	17.4%	341	22.0%
Eurozone	900	54.0%	638	41.3%
Other	1	0.1%	1	0.0%
Total	**1,665**	**100%**	**1,547**	**100%**

The interest rate risk incurred by the Group on its financial portfolio is limited, with the maximum authorised modified duration of the bond asset class deliberately capped at 5[3]. As at December 31, 2022, the bond portfolio's sensitivity stood at 3.15 for the Group and 3.21 for Compagnie française d'assurance pour le commerce extérieur.

Subsidiaries or branches whose accounts are drawn up in euros and which underwrite in other currencies must comply with the same matching principles (matching of assets and liabilities denominated in a currency other than the accounting reference currency).

Exceptionally, open positions in other currencies may be hedged. The Group does not make foreign currency investments for speculative purposes.

The great 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 December 31, 2022, 75.7% of investments were therefore denominated in euros.

[3] *The sensitivity of a bond measures its loss of value if interest rates rise. Thus, a bond with a modified duration of 5 will see its market value decrease by 5% if interest rates rise by 1%.*

Breakdown of the investment portfolio by currency **COFACE SA** *(in millions of euros)*	As at Dec. 31			
	2022		2021	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
EUR	2,226	75.7%	2,196	71.7%
USD	295	10.0%	421	13.7%
Other (<3%)	421	14.3%	447	14.6%
Total	**2,941**	**100%**	**3,064**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, we find the same high exposures to the EUR (77.8%) and the USD (6.1%).

Breakdown of the investment portfolio by currency **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	As at Dec. 31			
	2022		2021	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
EUR	1,843	77.8%	1,823	73.4%
USD	145	6.1%	248	10.0%
Other (<3%)	380	16.0%	413	16.6%
Total	**2,368**	**100%**	**2,484**	**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 amount of the hedge is then strictly limited to the amount of underlying assets held in the portfolio (equities or fixed income products) in order to hedge 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, at December 31, 2022, is lower on equities than in 2021 due to a reduction in equity exposure.

Sensitivity of the portfolio to changes in stock and bond markets as of December 31, 2022

Sensitivity of the portfolio to changes in equity and bond markets **COFACE SA** *(in millions of euros)*	As at December 31, 2022			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	2277	-72		
Shares	86		-9	-17
Total	**2364**	**-72**	**-9**	**-17**

Sensitivity of the portfolio to changes in equity and bond markets **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	As at December 31, 2022			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	1665	-54		
Shares	71		-7	-14
Total	**1737**	**-54**	**-7**	**-14**

Sensitivity of the portfolio to changes in stock and bond markets as of December 31, 2021

Sensitivity of the portfolio to changes in equity and bond markets **COFACE SA** **(in millions of euros)**	As at December 31, 2021			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	2110	-85		
Shares	233		-23	-47
Total	**2343**	**-85**	**-23**	**-47**

Sensitivity of the portfolio to changes in equity and bond markets **Compagnie française d'assurance pour le commerce extérieur** **(in millions of euros)**	As at December 31, 2021			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	1546	-64		
Shares	188		-19	-38
Total	**1735**	**-64**	**-19**	**-38**

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 44.6% of the Group bond portfolio and are concentrated over 95% on companies of investment grade quality. For Compagnie française d'assurance pour le commerce extérieur, corporate bond securities represent 45.7% of the bond portfolio and are concentrated over 95% on companies of investment grade quality. The non-sovereign portion fell by 15% across the Group and 19% for Compagnie française d'assurance pour le commerce extérieur between 2021 and 2022, as a result of reinvestment in government bonds.

Breakdown by type of debt in the bond portfolio COFACE SA *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
Sovereign	1,261	55.4%	858	40.6%
Non-sovereign	1,016	44.6%	1,253	59.4%
Total	**2,277**	**100%**	**2,111**	**100%**

Breakdown by type of debt in the bond portfolio Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
Sovereign	905	54.3%	553	35.8%
Non-sovereign	761	45.7%	993	64.2%
Total	**1,665**	**100%**	**1,546**	**100%**

These investments were all made within a strictly defined risk framework. Issuer credit quality, issue sensitivity, and the spread of risk across issuers and geographic regions are covered by clear rules set out in the investment mandates granted to the Group's dedicated asset 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.

[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*

Breakdown of the bond portfolio by rating COFACE SA *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	307	13.5%	236	11.2%
AA - A	1,134	49.8%	1,144	54.2%
BBB	730	32.0%	616	29.2%
BB - B	105	4.6%	115	5.4%
< CCC	2	0.1%	-	0.0%
Total	**2,277**	**100%**	**2,111**	**100%**

Breakdown of the bond portfolio by rating Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	176	10.6%	144	9.3%
AA - A	871	52.3%	837	54.1%
BBB	559	33.5%	494	32.0%
BB - B	58	3.5%	70	4.6%
< CCC	2	0.1%	-	0.0%
Total	**1,665**	**100%**	**1,546**	**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 December 31, 2022, the portfolio of the Group and of Compagnie française d'assurance pour le commerce extérieur were not party to any.

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. This data is subject to constant analyses allowing cash to be managed for monetary or financial investment purposes in the event of recurring excess liquidity.

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 of the bond portfolio by maturity COFACE SA *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
< 1 year	318	14.0%	311	14.7%
1-3 years	854	37.5%	570	27.0%
3-5 years	674	29.6%	487	23.1%
5-10 years	350	15.4%	627	29.7%
> 10 years	81	3.5%	115	5.4%
Other	-	0.0%	-	0.0%
Total	**2,277**	**100%**	**2,111**	**100%**

51.5% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2022.

The liquidity position of an insurance company is valued by standards which 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 of the bond portfolio by maturity Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at Dec. 31**			
	2022		**2021**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
< 1 year	190	11.4%	193	12.5%
1-3 years	632	38.0%	418	27.0%
3-5 years	518	31.1%	354	22.9%
5-10 years	264	15.9%	486	31.4%
> 10 years	62	3.7%	96	6.2%
Other	-	0.0%	-	0.0%
Total	**1,665**	**100%**	**1,546**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, 49.4% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2022.

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, etc.). 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 2022 were €59 million, compared to €24 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.

Expected profits in future premiums are valued in the prudential balance sheet in the Best Estimate premium provisions. They are estimated using the following formula: $Primes\ futures\ *\ (1 - ULR - CR) * \sum_k Cad_k * \delta_k$

Where:

- $Primes\ futures$: A statistical estimate of future premiums in line with the definition of the contract boundary
- ULR: Ultimate Loss Ratio
- CR: Cost Ratio
- Cad_k: Liquidation rate for year k

δ_k: Discount factor for year k

C.5 Operational risk

Operational risk is defined in *Section B.3 of this report*.

Managing and mitigating operational risks relies on a Level 1 and Level 2 control plan, which covers all the Group's entities. All the controls, anomalies revealed and related action plans are managed within a single software programme *(ENABLON),* made available 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 (Operational and non-compliance risks*) of the Universal Registration Document.

[5] *In 2022, 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 2023.*

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.

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 refers to the risk to the Group's results and solvency caused by changes in market conditions, poor strategic decisions or inadequate implementation of these decisions, the inability to comply with regulatory changes, new accounting standards or tax reforms and/or a lasting and serious deterioration in our reputation or our image on 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.6.4 Climate change risks

Climate risks are one of Coface's strategic priorities as they affect its activities at two levels (the impact of Coface's operations on the climate and the impact of climate risks on the company's operations and profitability). Details are set out in *section B.3.1 of this document*.

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 December 31, 2022:

+ 100 basis points interest rates	-6.8 points
+100 basis points spreads	-5.3 points
-25% equities	-1.2 points

C.7.2 Sensitivity to other risk factors

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, interest rates, cost ratio, etc.) is measured. Accordingly, the sensitivity of the SCR to a fluctuation of +1% in premiums or +1% in the loss ratio is less than 2%.

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 global recession and long-term rises in interest rates also included a combined impact on loss experience, turnover and financial market performance. The assessment produced at the time of the 2022 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.

[6] *The solvency ratio disclosed to the market on February 16, 2023 was an estimated ratio.*

C.7.4 Environmental, Social and Governance risk

Non-financial risks have been mapped in several steps:

The first step consisted in identifying a fairly broad spectrum of risks that could affect the Group or the Company in the broad sense through the Group's activities. This initial risk inventory was prepared based on an in-house review of CSR issues and CSR data collected in previous fiscal years, internal consultations, particularly with the Risk Department, as well as an external benchmark, analysing in particular the non-financial disclosures of other players in the financial sector together with best practices in the management of non-financial risks. Discussions with investors, rating agencies, clients and employees also helped to enrich the list of these issues.

This step resulted in the identification of just over 20 risks in four areas: environmental risks (responsible company), social risks (responsible employer), risks related to our core business (responsible insurer) and governance risks.

Each risk was assessed using an approach consistent with that implemented by the Group Risk Department for all risk mapping. The completeness of ESG risks has been compared with those present in the company's risk management tool (operational or strategic risks) to ensure that risks with an ESG aspect are identified and that the results of the assessments obtained for these risks in annual risk analysis campaigns are transposed. The other risks not assessed were quantified and prioritised using a method based on that used in the risk management tool. Each non-financial risk was analysed in depth based on two criteria:

- the level of intrinsic risk qualified as inherent risk: the assessment is carried out by cross-referencing the impact (the most unfavourable scenario of the financial impact, the client impact and the regulatory and legal impact) with an assessment of the risk occurrence frequency. An inherent risk matrix determines the level of inherent risks assessed on a scale of four levels: high, important, moderate and low.
- the level of control of this risk based on the effectiveness of Level 1 and 2 controls, internal and external audit results, documentation, governance and monitoring of key performance indicators, IT and staff.

Based on the assessments, the Group prioritised ten non-financial risks, which were approved by the relevant departments. An initial prioritisation is carried out to define the level of residual risk resulting from the cross-referencing of the inherent risk with risk mitigation according to a risk matrix resulting in one of four assessment levels: High, Important, Moderate and Low. A second prioritisation is also carried out using the same residual risk scale taking into account the most important inherent impact, then the level of mitigation; consequently, the highest inherent risk will remain riskier.

All of the non-financial risks selected were then included in the Group's overall risk map.

As with the other risks monitored by the Group, the non-financial risks selected will be reassessed every year ahead of the drafting of the Universal Registration Document. The Group's policies to protect itself against them, and details of the actions and results, are presented throughout this document.

Three ESG indicators, each one representing a major category of non-financial (environmental, social and governance) risks, were then presented to the Risk Committee and integrated into Coface's Risk Appetite. As such, these indicators are monitored quarterly by the Management Committee.

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 financial assets COFACE SA *(in millions of euros)*	As at Dec. 31		
	2022	**2021**	**Change**
Real estate (other than where held for own use)	0	0	-
Shares	86	189	- 103
Listed shares	78	*180*	- *102*
Unlisted shares	*8*	*9*	- *1*
Bonds	2,277	2,110	167
Government bonds	1,261	*857*	*405*
Corporate bonds	*1,016*	*1,254*	- *238*
Undertakings for collective investment	470	661	- 192
Fixed assets	220	*213*	*7*
Shares	0	*44*	- *44*
Bond and money market	*249*	*404*	- *155*
Derivatives(*)	3	13	- 10
Deposits other than cash equivalents	104	87	17
Other investments	*1*	3	- 1
Total financial assets	**2,941**	**3,063**	**- 122**

The market value of Coface SA's portfolio fell by €122 million in the 2022 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 financial assets Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	As at Dec. 31		
	2022	**2021**	**Change**
Real estate (other than where held for own use)	0	0	-
Shares	71	151	9
Listed shares	63	*143*	*14*
Unlisted shares	8	*9*	- *4*
Bonds	1,665	1,547	- 192
Government bonds	903	*569*	- *190*
Corporate bonds	762	*978*	- *1*
Undertakings for collective investment	395	556	144
Fixed assets	179	*166*	- *3*
Shares	0	*37*	- *36*
Bond and money market	215	*353*	*184*
Derivatives(*)	2	11	3
Deposits other than cash equivalents	53	28	- 7
Other investments	182	192	- 3
Total financial assets	**2,368**	**2,485**	**- 45**

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 *(in millions of euros)*	As at Dec. 31		
	2022	**2021**	**Change**
Holdings in affiliated companies, including equity interests	106	98	7

Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	As at Dec. 31		
	2022	**2021**	**Change**
Holdings in affiliated companies, including equity interests	379	378	1

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	As at Dec. 31		
(in millions of euros)	**2022**	**2021**	**Change**
Receivables arising from insurance operations and amounts receivable from intermediaries	327	273	54
Receivables arising from reinsurance operations	99	23	75
Total Receivables arising from insurance and reinsurance operations	**426**	**296**	**130**

Compagnie française d'assurance pour le commerce extérieur	As at Dec. 31		
(in millions of euros)	**2022**	**2021**	**Change**
Receivables arising from insurance operations and amounts receivable from intermediaries	288	229	59
Receivables arising from reinsurance operations	126	35	91
Total Receivables arising from insurance and reinsurance operations	**414**	**264**	**150**

- **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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Other receivables (trade, not insurance)	911	833	77

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Other receivables (trade, not insurance)	246	247	-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 increased over the 2022 financial year for the Group and for Compagnie française d'assurance pour le commerce extérieur.

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Cash and cash equivalents	462	306	157

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Cash and cash equivalents	282	203	79

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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Deferred tax assets	65	60	6

The timetable for deferred tax assets as at December 31, 2022 is as follows:

Schedule of deferred tax assets COFACE SA *(in millions of euros)*	**As at December 31, 2022**			
	qual to 1 year	**1 to 4 years**	**ual to 5 years**	**TOTAL**
Total deferred tax assets	**55**	**6**	**4**	**65**

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 December 31, 2022 came to €227 million over the Group scope of consolidation.

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Deferred tax assets	67	84	-17

The timetable for deferred tax assets as at December 31, 2022 in the solo scope of consolidation is as follows:

Schedule of deferred tax assets Compagnie française d'assurance pour le commerce extérieur *(in millions of euros)*	**As at December 31, 2022**			
	qual to 1 year	**1 to 4 years**	**ual to 5 years**	**TOTAL**
Total deferred tax assets	**58**	**5**	**4**	**67**

Compagnie française d'assurance pour le commerce extérieur's deferred tax assets remained stable between 2021 and 2022.
Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at December 31, 2022 totalled €147 million over Compagnie française d'assurance pour le commerce extérieur's scope of consolidation.

♦ Tangible fixed 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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Tangible fixed assets held for own use	144	155	-12

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Tangible fixed assets held for own use	129	138	-9

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 2022 are given below, for best estimates and the margin for risk.

D.2.1 Best estimates

Before reinsurance		**As at Dec. 31**	
(in millions of euros)	**2022**	**2021**	**Change**
Group	970	514	456
Compagnie française d'assurance pour le commerce extérieur	882	532	350

Ceded reinsurance		**As at Dec. 31**	
(in millions of euros)	**2022**	**2021**	**Change**
Group	252	174	78
Compagnie française d'assurance pour le commerce extérieur	399	255	144

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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Group	73	83	-10
Compagnie française d'assurance pour le commerce extérieur	84	71	13

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 liabilities and charges excluding provisions for pensions and other benefits **COFACE SA** *(in millions of euros)*	**As at Dec. 31**		
	2022	**2021**	**Change**
Provision for disputes	2	2	0
Provision for risk to subsidiaries	10	10	0
Provisions for restructuring	6	10	-4
Provision for taxes (excl. corporate taxes)	1	1	0
Other provisions for risks	3	2	1
Total provisions other than technical reserves	**21**	**24**	**-3**

Provisions for liabilities and charges excluding provisions for pensions and other benefits **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	**As at Dec. 31**		
	2022	**2021**	**Change**
Provision for disputes	1	1	0
Provision for risk to subsidiaries	10	10	0
Provisions for restructuring	6	8	-2
Provisions for bonus share plans	-3	0	-3
Provision for taxes (excl. corporate taxes)	0	0	0
Other provisions for risks	3	2	1
Total provisions other than technical reserves	**17**	**22**	**-5**

The changes for liabilities and charges varied little between 2022 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.
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 at Dec. 31**	
(in millions of euros)	**2022**	**2021**	**Change**
Provisions for pensions	45	60	-15

Compagnie française d'assurance pour le commerce extérieur		**As at Dec. 31**	
(in millions of euros)	**2022**	**2021**	**Change**
Provisions for pensions	45	56	-11

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 at Dec. 31		
(in millions of euros)	**2022**	**2021**	**Change**
Deferred tax liabilities	226	303	-76

The timetable for deferred tax liabilities as at December 31, 2022 for the Group is as follows:

Schedule of deferred tax assets **COFACE SA** *(in millions of euros)*	**As at December 31, 2022**			
	qual to 1 year	**1 to 4 years**	**qual to 5 years**	**TOTAL**
Total deferred tax liabilities	**198**	**8**	**20**	**226**

The Group's deferred tax liabilities fell, mainly due to the €106 million fall in the netting of deferred taxes, partially offset by the €39 million increase in cancellations of technical provisions.
As stated above, the principal components of deferred tax liabilities are cancellations of technical provisions and the netting of taxes.

Compagnie française d'assurance pour le commerce extérieur	As at Dec. 31		
(in millions of euros)	**2022**	**2021**	**Change**
Deferred tax liabilities	158	218	-60

The timetable for deferred tax liabilities as at December 31, 2022 for Compagnie française d'assurance pour le commerce extérieur is as follows:

Schedule of deferred tax assets **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*	**As at December 31, 2022**			
	qual to 1 year	**1 to 4 years**	**qual to 5 years**	**TOTAL**
Total deferred tax liabilities	**133**	**4**	**21**	**158**

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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Financial debt owed to non-credit institutions	614	565	49

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Financial debt owed to non-credit institutions	0	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 met 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 used 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 changes between 2021 and 2022 relate to the increase in Coface SA's debts arising from direct insurance operations (+€16 million), and the increase in debts arising from Compagnie française d'assurance pour le commerce extérieur's accepted insurance operations (+€30 million) and debts to Compagnie française d'assurance pour le commerce extérieur's reinsurers (+€10 million).

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Debts arising from insurance operations and amounts payable to intermediaries	79	65	14
Debts arising from reinsurance operations	140	134	6
Total payables arising from insurance and reinsurance operations	**219**	**199**	**20**

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Debts arising from insurance operations and amounts payable to intermediaries	54	43	11
Debts arising from reinsurance operations	216	171	44
Total payables arising from insurance and reinsurance operations	**270**	**215**	**55**

D.3.6 Subordinated liabilities

Financial liabilities are recognised at fair value.

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Subordinated liabilities	515	407	108

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Subordinated liabilities	445	336	109

The increase in subordinated liabilities is due to the early refinancing of the bonds.
On September 21, 2022, Coface SA announced the results of the redemption offer for subordinated bonds issued by the Company in 2014 for €380 million bearing interest at a fixed rate of 4.125% and maturing on March 27, 2024. The Company accepted the redemption of a principal amount of €153.4 million of securities validly tendered to the Redemption Offer at a fixed price of 103.625%. On September 22, 2022, Coface SA also announced the issue of €300 million T2 subordinated bonds bearing interest at a fixed rate of 6.000% and maturing on September 22, 2032.
The subordinated debt is valued 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.
The residual amount of the bond maturing in March 2024 has been valued at €229 million, and is eligible Tier 2 basic own funds under the transitional measures referred to in Article 308b(10) of Directive 2014/51/EU. The new subordinated bond with a nominal amount of €300 million and maturing in 2032 is valued at €286 million, and is also eligible Tier 2 own funds.

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 at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Other payables (trade, not insurance)	442	426	16

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**		
(in millions of euros)	**2022**	**2021**	**Change**
Other payables (trade, not insurance)	458	355	103

The change between the two years is mainly related to an increase in miscellaneous creditors and in the current accounts of related companies between the two financial 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:

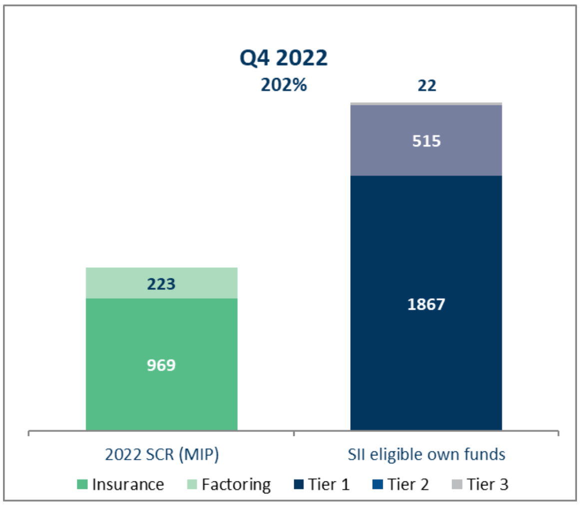
a) Risk of deterioration of the Group's solvency and non-compliance of the solvency capital requirement (SCR) or minimum capital requirement (MCR)
b) Risk of deterioration of solvency and non-compliance with prudential ratios applicable by the Group's regulated subsidiaries (in particular for Compagnie 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

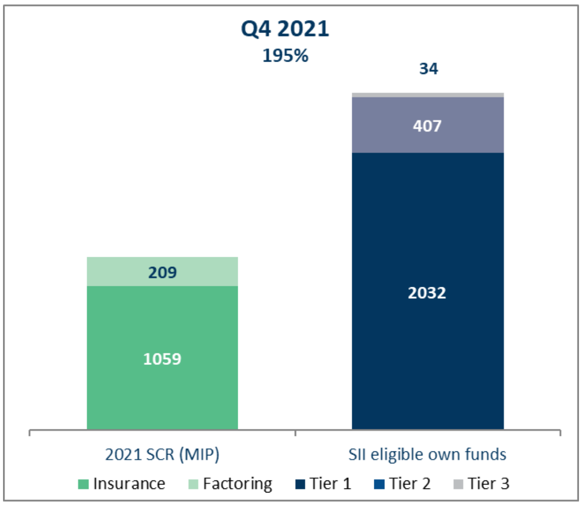
E.1.2 Structure and quality of own funds

- **COFACE SA**

In accordance with regulations, as at December 31, 2022, 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 January 1, 2016, the Group calculated the Solvency Capital Requirement (SCR) as at December 31, 2022 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 December 31, 2019. It should be noted that the local regulators for Germany and Poland (the two countries in which the Group operates its factoring business) have not defined specific mandatory capital requirements for factoring companies.

As at December 31, 2022, the Group meets the capital requirements, which amounts to €1,192 million in respect of SCR, as represented in the following chart.





The own funds available to cover the SCR amounted to €2,404 million as at December 31, 2022. 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:*** €1,867 million (78% 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:*** €515 million (21% of available own funds), corresponding to the value of the two subordinated debts. A summary of the main characteristics of these subordinated debts is set out below:

	Coface EUR380m subordinated debt Tier 2 2024	Coface EUR300m subordinated debt Tier 2 2032
Issuer	Coface SA	Coface SA
Garantor	Compagnie française d'assurance pour le commerce extérieur	NA
Type of guarantee	Joint surety	NA
Instrument	Dated subordinated debt and collateral eligible for tier 2 capital under the transitional measures referred to in Article 308b 10 of Directive 2014/51/EU	Dated subordinated debt and collateral eligible for tier 2 capital
Maturity	10 years without depreciation	10 years without depreciation
Issue date	27-mars-14	22-sept-22
Maturity date	27-mars-24	22-sept-32
Coupon payment obligation	Except in case of SCR non-compliance	Report in case of SCR non-compliance
Coupon deferral option	In the event of SCR non-compliance occurring in the period prior to the payment of interest	In the event of SCR non-compliance occurring in the period prior to the payment of interest
Issue amount	EUR 380m	EUR 300m
Garantor rating	A2 / AA- (Moody's / Fitch) - IFS	NA
Issue rating	Baa1 /A (Moody's / Fitch)	Baa2/BBB+ (Moody's/ Fitch)
Coupon	4.125% fixed annual	6.00% Fixed annual
ISIN	FR0011805803	FR001400CSY7

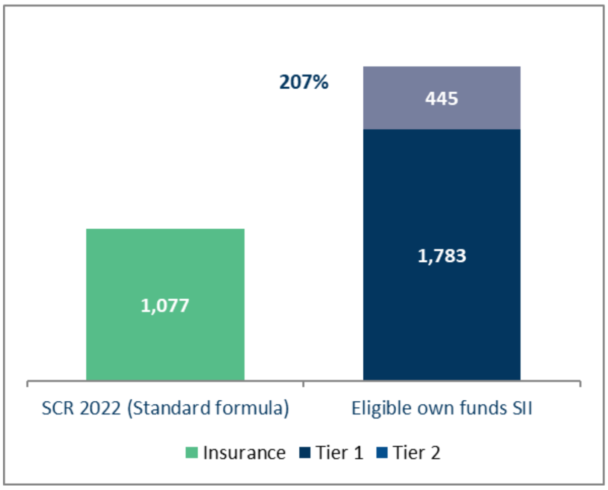
- ***Tier 3:*** €22 million (1% of available own funds), representing the proportion of Solvency II own funds made up of the sum of each tax entity's net deferred tax assets, after implementation of the eligibility test for those net deferred taxes at the local level

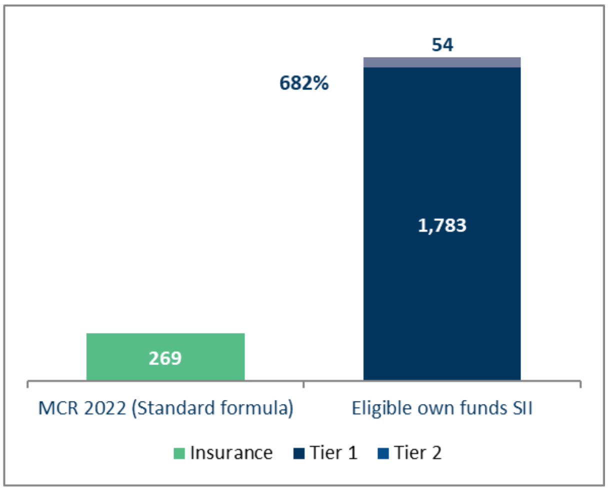
For more information on this section, please see the corresponding section in QRT 23.01 *(see Appendix F.2)*.

♦ Compagnie française d'assurance pour le commerce extérieur

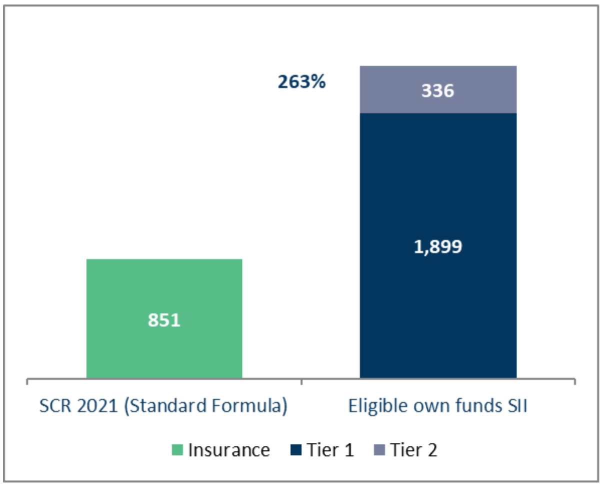
In accordance with regulations, as at December 31, 2021 and 2022, Compagnie française d'assurance pour le commerce extérieur calculated, according to the standard formula, its available own funds necessary to meet the requirements with two levels of capital requirements: the minimum capital requirement and the solvency capital requirement, SCR *(see Chapter E.2.)*.

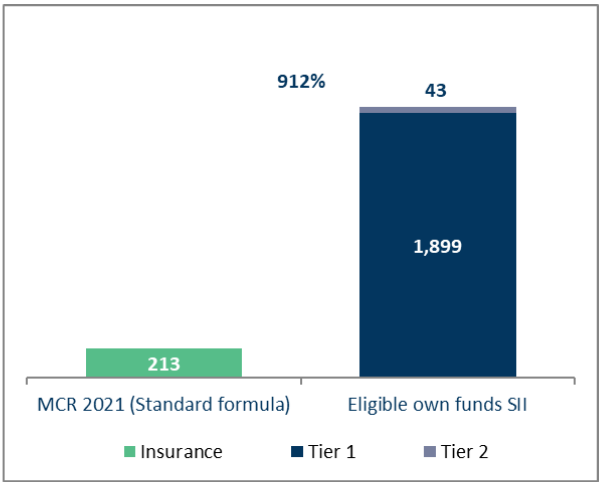
At December 31, 2022:





At December 31, 2021:





As at December 31, 2022, Compagnie française d'assurance pour le commerce extérieur met the capital requirements, which amounted to €269 million for MCR and €1,077 million with respect to SCR, as represented in the above chart.

The own funds available to cover the MCR amounted to €1,837 million as at December 31, 2022. 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 December 31, 2022, the breakdown of own funds available for covering the MCR was as follows:

- ***Tier 1:*** €1,783 million (97% 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:*** €54 million (3% of available own funds), which corresponds to the portion of the subordinated loans taken out by Compagnie française d'assurance pour le commerce extérieur eligible to cover the MCR (i.e. 20% of €269 million). The total value of these subordinated loans is €445 million, including €189 million outstanding and maturing in 2024, and €259 million corresponding to the new loan issued in September 2022. The characteristics of the subordinated loans are identical to those of the subordinated debts issued by Coface SA *(see table above)*, and are both eligible Tier 2 own funds.

The subordinated loans are valued in accordance with the same principle as described for valuing the Group's subordinated debts.

The own funds available for coverage of the SCR at December 31, 2022 amount to €2,228 million, made up as follows:

- ***Tier 1:*** €1,783 million (80% of available own funds), as indicated in the previous paragraph
- ***Tier 2:*** €445 million (20% of available own funds), corresponding to the total value of the subordinated loan indicated in the previous paragraph

The subordinated loan is valued 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 December 31, 2022, 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 December 31, 2022, Coface SA and Compagnie française d'assurance pour le commerce extérieur do not have ancillary own funds.

E.1.5 Availability of own funds

Under 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 December 31, 2022, the amount of this adjustment amounted to €71 million

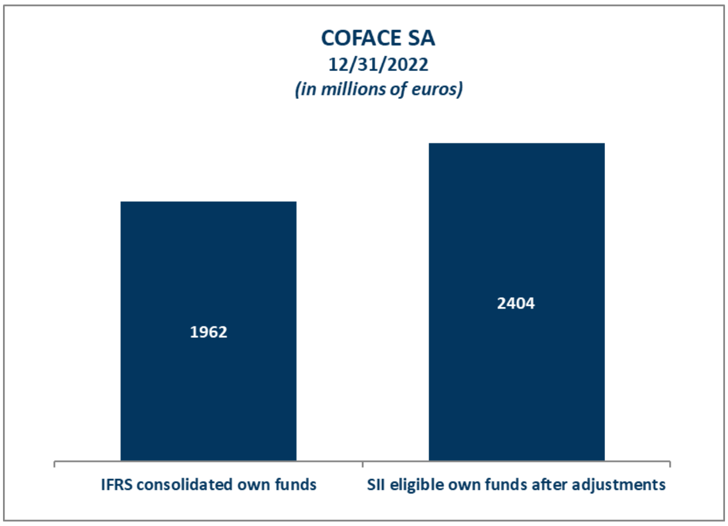
E.1.6 Absorption of losses by capital

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 December 31, 2022 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 €2,404 million at December 31, 2022.

Eligible own funds at December 31, 2022 included:

- Share capital of €300 million,
- Issue premiums relating to share capital for €724 million,
- A reconciliation reserve[7] of €909 million classified as Tier 1.

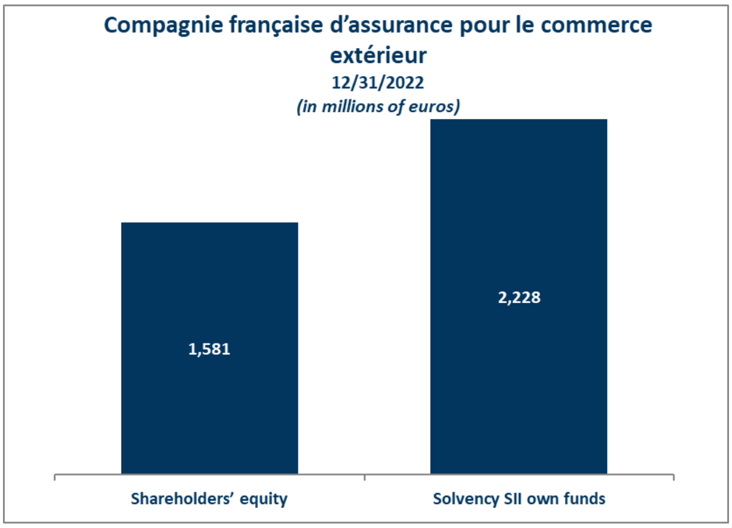
Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. The subordinated debt issued in the form of bonds by Coface SA in March 2014 and partially redeemed in September 2022, amounted to €229 million at December 31, 2022 and is classified as Tier 2 by applying the so-called "grandfathering" mechanisms set out in Article 308b(10) of the Solvency II Directive. The new subordinated debt issued in September 2022 amounted to €286 million, and is also classified as Tier 2 own funds.

Lastly, unavailable own funds were assessed at €71 million at December 31, 2022.

The Board of Directors of Coface SA plans to propose to shareholders at the Annual General Meeting of May 16, 2023 the distribution of a dividend of €1.52 per share, bringing the payout ratio to 80% of net income.

[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.*

♦ Compagnie française d’assurance pour le commerce extérieur



The amount of eligible Solvency II shareholders’ equity was €2,228 million at December 31, 2022. Eligible own funds at December 31, 2022 included:

- Share capital of €137 million,
- Issue premiums relating to share capital for €620 million,
- A reconciliation reserve[8] of €1,026 million classified as Tier 1.
- The €445 million subordinated debt

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. In addition, subordinated loans taken out with Coface SA for a total of €445 million have characteristics identical to the subordinated debt issued by Coface SA, and are classified as Tier 2 own funds:

- On March 27, 2014, Coface SA issued subordinated debt, in the form of bonds, for a nominal amount of €380 million.
- A joint surety was issued by Compagnie française d’assurance pour le commerce extérieur on March 25, 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 March 26, 2024 (10 years) at an annual interest rate of 4.125% (payment due on each anniversary).
- Coface SA redeemed €153 million of the subordinated bonds issued in 2014 at a fixed price of 103.625% on September 21, 2022.
- The nominal amount after this redemption stands at €227 million, and the joint surety bond was adjusted to the same amount. The subordinated loan held by Compagnie française d’assurance pour le commerce extérieur now stands at €187 million.
- On September 22, 2022, Coface SA issued new fixed-rate subordinated debt (at 6.000%), for a nominal amount of €300 million, maturing on September 22, 2032.

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.

- This new issue was also the subject of an intragroup subordinated loan of €268 million at an annual interest rate of 6.000%, but was not the subject of a joint surety bond.
- The amount of the two subordinated debts is €455 million in the statutory accounts. It was €445 million in the Solvency II accounts as a result of discounting.

The Board of Directors of Compagnie française d'assurance pour le commerce extérieur planned to propose the distribution of a dividend of €3.65 per share at the Annual Shareholders' Meeting on May 11, 2023.

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 October 10, 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 2022.

- **SCR**

The Group SCR at December 31, 2022 and 2021 breaks down as follows:

COFACE SA	**As at Dec. 31**	
(in millions of euros)	**2022**	**2021**
Overall SCR (1)	**1,192**	**1,267**
Insurance SCR	969	1,059
SCR financial companies	223	209
Total eligible own funds (2)	**2,404**	**2,472**
S2 consolidated ratio (3) = (2)/(1)	**202%**	**195%**

Compagnie française d'assurance pour le commerce extérieur's SCR at December 31, 2022 and 2021 breaks down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

Compagnie française d'assurance pour le commerce extérieur	**As at Dec. 31**	
(in millions of euros)	**2022**	**2021**
Overall SCR (1)	**1,077**	**851**
Insurance SCR	1,077	851
SCR financial companies	0	0
Total eligible own funds (2)	**2,228**	**2,235**
S2 consolidated ratio (3) = (2)/(1)	**207%**	**263%**
S2 insurance ratio	207%	263%
MCR	**269**	**213**

[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 October 10, 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 October 10, 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 October 10, 2014.

- **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.

- **Surrender risk**

In accordance with Article 118 of the European Commission delegated regulation EU 2015/35 of October 10, 2014, Compagnie française d'assurance pour le commerce extérieur measured net winding up SCR at €7 million at the end of 2022.

- **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 October 10, 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.

♦ Market SCR

- **Organisation**

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 December 31, 2022. The PICIM portfolio represents 98% 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 seven 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 2022, as in 2021.

- **Property SCR**

The scope of consolidation on Property SCR consists of 23.7% operating property, 0.1% investment property and 76.2% 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_2022 + Operational SCR_2022) *Tax rate_2022. 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 October 10, 2014, Coface SA measured winding-up SCR at the end of 2022 at €15 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_2022 + Operational SCR_2022) *Tax rate_2022. 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:
$MCR=\max(MCR_{combined}; AMCR)$
Where:

(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:
$MCR_{combined}=\min(\max(MCR_{linear}; 0.25*SCR); 0.45*SCR)$

Where:

(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.

Detailed capital requirement calculation **Compagnie française d'assurance pour le commerce extérieur** *(in millions of euros)*		**As at Dec. 31** **2022**	**2021**
A	Technical provisions without a risk margin for non-life insurance and reinsurance commitments after deducting recoverable amounts under reinsurance contracts	484	276
B	Written premiums net of reinsurance	678	483
C	Solvency Capital Requirement - SCR	1077	851
D=0.25*C	0.25*Solvency Capital Requirement	269	213
E=0.45*C	0.45*Solvency Capital Requirement	485	383
F	Risk factor relating to technical provisions for the Credit Insurance segment α	17.7%	17.7%
G	Risk factor relating to written premiums for the Credit Insurance segment β	11.3%	11.3%
H=(A*F)+(B*G)	Minimum Non-Life Capital Requirement	**269**	**213**
I=H	Minimum Linear Capital Requirement	162	103
J	Non-Life AMCR Level (absolute floor threshold)	4	2
K	**Combined MCR=min(max(I;0.25*C);0.45*C)**	**269**	**213**
Overall MCR	MCR=max (K;J)	269	213

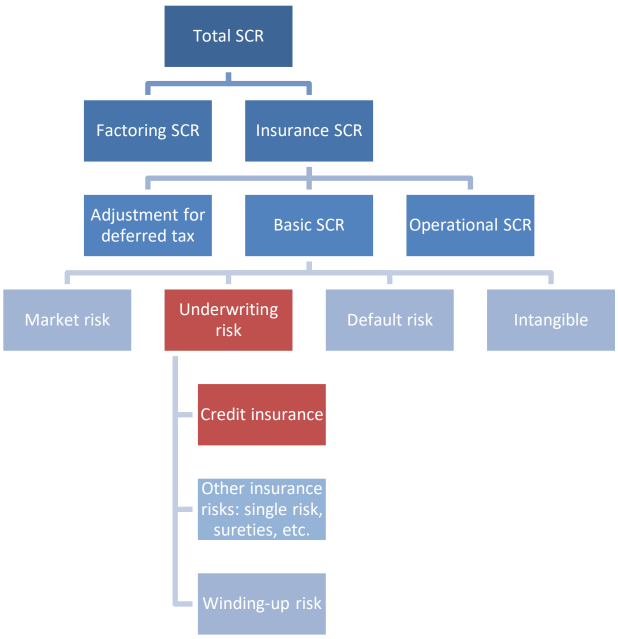
E.3 Use of the duration-based equity risk sub-module to calculate the solvency capital requirement

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 the Coface Group's capital requirements for all businesses. The modules that use the internal model are highlighted in red.



The internal model has a different structure and calculation method from the standard formula. 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:
  - 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
  - CS Factor (Contractual Specificities), which represents the reduction of loss experience from contractual clauses: simulation of a claims ratio without further action taken and applying a determining factor to the first reserve amount.
  - Simulation of a LGD (Loss Given Default) factor, which represents moving a first reserve to ultimate loss net of recourse.
- 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 judgements 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 modelling 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 carried out 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 and 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 2022 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. Annexes

F.1 Details of parent company-subsidiary relationships

Country	Entity	Consolidation Method	Percentage			
			Control Dec. 31, 2022	Interest Dec. 31, 2022	Control Dec. 31, 2021	Interest Dec. 31, 2021
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*	
Denmark	Coface Norden Services (Danmark Services)	Full	100.00%	100.00%	-	
Sweden	Coface Sverige	-	Branch*		Branch*	
Sweden	Coface Sverige Services AB (Sweden Services)	Full	100.00%	100.00%	-	
Norway	Coface Norway - SUCC (Coface Europe)	-	Branch*		Branch*	
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%	0.00%	0.00%
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%
Western Europe (2)						
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 Services Suisse	Full	100.00%	100.00%	-	
Switzerland	Fonds Lausanne 2	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 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 Polsce	-	Branch*		Branch*	
Czech Republic	Compagnie francaise d'assurance pour le commerce exterieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania Insurance Services	Full	100.00%	100.00%	100.00%	100.00%
Romania	Compagnie francaise d'assurance pour le commerce exterieur S.A. Bois - Colombes – Sucursala Buc	-	Branch*		Branch*	
Romania	Coface Technologie - Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného členského	-	Branch*		Branch*	
Slovenia	Coface PKZ	-	Branch*		100.00%	100.00%
Lithuania	Compagnie Francaise d'Assurance pour le Commerce Exterieur Lietuvos filialas	-	Branch*		Branch*	
Lithuania	Coface Baltics Services	Full	100.00%	100.00%	-	
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, 2022	Interest Dec. 31, 2022	Control Dec. 31, 2021	Interest Dec. 31, 2021
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	-	0.00%	0.00%	100.00%	100.00%
Israel	BDI – Coface (business data Israel)	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa	Full	75.00%	75.00%	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*	
Greece	Coface Services Grèce	Full	100.00%	100.00%	-	
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 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%	100.00%	100.00%
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*	
Argentina	Coface Sevicios Argentina S.A	Full	100.00%	100.00%	-	
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*	
New Zealand	Coface New Zealand Branch	-	Branch*		-	
Taiwan	Coface Taiwan	-	Branch*		Branch*	

*Branch of Compagnie française d'assurance pour le commerce extérieur

F.2 Quantitative reporting templates

Public disclosure QRTs Public Disclosure are declined in euros.

- **S.02.01.02 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	65 129 969,15
Pension benefit surplus	R0050	
Property, plant & equipement held for own use	R0060	143 732 835,64
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3 045 726 371,85
Property (other than for own use)	R0080	288 000,00
Participations and related undertakings	R0090	105 572 021,75
Equities	R0100	85 879 243,64
Equities - listed	R0110	78 380 239,00
Equities - unlisted	R0120	7 499 004,64
Bonds	R0130	2 277 399 926,48
Government Bonds	R0140	1 261 284 247,41
Corporate Bonds	R0150	1 016 115 679,07
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	469 631 111,66
Derivatives	R0190	3 185 402,10
Deposits other than cash equivalents	R0200	103 770 666,22
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	1 289 252,00
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	1 289 252,00
Reinsurance recoverables from:	R0270	252 230 525,26
Non-life and health similar to non-life	R0280	252 230 525,26
Non-life excluding health	R0290	252 230 525,26
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	6 668 753,00
Insurance and intermediaries receivables	R0360	326 988 477,63
Reinsurance receivables	R0370	98 672 458,58
Receivables (trade, not insurance)	R0380	910 829 932,90
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	462 395 799,15
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	5 313 664 375,16
		Solvency II value
Liabilities		**C0010**
Technical provisions - non-life	R0510	1 042 910 973,54
Technical provisions - non-life (excluding health)	R0520	1 042 910 973,54
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	970 088 614,97
Risk margin	R0550	72 822 358,57
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	21 440 886,63
Pension benefit obligations	R0760	44 686 557,81
Deposits from reinsurers	R0770	1 126 348,00
Deferred tax liabilities	R0780	226 248 297,39
Derivatives	R0790	380 607,00
Debts owed to credit institutions	R0800	1,30
Financial liabilities other than debts owed to credit institutions	R0810	614 343 487,00
Insurance & intermediaries payables	R0820	78 952 924,43
Reinsurance payables	R0830	139 852 836,09
Payables (trade, not insurance)	R0840	441 679 529,28
Subordinated liabilities	R0850	515 160 677,00
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	515 160 677,00
Any other liabilities, not elsewhere shown	R0880	103 303,00
Total liabilities	R0900	3 126 886 428,47
Excess of assets over liabilities	R1000	2 186 777 946,69

- ## S.02.01.02 Balance sheet – Compagnie française d'assurance pour le commerce extérieur

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	66 914 464,50
Pension benefit surplus	R0050	
Property, plant & equipement held for own use	R0060	128 741 027,71
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2 564 845 257,60
Property (other than for own use)	R0080	288 000,00
Participations and related undertakings	R0090	378 778 582,49
Equities	R0100	70 664 116,00
Equities - listed	R0110	63 165 111,00
Equities - unlisted	R0120	7 499 005,00
Bonds	R0130	1 665 442 858,00
Government Bonds	R0140	903 083 338,68
Corporate Bonds	R0150	762 359 519,32
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	394 507 768,44
Derivatives	R0190	1 821 430,10
Deposits other than cash equivalents	R0200	53 342 502,57
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	181 735 293,00
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	181 735 293,00
Reinsurance recoverables from:	R0270	398 555 383,21
Non-life and health similar to non-life	R0280	398 555 383,21
Non-life excluding health	R0290	398 555 383,21
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	10 452 106,00
Insurance and intermediaries receivables	R0360	288 194 011,54
Reinsurance receivables	R0370	125 859 806,77
Receivables (trade, not insurance)	R0380	246 350 553,39
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	281 831 803,34
Any other assets, not elsewhere shown	R0420	0,00
Total assets	R0500	4 293 479 707,06

Liabilities		Solvency II value C0010
Technical provisions - non-life	R0510	966 916 087,29
Technical provisions - non-life (excluding health)	R0520	966 916 087,29
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	882 427 152,16
Risk margin	R0550	84 488 935,13
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	16 509 512,63
Pension benefit obligations	R0760	45 060 814,79
Deposits from reinsurers	R0770	19 860 491,88
Deferred tax liabilities	R0780	158 188 907,06
Derivatives	R0790	185 703,00
Debts owed to credit institutions	R0800	-0,05
Financial liabilities other than debts owed to credit institutions	R0810	0,00
Insurance & intermediaries payables	R0820	53 940 610,17
Reinsurance payables	R0830	215 748 985,51
Payables (trade, not insurance)	R0840	457 809 446,57
Subordinated liabilities	R0850	444 613 078,00
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	444 613 078,00
Any other liabilities, not elsewhere shown	R0880	103 303,00
Total liabilities	R0900	2 378 936 939,85
Excess of assets over liabilities	R1000	1 914 542 767,21

- ## S.05.01.02 Premiums, claims and expenses by line of business – Coface SA

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	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**									1 419 121 173,24								1 419 121 173,24
Gross - Proportional reinsurance accepted	**R0120**									116 583 243,81								116 583 243,81
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**									421 801 073,72								421 801 073,72
Net	**R0200**									1 113 903 343,29								1 113 903 343,29
Premiums earned																		
Gross - Direct Business	**R0210**									1 448 713 441,26								1 448 713 441,26
Gross - Proportional reinsurance accepted	**R0220**									117 478 888,98								117 478 888,98
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**									415 733 979,23								415 733 979,23
Net	**R0300**									1 150 458 351,05								1 150 458 351,05
Claims incurred																		
Gross - Direct Business	**R0310**									389 430 664,23								389 430 664,23
Gross - Proportional reinsurance accepted	**R0320**									28 610 037,64								28 610 037,64
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**									76 157 626,93								76 157 626,93
Net	**R0400**									341 883 074,94								341 883 074,94
Changes in other technical provisions																		
Gross - Direct Business	**R0410**									-726 311,72								-726 311,72
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**									495 113,00								495 113,00
Net	**R0500**									-1 221 424,72								-1 221 424,72
Expenses incurred	**R0550**									557 394 434,46								557 394 434,46
Other expenses	**R1200**																	
Total expenses	**R1300**																	557 394 434,46

- ## S.05.01.02 Premiums, claims and expenses by line of business – Compagnie française d’assurance pour le commerce extérieur

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	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**									1 167 401 711,91								1 167 401 711,91
Gross - Proportional reinsurance accepted	**R0120**									220 780 639,76								220 780 639,76
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**									719 230 271,62								719 230 271,62
Net	**R0200**									668 952 080,04								668 952 080,04
Premiums earned																		
Gross - Direct Business	**R0210**									1 191 511 866,67								1 191 511 866,67
Gross - Proportional reinsurance accepted	**R0220**									216 478 634,57								216 478 634,57
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**									714 112 762,95								714 112 762,95
Net	**R0300**									693 877 738,32								693 877 738,32
Claims incurred																		
Gross - Direct Business	**R0310**									410 557 743,71								410 557 743,71
Gross - Proportional reinsurance accepted	**R0320**									89 145 094,81								89 145 094,81
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**									165 480 008,82								165 480 008,82
Net	**R0400**									334 222 829,70								334 222 829,70
Changes in other technical provisions																		
Gross - Direct Business	**R0410**									-724 102,75								-724 102,75
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**									495 113,00								495 113,00
Net	**R0500**									-1 219 215,75								-1 219 215,75
Expenses incurred	**R0550**									304 416 648,53								304 416 648,53
Other expenses	**R1200**																	
Total expenses	**R1300**																	304 416 648,53

- ## 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
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
	R0010		IT	DE	US	ES	NL	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	199 838 532,00	242 698 987,00	174 937 454,00	127 787 141,81	95 719 307,00	62 757 182,00	903 738 603,81
Gross - Proportional reinsurance accepted	R0120	4 743 992,20			60 223 990,25			64 967 982,45
Gross - Non-proportional reinsurance accepte	R0130	0,00			0,00			0,00
Reinsurers' share	R0140	61 325 407,00	61 362 438,00	58 946 064,00	28 662 123,72	22 059 825,00	2 634 033,00	234 989 890,72
Net	R0200	143 257 117,20	181 336 549,00	115 991 390,00	159 349 008,34	73 659 482,00	60 123 149,00	733 716 695,54
Premiums earned								
Gross - Direct Business	R0210	199 346 505,00	228 740 752,00	174 789 979,00	127 205 939,91	95 628 433,00	62 756 417,00	888 468 025,91
Gross - Proportional reinsurance accepted	R0220	1 474 441,68			63 156 013,06			64 630 454,74
Gross - Non-proportional reinsurance accepte	R0230	0,00			0,00			0,00
Reinsurers' share	R0240	63 063 019,00	51 417 901,00	59 103 757,00	27 847 670,87	22 383 155,00	2 634 033,00	226 449 535,87
Net	R0300	137 757 927,68	177 322 851,00	115 686 222,00	162 514 282,10	73 245 278,00	60 122 384,00	726 648 944,78
Claims incurred								
Gross - Direct Business	R0310	82 606 089,00	58 488 894,00	42 802 765,00	27 339 914,58	32 310 226,00	29 184 534,00	272 732 422,58
Gross - Proportional reinsurance accepted	R0320	0,00			-18 586 100,12			-18 586 100,12
Gross - Non-proportional reinsurance accepte	R0330	0,00			0,00			0,00
Reinsurers' share	R0340	19 646 676,00	7 530 545,00	7 705 238,00	7 981 914,29	7 398 061,00	-3 916 896,00	46 345 538,29
Net	R0400	62 959 413,00	50 958 349,00	35 097 527,00	771 900,17	24 912 165,00	33 101 430,00	207 800 784,17
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420	0,00			0,00			0,00
Gross - Non- proportional reinsurance accept	R0430	0,00			0,00			0,00
Reinsurers' share	R0440							
Net	R0500	0,00			0,00			0,00
Expenses incurred	R0550	101 109 651,00	94 326 964,00	79 795 169,18	80 028 594,76	43 776 560,00	31 358 565,00	430 395 503,94
Other expenses	R1200							
Total expenses	R1300							430 395 503,94

S.05.02.01 Premiums, claims and expenses by country – Compagnie française d'assurance pour le commerce extérieur

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
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
	R0010		IT	DE	ES	NL	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	199 838 532,00	242 698 987,00	174 937 454,00	95 719 307,00	62 757 182,00	54 158 162,41	830 109 624,41
Gross - Proportional reinsurance accepted	R0120	4 743 992,20	0,00	0,00	0,00	0,00	0,00	4 743 992,20
Gross - Non-proportional reinsurance accepte	R0130	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reinsurers' share	R0140	101 147 598,00	5 842 995,00	2 113 703,00	400 000,00	3 945 921,00	3 728 448,74	117 178 665,74
Net	R0200	103 434 926,20	236 855 992,00	172 823 751,00	95 319 307,00	58 811 261,00	50 429 713,67	717 674 950,87
Premiums earned								
Gross - Direct Business	R0210	199 346 505,00	228 740 752,00	174 789 979,00	95 628 433,00	62 756 417,00	51 345 416,20	812 607 502,20
Gross - Proportional reinsurance accepted	R0220	1 474 441,68	0,00	0,00	0,00	0,00	0,00	1 474 441,68
Gross - Non-proportional reinsurance accepte	R0230	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reinsurers' share	R0240	91 838 682,00	4 268 310,00	2 854 589,00	400 000,00	2 634 078,00	2 833 043,27	104 828 702,27
Net	R0300	108 982 264,68	224 472 442,00	171 935 390,00	95 228 433,00	60 122 339,00	48 512 372,93	709 253 241,61
Claims incurred								
Gross - Direct Business	R0310	70 044 481,50	80 590 212,75	62 704 003,25	45 937 621,75	31 739 967,00	18 431 082,73	309 447 368,98
Gross - Proportional reinsurance accepted	R0320	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gross - Non-proportional reinsurance accepte	R0330	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reinsurers' share	R0340	3 116 910,00	10 384 935,00	11 136 346,00	423 033,00	3 916 896,00	6 925 570,11	35 903 690,11
Net	R0400	66 927 571,50	70 205 277,75	51 567 657,25	45 514 588,75	27 823 071,00	11 505 512,62	273 543 678,87
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gross - Non- proportional reinsurance accept	R0430	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reinsurers' share	R0440							
Net	R0500	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses incurred	R0550	10 763 265,00	111 837 441,00	88 045 270,83	44 887 147,00	23 689 333,00	21 339 286,46	300 561 743,29
Other expenses	R1200							
Total expenses	R1300							300 561 743,29

- ## S.17.01.02 Non-life Technical Provisions – Compagnie française d'assurance pour le commerce extérieur

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																	
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																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060									107 771 297,17								107 771 297,17
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									41 267 429,82								41 267 429,82
Net Best Estimate of Premium Provisions	R0150									66 503 867,35								66 503 867,35
Claims provisions																		
Gross	R0160									774 655 856,31								774 655 856,31
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									357 287 954,95								357 287 954,95
Net Best Estimate of Claims Provisions	R0250									417 367 901,36								417 367 901,36
Total Best estimate - gross	R0260									882 427 153,48								882 427 153,48
Total Best estimate - net	R0270									483 871 768,71								483 871 768,71
Risk margin	R0280									84 488 934,83								84 488 934,83
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320									966 916 088,31								966 916 088,31
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330									398 555 384,77								398 555 384,77
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340									568 360 703,54								568 360 703,54

- ## S.19.01.21 Non-life Insurance Claims Information – Compagnie française d'assurance pour le commerce extérieur (1/4)

S.19.01.21
Non-life Insurance Claims Information

Accident year / Underwriting year	**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**											518 910,00
N-9	**R0160**	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	-3 451 410,00	
N-8	**R0170**	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	-1 714 380,00		
N-7	**R0180**	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	25 620 460,00			
N-6	**R0190**	70 148 560,00	243 641 670,00	92 697 170,00	28 782 780,00	2 361 030,00	2 499 080,00	31 682 830,00				
N-5	**R0200**	52 477 910,00	233 067 180,00	87 371 870,00	22 069 480,00	2 254 120,00	-4 104 700,00					
N-4	**R0210**	63 861 550,00	248 768 890,00	86 113 300,00	16 546 260,00	-1 717 720,00						
N-3	**R0220**	62 300 520,00	288 478 460,00	86 844 840,00	-3 463 740,00							
N-2	**R0230**	62 842 250,00	123 886 680,00	27 112 770,00								
N-1	**R0240**	19 721 360,00	160 350 430,00									
N	**R0250**	41 935 420,00										

- **S.19.01.01 Non-life Insurance Claims Information – Compagnie française d'assurance pour le commerce extérieur (2/4)**

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	518 910,00	518 910,00
	R0160	-3 451 410,00	444 700 810,00
	R0170	-1 714 380,00	550 485 400,00
	R0180	25 620 460,00	446 662 400,00
	R0190	31 682 830,00	471 813 120,00
	R0200	-4 104 700,00	393 135 860,00
	R0210	-1 717 720,00	413 572 280,00
	R0220	-3 463 740,00	434 160 080,00
	R0230	27 112 770,00	213 841 700,00
	R0240	160 350 430,00	180 071 790,00
	R0250	41 935 420,00	41 935 420,00
Total	R0260	272 768 870,00	3 590 897 770,00

- ## S.19.01.01 Non-life Insurance Claims Information – Compagnie française d'assurance pour le commerce extérieur (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											55 038 742,64
N-9	R0160									2 190 921,15	5 801 188,73	
N-8	R0170								4 169 228,41	3 968 026,67		
N-7	R0180							36 924 622,04	15 220 869,08			
N-6	R0190						22 237 864,31	11 506 569,05				
N-5	R0200					33 734 315,35	24 289 248,59					
N-4	R0210				27 674 741,95	17 331 229,44						
N-3	R0220			33 666 570,13	23 409 788,41							
N-2	R0230		67 286 452,93	26 028 020,18								
N-1	R0240	240 290 791,26	188 963 335,38									
N	R0250	437 515 535,68										

- **S.19.01.01 Non-life Insurance Claims Information – Compagnie française d’assurance pour le commerce extérieur (4/4)**

		Year end (discounted data)
		C0360
	R0100	53 330 600,97
	R0160	5 600 739,00
	R0170	3 837 124,84
	R0180	14 769 919,10
	R0190	10 842 606,90
	R0200	21 978 672,94
	R0210	15 779 565,88
	R0220	21 669 487,26
	R0230	23 819 950,27
	R0240	184 450 669,89
	R0250	418 576 519,24
Total	**R0260**	774 655 856,31

• 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**	723 501 448,40	723 501 448,40			
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**	908 803 371,56	908 803 371,56			
Subordinated liabilities	**R0140**	515 160 677,00			515 160 677,00	
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**	27 625 969,19				27 625 969,19
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	5 490 017,38				5 490 017,38
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**	223 211 317,00	223 211 317,00			
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**	71 421 211,94	65 931 194,56			5 490 017,38
Total deductions	**R0280**	294 632 528,94	289 142 511,56			5 490 017,38

- ## 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**	2 180 818 520,84	1 643 521 892,03	0,00	515 160 677,00	22 135 951,82
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**	223 211 317,00	223 211 317,00			
Total own funds of other financial sectors	**R0440**	223 211 317,00	223 211 317,00			
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**	2 180 818 520,84	1 643 521 892,03	0,00	515 160 677,00	22 135 951,82
Total available own funds to meet the minimum consolidated group SCR	**R0530**	2 158 682 569,03	1 643 521 892,03	0,00	515 160 677,00	
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**	2 180 818 520,84	1 643 521 892,03	0,00	515 160 677,00	22 135 951,82
Total-eligible own funds to meet the minimum consolidated group SCR	**R0570**	1 703 137 354,78	1 643 521 892,03	0,00	59 615 462,75	
Minimum consolidated Group SCR	**R0610**	298 077 313,75				

- ## 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**	5,71				
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**	2 404 029 837,84	1 866 733 209,03	0,00	515 160 677,00	22 135 951,82
Group SCR	**R0680**	1 192 309 254,99				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	2,02				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	2 186 777 946,69
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	226 487 573,91
Other basic own fund items	**R0730**	1 051 487 001,22
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**	908 803 371,56
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 Own funds – Compagnie française d'assurance pour le commerce extérieur (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	620 149 416,00	620 149 416,00			
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	1 025 914 576,21	1 025 914 576,21			
Subordinated liabilities	R0140	444 613 078,00			444 613 078,00	
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	2 227 729 487,21	1 783 116 409,21		444 613 078,00	
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 – Compagnie française d'assurance pour le commerce extérieur (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**	2 227 729 487,21	1 783 116 409,21		444 613 078,00	
Total available own funds to meet the MCR	**R0510**	2 227 729 487,21	1 783 116 409,21		444 613 078,00	
Total eligible own funds to meet the SCR	**R0540**	2 227 729 487,21	1 783 116 409,21	0,00	444 613 078,00	0,00
Total eligible own funds to meet the MCR	**R0550**	1 836 977 038,05	1 783 116 409,21	0,00	53 860 628,84	
SCR	**R0580**	1 077 212 576,75				
MCR	**R0600**	269 303 144,19				
Ratio of Eligible own funds to SCR	**R0620**	2,07				
Ratio of Eligible own funds to MCR	**R0640**	6,82				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1 914 542 767,21
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	131 426 358,00
Other basic own fund items	**R0730**	757 201 833,00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0,00
Reconciliation reserve	**R0760**	1 025 914 576,21
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	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market Risk	319 236 634	0		
2	Counterparty Default Risk	166 711 521	0		
5	Non-Life Underwriting Risk	728 929 028	636 391 187		
7	Operational Risk	46 098 002	0		
9	Loss-Absorbing Capacity of Deferred Taxes	-128 790 932	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	**R0110**	1 132 184 253,09
Diversification	**R0060**	-163 086 315,09
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	969 097 937,99
Capital add-ons already set	**R0210**	0,00
Solvency capital requirement for undertakings under consolidated method	**R0220**	1 192 309 254,99
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**	
Minimum consolidated group solvency capital requirement	**R0470**	298 077 313,75
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	223 211 317,00
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**	223 211 317,00
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**	1 192 309 254,99

• S.25.01.21 SCR - for undertakings on Standard Formula – Compagnie française d'assurance pour le commerce extérieur

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	335 681 738,05		
Counterparty default risk	R0020	181 446 123,61		
Life underwriting risk	R0030	.		
Health underwriting risk	R0040	.		
Non-life underwriting risk	R0050	887 098 603,55		
Diversification	R0060	-276 017 736,33		
Intangible asset risk	R0070	0,00		
Basic Solvency Capital Requirement	R0100	1 128 208 728,88		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	41 516 410,39
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	-92 512 562,52
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	.
Solvency Capital Requirement excluding capital add-on	R0200	1 077 212 576,75
Capital add-on already set	R0210	.
Solvency capital requirement	R0220	1 077 212 576,75
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

Approach to tax rate		C0109
Approach based on average tax rate	R0590	Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
LAC DT	R0640	-92 512 562,52
LAC DT justified by reversion of deferred tax liabilities	R0650	-92 512 562,52
LAC DT justified by reference to probable future taxable economic profit	R0660	0,00
LAC DT justified by carry back, current year	R0670	0,00
LAC DT justified by carry back, future years	R0680	0,00
Maximum LAC DT	R0690	0,00

- ## S.28.01.01 MCR - Only life or only non-life insurance or reinsurance activity – Compagnie française d'assurance pour le commerce extérieur

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	162 252 444,70

		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	483 871 768,71	677 939 306,53
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	162 252 444,70
SCR	R0310	1 077 212 576,75
MCR cap	R0320	484 745 659,54
MCR floor	R0330	269 303 144,19
Combined MCR	R0340	269 303 144,19
Absolute floor of the MCR	R0350	4 000 000,00
Minimum Capital Requirement	R0400	269 303 144,19

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

							Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	Country	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	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800HKUQBHEN7LHG17	GB	Coface UK Holdings Limited	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800LK258I58TRLP18	GB	Coface UK Services Ltd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800VWFVJ3PDANBK42	IL	Coface Holding Israel	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800W324V1DP573Y92	IL	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 Authority. Ministry of Justice	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/253400TQL1PRQT3MR535	RU	Coface RUS Insurance Company	Non-Life undertakings	Closed Joint-Stock Company	Non-mutual	Central Bank of Russian Federation	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/259400ZFRKNWZW6V1196	PL	Coface Poland Factoring	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5299006D8U9HJM9FY889	DE	Coface Debitoren (ex-ADGC)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900CW8R9ZEIJNPH06	AT	Coface Services Austria	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Private Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900F0GY4C443UEI96	DE	Coface Finanz (ex-AKCF)	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	BaFin / Deutsche Bundesbank	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900HMUTQF2EKYEN39	DE	cofacerating.de GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900OUQBJGH5QC4B66	AT	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		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900UYKF95GQF4OK48	DE	Cofacerating-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900VLW25U8Q4MI292	ZA	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 Street, Pretoria, 0002	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900ZEEQUB7KU8UA23	ZA	Coface South Africa	Non-Life undertakings	LIMITED	Non-mutual	FSCA-41 Matroosberg Rd, Ashlea Gardens, Pretoria, 0002	97,50%	100,00%	97,50%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493000AP6VMDH674E08	US	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		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493007N150J79H7D539	CL	Coface Chile S.A. (Insurance)	Non-Life undertakings	S.A.	Non-mutual	SuperIntendencia de Valores y Seguros SVS Avenida Libertador Bernardo O'higgins 1449, Piso	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AE9J7SZR49FT70	BE	Coface Belgium Services Holding (ex-RBB)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AH1830FZ5MTX33	US	Coface Services North America Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	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	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	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/549300HBAICZQX96YF53	US	Coface North America Insurance Company	Non-Life undertakings	Corporation	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300L2E9PESIFA5849	CH	Coface RE SA	Reinsurance undertakings	SA	Non-mutual	FINMA Laupenstrasse 27 CH – 3003 Berne	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300R49CJGOAHFN339	BR	Coface Do brasil Seguros de Credito	Non-Life undertakings	S.A.	Non-mutual	SUSEP - Superintendência de Seguros Privados - Av. Presidente Vargas, 730 - Rio de Janeiro	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300U436DACQWABG42	MX	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		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300VKNSGSISZ5SJ15	MX	Coface Seguro de Credito Mexico	Non-Life undertakings	SA de CV	Non-mutual	Comisión Nacional de Seguros y Fianzas (CNSF)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/724500ONKFNDI2RBKA16	NL	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		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/789000TSX8QMK0QATY75	TR	Coface Sigorta	Non-Life undertakings	ANONIM SIRKETI	Non-mutual	Turkish Prime Ministry Undersecretariat of Treasury ("Undersecretariat of Treasury")	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/815600C3B3BA64DC7A18	IT	Coface Italia	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Società a responsabilità limit	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/95980046WUPXWLF53K62	ES	Coface Servicios Espana SL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SLU	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695000CSKX9IHH4M509	FR	Cofinpar	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500161CXOCK0NIW24	FR	Fimipar	Credit institutions, investment firms and financial institutions	SA	Non-mutual	ACPR - 61 Rue Taitbout - 75009 PARIS	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/96950025N07LTJYFSN57	FR	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 Bourse - 75082 Paris Cedex 02	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695007AC8Q2X70BLL23	FR	Coface Europe (ex-Coface SA)	Non-Life undertakings	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500IBHXHF6T3PBH48	FR	Cogeri	Other	SAS	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/AR2	AR	Coface Servicios Argentina S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/CH3	CH	Coface Services Suisse	Reinsurance undertakings	Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/DE9	DE	FCT VEGA	Special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC	FCT	Non-mutual	AMF Autorite des marches financiers	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/DK2	DK	Coface Norden Services AS	Special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC	SA	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/GR3	GR	Coface Services Greece	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	Limited	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/LT2	LT	Coface Baltics Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	branch	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/MX3	MX	Coface Servicios Mexico S.A. DE C.V.	Non-Life undertakings	SA de CV	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/PL2	PL	Coface Poland Insurance Service	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Subsidiary	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/RO3	RO	Coface Romania Insurance Services	Non-Life undertakings	SRL	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
SC/SE3	SE	Coface Services Sweden (Ex. Sverige Services AB)	Non-Life undertakings	Swedish AB	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	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.

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92270 BOIS-COLOMBES FRANCE

SA (Société Anonyme)
With a capital of €300,359,584
RCS Nanterre n° 432 413 599