UNIVERSAL REGISTRATION DOCUMENT 2023

INCLUDING THE ANNUAL FINANCIAL REPORT

coface
FOR TRADE

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|AFR| The elements of the Annual Financial Report are clearly identifi ed in this content using pictograms

OVERVIEW OF COFACE

UNIVERSAL REGISTRATION DOCUMENT 2023

INCLUDING THE ANNUAL FINANCIAL REPORT

This Document is a reproduction of the official version of the Universal Registration Document including the 2023 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on the websites of the Company and the AMF.

The Universal Registration Document was filed with the AMF on 5 April 2024. AMF is the competent authority in respect of Regulation (EU) 2017/1129, and the Document was filed without prior approval, in accordance with Article 9 of said regulation. The Universal Registration Document may be used for a public offer of securities or for the admission of securities to trading on a regulated market if it is supplemented by an offer notice and if applicable, a summary and all amendments made to the Universal Registration Document. The ensuing set of documents is approved by the AMF in accordance with (EU) 2017/1129.

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This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer

Message from Xavier Durand

Chief Executive Officer of Coface

"Profitable growth, resilience and client focus on the success of Build to Lead attests to Coface's far-reaching transformation"

OUR AMBITION:

further strengthen Coface's resilience while delivering profitable growth, and become the reference in credit insurance.

At Coface, we believe in trade as a positive force for the world.

OUR MISSION:

accompanying companies in their commercial exchanges, a factor of both social and economic stability

How did Coface perform in 2023?

Coface delivered a solid performance this year in a subdued business environment. In macroeconomic terms, 2023 was not the annus horribilis initially feared, thanks to the combined effects of a strong US economy, an easing of inflation from the summer, and the stabilisation of central bank interest rates. The positive momentum arising from this was, however, tempered by rising geopolitical instability (Ukraine-Russia, Middle East, China-United States), the slowdown in the global economy, which gathered pace in the second half of the year, and an increase in the loss experience around the world.

In this environment, we remained fully in line with the objectives of our strategic plan. Our net income remained high, our turnover increased, and we recorded profitable growth in all our business lines. Credit insurance revenues withstood the slowdown in the economy, offset by strong client retention and the diversification of our activities. Adjacent services (business information, debt collection, factoring, Single Risk Insurance, bonding) continued to grow, in particular business information sales, which maintained their double-digit growth.

With weak global economic growth and rising financing costs, the situation gradually worsened for many businesses. In close collaboration with its clients, Coface maintained a careful balance between preventive action on its risk portfolio and the management of its growth, so it could best support its clients' activities. Coface's results illustrate its effective management of the loss experience and its tight cost control. This performance was recognised by Moody's, which upgraded our financial strength (from A2 to A1), acknowledging the quality of the support we offer our clients and our risk management.

We also made progress with our CSR action, making Coface a more responsible economic player, company and employer. We continued to implement our plan to reduce the carbon emissions from our activities by 2025 and have already exceeded our target of doubling our Single Risk Insurance exposures devoted to ESG projects. In underwriting we extended our commercial exclusion policy (oil, gas, tobacco production), while improving the quality of our investment portfolio. Lastly, in terms of employer responsibility and engagement, the initiatives carried out with all of Coface's teams and regions helped us reach an important milestone: Coface outperformed the benchmark for the first time since the launch of the My Voice Pulse engagement survey.

How would you describe Coface's transformation over the Build to Lead period (2020-2023), which has just ended?

The completion of our Build to Lead strategic plan is a major achievement for Coface, marking a period of far-reaching transformation of the company. Two key ideas guided our action: client focus and profitable and resilient growth. Our resilience was tested throughout the Build to Lead strategic plan. The unprecedented Covid-19 pandemic was followed by a series of crises: economic crisis, the energy crisis and geopolitical, social and political crises. In a complex, changing environment, Build to Lead was an effective compass, helping us stay on course to achieve our ambitions. On arrival, we have exceeded all our strategic goals.

We have built a more robust and more effective business model. Coface's growth is more profitable (RoATE of 13.4% vs. a target of 9.5% through the cycle), its investment portfolio is less risky, and its solvency has been strengthened. Our cost control is solid (-8 ppts vs. 2020) and we have optimised our reinsurance efficiency for the most extreme scenarios. At the same time, we consolidated our positions and expanded our expertise on new markets. For example, we acquired the Norwegian company GIEK, specialised in export credit insurance, and the North American data analysis specialist Rel8ed, to strengthen our analysis capabilities and offer innovative services that make use of data science technology.

Our initiatives have bolstered Coface's global leadership in credit insurance, by enabling it to design new products for each type of client. Adjacent services – another key component of the Build to Lead plan – have grown sharply, in particular business information, which has consistently recorded double-digit growth, confirming the relevance of this new service offering. In addition, the debt collection, factoring, Single Risk Insurance and bonding activities, which we have selectively launched on our different markets, are also enjoying strong growth.

From the very beginning of the Build to Lead plan, we made client focus a core value of our corporate culture. Our efforts in this area have been rewarded: client retention is at its highest level in Coface's history, and we have seen considerable improvements in global client satisfaction (at ~93%) and the Net Promoter Score (up from 27 to ~50 ppts).

We took advantage of the far-reaching transformation over several years to offer our clients and partners products and services focused on their requirements and aligned with the highest market standards. We did this by digitalising our activities, simplifying our tools and processes and rolling out new connected services, for example the innovative digital credit management assistant, Alyx, or the API solutions portal.

In short, Build to Lead allowed us to enhance Coface's value proposition for its stakeholders while strengthening its business model. Coface and its teams have demonstrated their capacity to manage the unexpected. It is well equipped to face a more challenging economic environment in 2024. This year marks a decisive step for Coface with the launch of our new strategic plan (see chapter 1.5 "Group Strategy"), which was presented to the market on 5th March. Our roadmap to 2027 includes new initiatives without deviating from our long-term growth plan, which capitalises on the success and the key strategic guidelines of recent years. We will seize all value-creating market opportunities by drawing on our historic expertise while continuing to ramp up the expansion of information services. We firmly believe that diversifying our activities is both a driver of profitability and a key advantage in offering our clients services that stand us apart. We are determined to pursue our investments to make Coface a global benchmark in risk management and a partner of choice in all its areas of activity. Being a top-tier business partner for our clients means delivering superior service quality, high-performance credit risk management, and optimal connectivity with our services and data. Our strategy aims to help our clients with their technological transformation. As such, we are continuing to innovate to propose advanced digital solutions (APIs, specialised software) that allow them to easily use our expertise by integrating it with their own digital ecosystems, and to quickly access all our data. By combining the wealth of our global data assets with cutting-edge technology (artificial intelligence, data science), we provide our clients with more predictive analytics and advanced scoring solutions for managing their risks

A Message from Bernardo Sanchez Incera,
Chairman of the Board of Directors of Coface

2023 was a very good year for our Group. In a more challenging environment, Coface delivered a very robust operating performance while remaining close to its clients to help them navigate the turbulence.

This year also marked the successful completion of the Build to Lead strategic plan launched in February 2020. The profitable growth and the resilience of its business model over this period confirm the relevance of Coface's strategy.

The first pillar of the strategic plan was to make Coface a global benchmark in credit insurance. The Group's results over the past four years have bolstered Coface's position as a leading player in this market. Coface is now more solid, its investment portfolio is less risky and its solvency has improved.

The diversification of Coface's activities – the second pillar of the Build to Lead plan – which aimed to produce a less risky revenue stream by developing additional services, has generated strong momentum and revealed the potential of our business information services activity. Coface is now a fully-fledged player in this field and our expertise in credit insurance provides our clients with business intelligence services that leverage the Group's unique data to help them manage their own activities more effectively.

As we enter a new stage in the economic cycle, the energy transition is a major challenge. It brings a number of changes in how performance is measured, with the recognition of non-financial data on an unprecedented scale. This will inevitably lead to a reshuffling of the cards in many areas. For a company like Coface, whose business is managing the risks weighing on the global economy, the energy transition is a crucial issue that brings new opportunities. Indeed, this is what inspired Coface to sign the United Nations Principles for Responsible Investment and to join the Net Zero Asset Owner Alliance with a commitment to make its investment portfolio carbon-neutral by 2050.

Our ability to adapt will be essential in this new paradigm. Our culture of innovation, our flexibility and our investments in new technologies mean we can approach this change with confidence.

Coface and its teams have shown their resilience and their agility in adapting to the unexpected while continuing the Group's far-reaching transformation, which has been successfully implemented since 2016. All these qualities have allowed Coface to meet its goals, and I would like to congratulate all of our teams for their work throughout this period. In light of the very positive results achieved in recent years, the Board of Directors has renewed its confidence in Xavier Durand to continue to develop Coface over the years to come. Xavier and his teams have established a solid foundation on which to affirm Coface's global leadership in all its business lines and to ensure the company's future.

RAISON D'ÊTRE

Our purpose
Coface *For Trade* : a deep commitment to trade

Coface's purpose and culture are based on **3 pillars**:

A CONVICTION that trade is a driver for creating value

A VISION to become one of the most agile credit insurance partner in the sector

A COMMITMENT to support our clients, to protect and assist them in their growth and contribute to the smooth running of the economy

A TAGLINE - COFACE FOR TRADE - THAT EXPRESSES OUR CULTURAL TRANSFORMATION AND OUR DEEP COMMITMENT TO TRADE

A COMPANY DRIVEN BY 4 ESSENTIAL VALUES:

Client Focus

- **Client satisfaction** first. Offers, quality of services
- **Connected to the market** macro-eco, competition moves
- **Strong, durable relationships** with clients, brokers & partners

Expertise

- **Functional** Underwriting, risk, sales, systems, processes
- **Industry** Geographies, industry sectors
- **Leadership** People management

Collaboration

- **Cross-functional**
- **Cross-markets**
- **In full transparency**

Courage & Accountability

- **Bottom line accountability** requiring to balance growth versus risk
- **Transparent delegation** and reporting
- **Empowered local teams,** participative strategy & budget processes

2023 KEY FIGURES

Our ambition: to further strengthen Coface's resilience while delivering profitable growth.

FINANCIAL AND NON-FINANCIAL PERFORMANCE[(3)]

Financial

€1,868M
TURNOVER

64.3%
NET ANNUAL COMBINED RATIO

€240.5M
NET INCOME (GROUP SHARE)

13.4%
ANNUALISED ROATE [(1)]

199%
SOLVENCY RATIO [(2)]

Non-financial

4,970
EMPLOYEES IN 58 COUNTRIES

54%
OF WOMEN IN THE GROUP, INCLUDING 36% IN THE MANAGER POPULATION

100 employees
IN INTERNATIONAL MOBILITY DURING THE YEAR

13%
OF SINGLE RISK EXPOSURE LINKED TO ESG (€428M)

36% reduction in emissions
LINKED TO RAIL AND AIR TRAVEL COMPARED WITH 2019

RATING AGENCY

Fitch Ratings	AA-	stable outlook	MSCI	AAA	Leader
Moody's Investors Service	A1	stable outlook	Moody's ESG Solutions	57/100	Robust
AM Best	A	stable outlook	ISS ESG	C EN 2022	Prime status

(1) Return on average tangible equity.

(2) This estimated solvency ratio constitutes a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The result of the definitive calculation may differ from the preliminary calculation. The estimated solvency ratio is not audited.

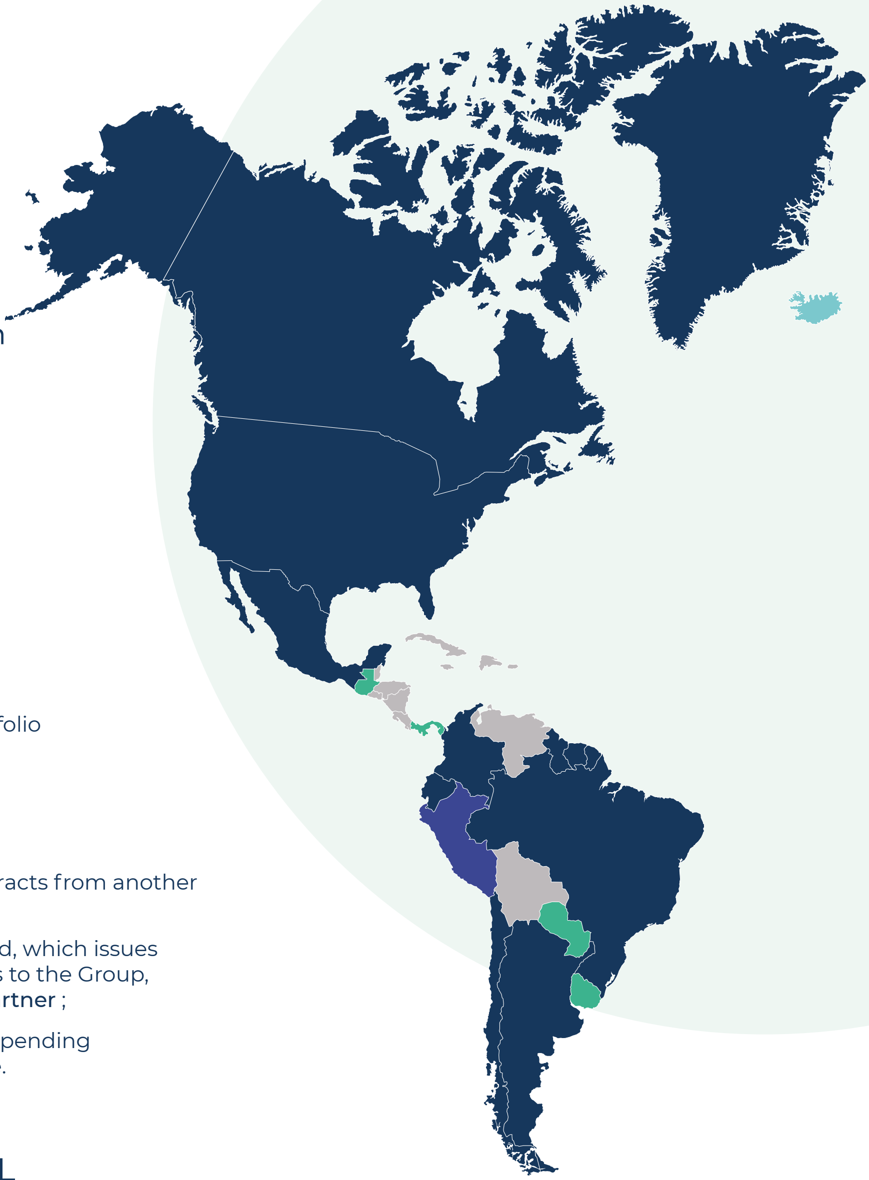
(3) For further information, please refer to chapter 6 "Non-financial performance report".

LOCATIONS

Global reach, local proximity

Coface is present **directly**, or through its **partners**, in **100 countries**, providing support to its clients in nearly **200 countries**.

The Group uses its **own international network**, which is complemented by its "**Coface Partners**" network.



DIRECTLY:

- most of its largest markets, the Group has a portfolio of licences that enables it to directly issue insurance contracts.

INDIRECTLY, THE GROUP USES:

- freedom of services within Europe, to issue contracts from another European country where it has the licence;
- an insurer with a licence in the country concerned, which issues the contract and retrocedes all or part of the risks to the Group, according to the principle of fronting – Coface Partner ;
- the occasional issue of contracts from abroad, depending on the terms of the country concerned – offshore.

A LEADING INTERNATIONAL NETWORK

NORTH AMERICA
- Canada
- Mexico *
- U.S.A

LATIN AMERICA
- Argentina
- Brazil
- Chile
- Colombia
- Ecuador
- Guatemala
- Panama
- Paraguay
- Peru
- Uruguay

WESTERN EUROPE
- Belgium
- France
- Iceland
- Ireland
- Liechtenstein
- Luxembourg
- Switzerland
- UK

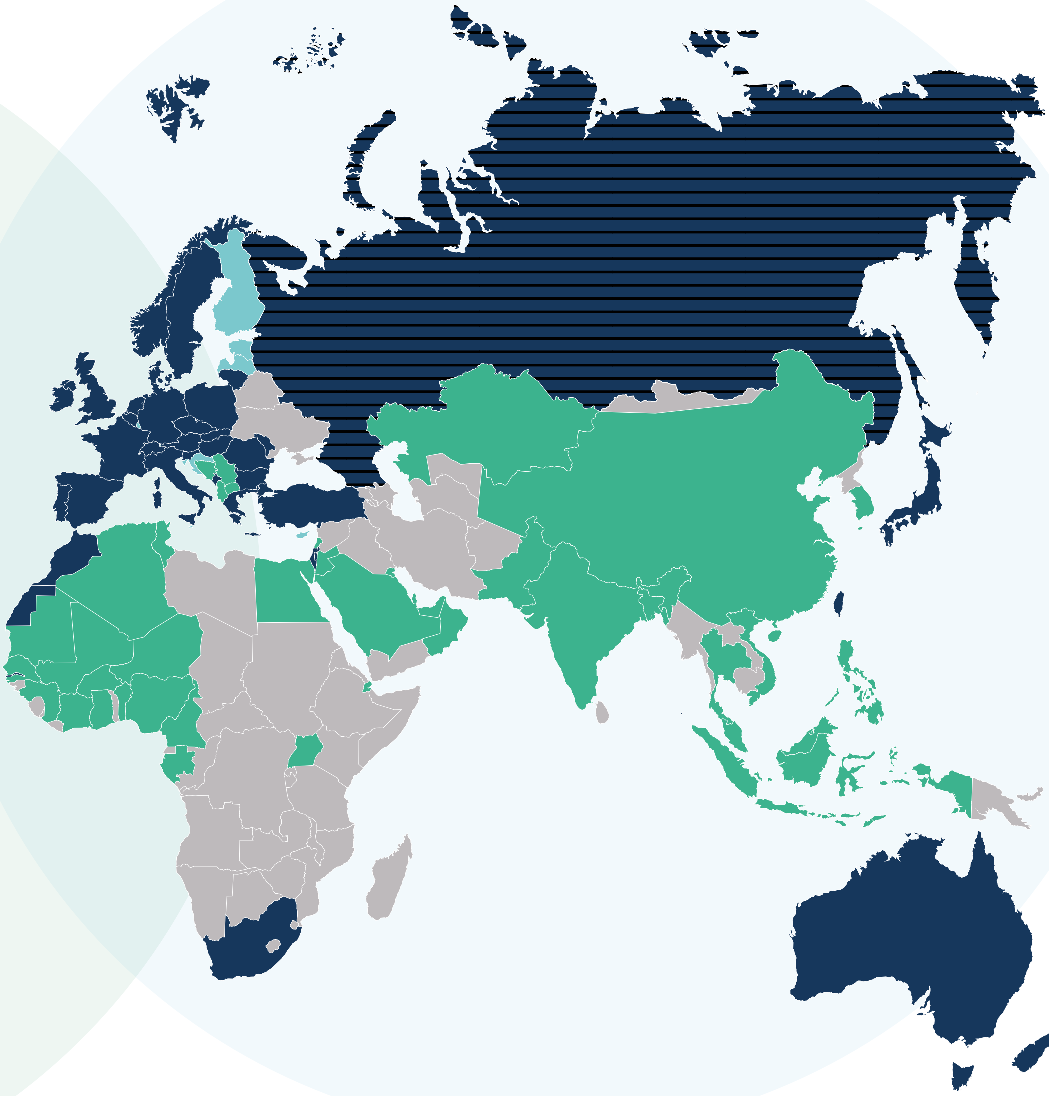
NORTHERN EUROPE
- Danemark
- Finland
- Germany
- Netherland (The)
- Norway
- Sweden

CENTRAL EUROPE
- Austria
- Bosnie
- Bulgaria
- Croatia
- Czech Rep.
- Estonia
- Hungary
- Kazakhstan
- Latvia
- Lithuania
- Macedonia
- Montenegro
- Poland
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia

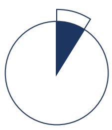
MEDITERRANEAN & AFRICA
- Albania
- Algeria
- Bahreïn
- Benin
- Burkina Faso
- Cameroun
- Cyprus
- Djibouti
- Egypt
- Gabon
- Gambia
- Ghana
- Greece
- Guinea
- Israël
- Italy
- Ivory Coast
- Jordan
- Kuwait
- Lebanon
- Mali
- Malta
- Mauritania
- Mauritius
- Morocco
- Niger
- Nigeria
- Oman
- Portugal
- Qatar
- Saudi Arabia
- Sénégal
- South Africa
- Spain
- Tunisia
- Turkey
- U.A.E
- Uganda

ASIA - PACIFIC
- Australia
- Bangladesh
- Brunei
- China
- Hong Kong SAR
- India
- Indonesia
- Japan
- Malaysia
- New-Zealand
- Pakistan
- Philippines
- Singapore
- South Korea
- Taïwan
- Thailand
- Vietnam

** Since 1 January 2024, Mexico's activities have been part of the North America region.*

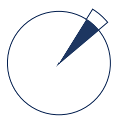


NORTH AMERICA



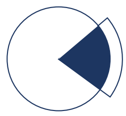
€171.8M
i.e. **9%** of total turnover*
250 employees

LATIN AMERICA



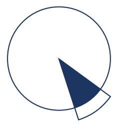
€100.3M
i.e. **5%** of total turnover*
465 employees

NORTHERN EUROPE



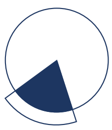
€379.6M
i.e. **20%** of total turnover*
744 employees

CENTRAL EUROPE



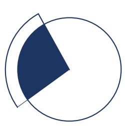
€177.1M
i.e. **9%** of total turnover*
1,016 employees

WESTERN EUROPE



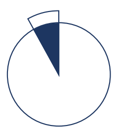
€380.1M
i.e. **20%** of total turnover*
1,097 employees

MEDITERRANEAN & AFRICA



€526.3M
i.e. **28%** of total turnover*
885 employees

ASIA-PACIFIC



€133.1M
i.e. **7%** of total turnover*
513 employees

* *Year ended December 31, 2023*

PROFIL

One mission: to support companies in their commercial exchanges

MULTIPLE EXPERTISES, ONE PURPOSE: *FOR TRADE*

Whatever our clients' sector of activity, Coface assists them in managing their portfolio risks and achieving their strategic objectives. We consider our clients as true partners with whom we facilitate trade and global commerce.

Coface's employees bring a high degree of expertise in risk prevention and coverage, indemnification and recovery.

~685 Mds €
TRADE CREDIT INSURANCE EXPOSURE

~400
UNDERWRITERS LOCATED IN 46 COUNTRIES

3M+
OF LIMITS GRANTED PER YEAR (12,000 PER DAY)

<1
DAY RESPONSE TIME FOR CREDIT LIMITS

To manage risks, you first need to prevent them. With Coface, you hold all the cards for selecting reliable and solvent prospects, customers, and suppliers effectively. You can then develop your business in a sustainable way.

Coface has a comprehensive credit insurance solution to protect you from any unpaid customer receivables.

Debt recovery is an essential part of the risk control that Coface offers to its clients.

... THROUGH CREDIT INSURANCE AND ITS ADJACENT SPECIALISED ACTIVITIES ...

Coface offers its clients solutions tailored to their needs:

Credit insurance

88.9 %*

Our historical business as a credit insurer enables a creditor with a claim against its debtor to request an insurer to cover the risk of non-payment of this claim, in return for the payment of a premium. It is one of the key instruments used to cover the trade receivables of companies that grant payment terms to their customers..

Factoring

3.9 %*

This service offers a company a means of financing its trade receivables and optimising cash management by granting payment terms to its customers. Coface markets these solutions in Germany and Poland.

.

Surety bonds

3.7 %*

Coface underwrites market, environmental, customs and tax bonds directly in Germany, Spain, France, Italy and Romania and addresses the other major surety markets via its reinsurance company in Switzerland.

Information & services

3.5 %*

Thanks to the quality of its global company data and its international network, Coface sells trade information and debt collection services to its clients, as well as to companies and uninsured credit partners.

... AT THE CLOSEST TO OUR CLIENTS.

3 types of clients

Coface is organised to respond as closely as possible to the specific needs of its clients and has developed solutions adapted to each of their situations..

Type of client	**MICROENTERPRISE/ SMES**	**SMES/MEDIUM-SIZED COMPANIES**	**MULTINATIONAL COMPANIES**
Product	EasyLiner	TradeLiner	GlobaLiner
Advantage	**Cover geared towards microenterprises and SMEs.** ▪ Guard against payment default risks. ▪ Grow revenues without disruption. ▪ Benefit from our straightforward all-online service in just a few clicks.	**The comprehensive and flexible solution for SMEs/ medium-sized companies.** ▪ A comprehensive and tailored solution. ▪ Continuous prevention of and protection against risks of non-payment on the sales locally as well as abroad, and those of the subsidiaries. ▪ Indemnification of up to 90% for the unpaid receivables.	**A special solution for managing large international accounts.** ▪ A credit risk prevention and management solution, designed specifically for multinationals, that is both centralised and multi-country. ▪ Local presence and know-how backed up by an integrated organisation. ▪ The most advanced risk monitoring dashboard on the market.

* *% of consolidated turnover 2023.*

STRATEGY

In 2020, Coface launched ***BUILD TO LEAD*** strategic plan. Completed in 2023, it has met or exceeded all its objectives. This plan aimed to strengthen and extend the cultural and business transformation undertaken by Coface with the ambition of being recognized as a reference in credit insurance. ***BUILD TO LEAD*** was based on 2 pillars and 6 initiatives.

BUILD TO LEAD

01 **BUILD TRADE** CREDIT INSURANCE **LEADERSHIP**

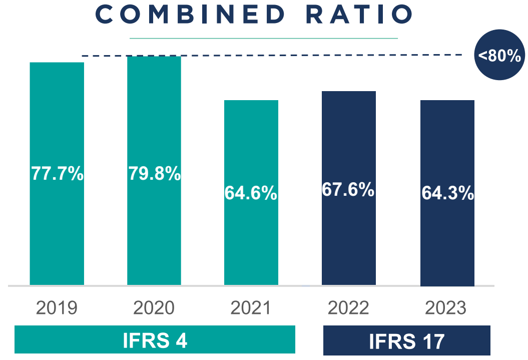
- SIMPLIFY AND DIGITIZE OPERATING MODE
- DIFFERENTIATE THROUGH OUR INFORMATION AND RISK CAPABILITIES
- CREATE VALUE THROUGH GROWTH

02 **GROW** SELECT SPECIALTIES

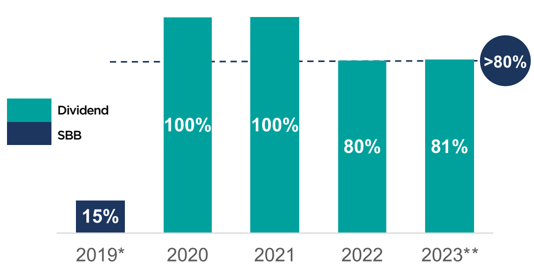
- FACTORING
- SINGLE RISK AND BONDING
- INFORMATION AND SERVICES

OVERVIEW OF THROUGH-THE-CYCLE FINANCIALS TARGETS OF *BUILD TO LEAD* PLAN

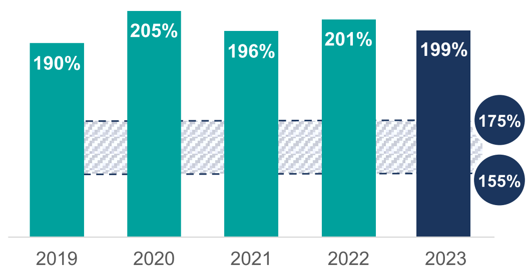
COMBINED RATIO



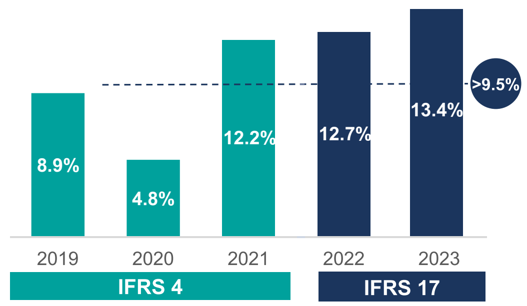
PAY-OUT RATIO



SOLVENCY RATIO



ROATE***



* *In view of the scale of the health crisis and following the vote at the Combined General Shareholders' Meeting of May 14, 2020, it was decided not to pay a dividend for the fiscal year ended December 31, 2019.*

** *The proposed distribution is subject to approval by the general shareholders meeting on 16 May 2024.*

*** *RoATE = Average return on equity*

In 2024, Coface is launching its new strategic plan *Power the Core* (2024-2027)*. It succeeds the Fit to Win (2016-2019) and Build to Lead (2020-2023) plans.

These plans established Coface's leadership in credit insurance. They have placed the customer at the center and enabled the development of specialized activities adjacent to credit insurance, such as information services.

The objective of the *Power the Core* plan is to put in place the conditions needed to sustain Coface's solid performance in an increasingly competitive and uncertain environment. The plan aims to deepen and brodean quality franchises, in particular :

01 **Reach data and technology excellence**

02 **Deepen and broaden Coface's historical Trade Credit Insurance (TCI) franchise**

03 **Grow profitably Business Information (BI) services at double digit growth rate**

04 **Leverage its unique culture of a human-sized multinational with a strong commitment to sustainability**

FINANCIAL TARGETS THROUGH THE CYCLE

Undiscounted Combined ratio	RoATE	Towards the upper end of solvency target range	Didivend payout ratio
~78%	11.0%**	155% - 175%	≥80%

\+

Additional contribution to Group RoATE from Business Information of +50 basis points from 2027 onwards

* *See section "1.5 - Group strategy"*

** *At the current level of interest rate environment*

CSR: strategy and targets*

	RESPONSIBLE INSURER	RESPONSIBLE EMPLOYER
ACTIONS TAKEN	Decreased GHG emissions of investment portfolio and joined NZAOA & UN PRI Continuously expanded commercial exclusion policy Built internal tool to assess environmental impact of debtor portfolio Integrated 3 ESG indicators into Risk Appetite Statement Integrated climate in our risk monitoring (ORSA, investment, remuneration) Initiative to achieve €500m of Single Risk exposure on ESG projects by 2025	Diversity, Equity & Inclusion: ✓ 80/100 in the Group Gender Index ✓ Formal D&I policy approved by the board Employee engagement measured 3 times a year (eNPS well over benchmark, engagement score continuously improving) Drove employee development (mentoring, international mobility: +100% over last 4 years) Operational academies (UW, commercial)
NEXT STEPS	Further decrease GHG emissions of investment portfolio Expand exclusion policy Better incorporate CSR criteria into the procurement policy Follow up on Single risk initiative	Strengthening training through digital academies (BI, HR) Pursuing efforts on gender equality and career development Promoting equal opportunities in the regions, on the model of French Potter foundation
TARGET	**30%**** reduction of investment portfolio emissions by 2025 (vs. 2020)	**40%** women in top 200 manager by 2030

* New / update in 2023

** *Limited to equities & corporate bonds (scope 1 & 2)*
Carbon footprint calculated by Amundi. Methodological change to be noted in 2023..

RESPONSIBLE ENTERPRISE

- Completed a carbon footprint assessment and developed a reduction plan & trajectory towards Net zero in 2050
- Implementation of reduction plan under way:
  - Business travels, office space & document printing reduced
  - Introduction of hybrid and electric cars in the car fleet
  - Flex office, etc.
- Implemented a tool dedicated to CSR data collection & monitoring

DRIVING THE CULTURE

- Upgraded from AA to AAA by MSCI / rated Low risk by Sustainalytics
- Strengthened awareness of CSR across the Group (CSR and DE&I champions, quarterly CSR committee including EXEC team)
- Supported grass root employee-driven initiative Green to Lead
- Built and deployed a customized Group environmental eLearning

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- Pursue deployment of emissions reduction plan
- Add a carbon footprint module in the CSR data collection tool
- Keep up with coming surge of regulations as CSRD

- Answer more extra-financial rating agencies (e.g. EcoVadis following customer requests)
- Strengthen internal/ external communication

Reduction target by 2025: **-11%** for operations emissions (-28% reduction effort)

2 CSR trainings in 2024: inclusive leadership for senior managers and responsible IT (eLearning)

STRATEGY

Our 2023 value creation model*

OUR RESOURCES AND ASSETS

SOCIAL, ENVIRONMENTAL AND GOVERNANCE, CAPITAL

- **4,970** employees in **58** countries, representing **80** nationalities
- **54%** of women in the Group
- CSR strategy including 3 pillars:
  - A responsible insurer
  - A responsible employer
  - A responsible enterprise

A condition for success: driving the culture

GOVERNANCE

- A balanced Board of Directors:
  - 10 directors of whom 50% are women
  - An independence rate of 60%
  - An attendance rate of 90% at the Board meeting
- Implemented CSR governance

ORGANISATION

- +75 years of experience a niche, concentrated (top 3 = 60% market share) and global market
- **~200** markets covered worldwide
- ~100,000 clients in **100 countries**
- **~195** million companies listed in our database
- Direct and multi-channel distribution

FINANCIAL RESOURCES

- Credit ratings: **AA-** (Fitch), **A1** (Moody's) & **A** (AM Best) – stable outlook
- **€2,050.8m** of shareholders' equity
- A solid and robust financial structure
- More than 20 reinsurers with an average rating of A+ to AA-

OUR EXPERTISE AND OUR IDENTITY

OUR EXPERTISE

Coface operates at the heart of the global economy and offers a complete range of credit insurance to protect companies from possible non-payment by their customers, who may be located in nearly 200 countries.

- Factoring
- Credit-Insurance
- Business Information
- Bonding
- Debt collection
- Single Risk

coface FOR TRADE

OUR IDENTITY

Our long-standing expertise, recognized by many of our clients, is based on:

- Commercial risk expertise
- Protection against non-payment
- Securing sales around the world
- Financial strength

OUR VALUE

- Client focus
- Expertise

* *The scope of the data presented in the value creation model is at Group level.*

** *The distribution proposal will be submitted to the Annual General Shareholders' Meeting to be held on 16 May 2024.*

OUR PURPOSE: COFACE FOR TRADE – A DEEP COMMITMENT TO TRADE

OUR CONVICTION

We believe in trade as a positive force for the world, contributing to its prosperity and stability.

OUR MISSION

Facilitating trade by supporting companies in their international exchanges.

OUR STRATEGY

POWER THE CORE

The ambitions of the strategic plan are based on 4 key areas:

- Reach data and technology excellence
- Deepen and broaden Coface's historical Trade Credit Insurance franchise
- Grow profitably Business Information services at double digit growth rate
- Leverage its unique culture of a human-sized multinational with a strong commitment to sustainability

Financial targets through the cycle

- An undiscounted combined ratio at ~78%
- A RoATE of 11.0% (at the current level of interest rate environment)
- A solvency ratio towards the upper end of the 155%-175% target range
- A payout ratio of at least 80%
- An additional contribution from Business Information services to group RoATE of 50bp starting in 2027

Collaboration

Courage & accountability

OUR CREATION OF SHARED VALUE

FOR THE ENVIRONMENT AND SOCIETY

- Joined the NZAOA (Net Zero Asset Owner Alliance)
- €428m exposure in ESG Single Risk projects at the end of 2023 (target: €500m in 2025)
- -36% reduction in emissions linked to rail and air travel compared with 2019
- Mandatory environmental e-learning for all employees worldwide

FOR OUR EMPLOYEES

- 36% of women in the manager population and an objective of 40% women in top 200 manager by 2030 (34% in 2022)
- Group Gender Index: 80/100 (vs. 80/100 in 2022 incl. change in methodology)
- 100 employees in international mobility in 2023

FOR OUR CLIENTS

- €558m of gross claims expenses
- Average of 11.3% of customers responding to monthly satisfaction surveys
- €685bn of TCI exposure on 2 million companies (+3% vs 2022)

FOR OUR SHAREHOLDERS

- €1,868m in turnover
- €240.5m net income (group share)
- 64.3% combined ratio
- 13.4% RoATE (Average return on equity)
- €1.30 dividend per share**
- 199%*** Solvency ratio

*** *This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.*

GOUVERNANCE

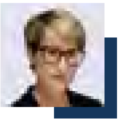
Solid governance for an agile group

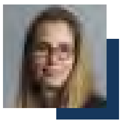
COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2023

CHAIRMAN (independent)


Bernardo SANCHEZ INCERA

INDEPENDENT DIRECTORS


Isabelle LAFORGUE


Laetitia LEONARD-REUTER

P


Nathalie LOMON

P


Sharon MACBEATH

P


Laurent MUSY

NON INDEPENDENT DIRECTORS*


Janice ENGLESBE


David GANSBERG


Chris HOVEY


Nicolas PAPADOPOULO

* *Representing Arch Capital Group Ltd.*

10 board directors

54 years average age

60 % Independance rate

50 % women directors

95% attendance rate

Audit and Accounts Committee *Risk Committee* *Appointments, Compensation & CSR Committee* P *Chairman*

Board committees in 2023

Audit and Accounts Committee

3 members

2 independent including the Chairman

5 Meetings

100 % attendance rate

Risk Committee

4 members

3 independent including the Chairman

5 Meetings

100 % attendance rate

Nominations and Compensation & CSR Committee

3 members

2 independent including the Chairman

5 Meetings

100 % attendance rate

COMPOSITION OF THE GROUP MANAGEMENT BOARD (GMB) [1] (AS AT 31 DECEMBER 2023)

Xavier DURAND
Chief Executive Officer

Pierre BEVIERRE
Human Resources Director

Cyrille CHARBONNEL
Underwriting Director

Declan DALY
Operations Director

Nicolas GARCIA
Commercial Director

Phalla GERVAIS
CFO & Risk Director

Carole LYTTON
General Secretary

Keyvan SHAMSA
Business Technology Director

Thibault SURER
Strategy and Business Development Director

GENERAL MANAGEMENT

The Company is organised around the Group Management Board (GMB).
This is Coface's decision-making body. It generally meets every week to review and validate the Company's main strategic orientations and to steer its management, in particular with regard to strategy and budget, major investments and projects, defining the organisation and human resources, monitoring operational performance and results, as well as controlling and ensuring the compliance of activities.

OTHER COMMITTEES CHAIRED BY GENERAL MANAGEMENT

In addition to the Group Management Board,
Xavier DURAND chairs two other committees:
the Executive Committee
and **the HQ Leaders Committee.**

- **The Executive Committee** is composed of the CEO and the regional directors [1]. It has no formal decision-making powers. It contributes to the development of the Group's strategy and the study of key operational issues or strategic initiatives.
- **The HQ Leaders Committee** brings together once a month the Chief Executive Officer and the main managers of the various head office functions. It is devoted to informing and discussing the main areas for reflection and action.

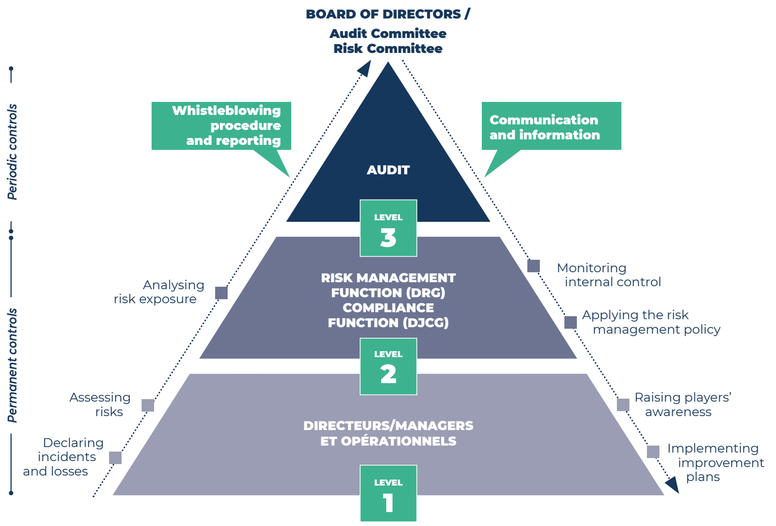
(1) With regard to the functions of the members of the Group Management Board, reference is made to Chapter 1 in the paragraph "1.6 Organisation of the Group".

Our risk management

AN ORGANISATION FOR EFFECTIVE RISK MANAGEMENT

Risk governance is based on the internal control system and is articulated along **three lines of risk control:**

- first line: risk assessment and incident management;
- second line: independent control by the risk management and compliance functions;
- third line: the audit function.



SUMMARIES OF THE MAIN RISKS

The risk map covers the **six main categories of risk** to which Coface is exposed and covers all internal and external risk factors, including financial and non-financial issues. It was drawn up on the basis of an annual review of these risks by Coface's management. It is based on a qualitative risk analysis designed to assess the probability of occurrence and residual impact of each risk factor. Only the major risk factors are listed in the table below.

RISK CATEGORIES	MAIN RISK FACTORS	INHERENT IMPACT	RESIDUAL IMPACT	CHANGE IN THESE RISKS BETWEEN 2022 AND 2023
Credit risk	Risk related to the management of the Group's exposure in its insurance business	High	Medium	↓
	Risk of debtor insolvency	Significant	Medium	→
Financial risk	Interest rate risk	Significant	Medium	→
	Real estate risk	Significant	Significant	↑
	Foreign exchange risk	Significant	Significant	↑
Strategic risk	Risk related to geopolitical conditions	High	High	→
	Risk related to market conditions	Significant	Significant	↓
Reinsurance risk	Residual reinsurance risk	Significant	Modéré	→
Operational and compliance risk	Risks related to information systems and cybersecurity (non-financial performance disclosures)	High	Significant	→
	Modelling risk	Significant	Medium	→
	Outsourcing risk	Significant	Medium	→
Climate change risks	Climate change risks	Medium	Low	→

Shareholders' Corner(1)

SHARE FACT SHEET

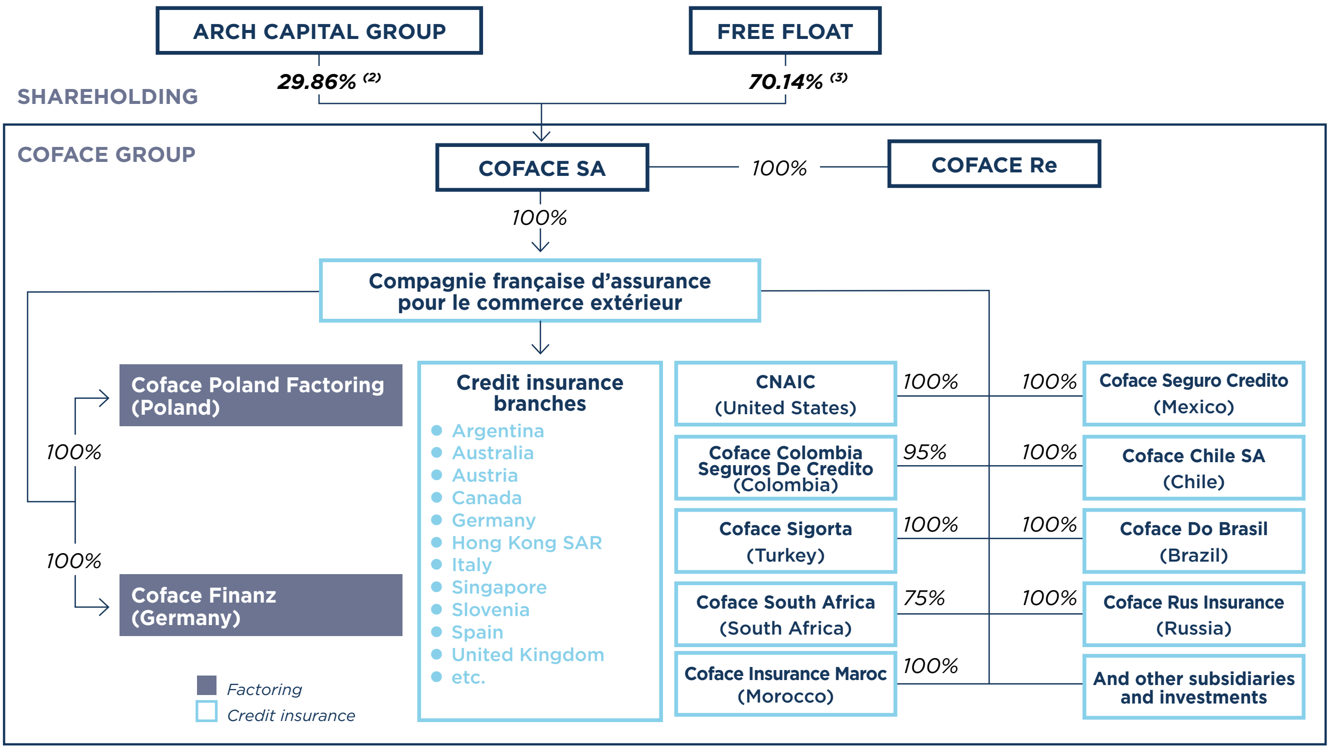
TRADING	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
ISIN CODE	FR0010667147 (ISIN) ; COFA FP (Bloomberg)
STOCK MARKET INDICES	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150
NUMBER OF SHARES	150,179,792
MARKET CAPITALISATION	€1,778,128,737

* *Share price at 31 December 2023: 11,84 €.*

FINANCIAL CALENDAR

27 February 2024	after market close	FY-2023 results
5 March 2024		Capital Market Day
6 May 2024	after market close	Q1-2024 results
16 May 2024		2023 Annual General Sharholder's meeting
22 May 2024		Ex-dividend date
24 May 2024		Payment of dividend
5 August 2024	after market close	H1-2024 results
5 November 2024	after market close	9M-2024 results

SIMPLIFIED ORGANISATION CHART



MEETINGS WITH INVESTORS IN 2023

The Investor Relations team engages in dialogue with the financial community (analysts, institutional investors and individual shareholders) throughout the year during roadshows and conferences, as well as at the Annual General Meeting.

110 institutions met

83 Meetings

7 Roadshows

10 Conferences

CONTACTS

Follow us on

- Group website: https://www.coface.com
- Investor section: https://www.coface.com/investors

Investor Relations Department

- Thomas JACQUET, Head of investors relations & Rating agencies
  Tel: +33 1 49 02 12 58 / Email: thomas.jacquet@coface.com
- Benoit CHASTEL, Investor relations manager
  Tel: +33 1 49 02 22 28 / Email: benoitchastel@coface.com

(1) All regulated information is available on the website: https://www.coface.com/Investors.
(2) See paragraph 1.1 "History of the Group".
(3) See paragraph 7.1.3 "Own shares and the acquisition of treasury shares by the Company".

+75 YEARS

OF EXPERIENCE

IN THE TOP 3

GLOBAL PLAYERS

POWER THE CORE

2024-2027 STRATEGIC PLAN

15%

MARKET SHARE

GROUP POSITIONING

& ORGANISATION

1

PRESENTATION OF THE COFACE GROUP

1.1 HISTORY OF THE GROUP

COFACE SA ("the Company") is the holding company of the Coface Group ("the Group"). It performs its activities through its primary operating subsidiary, *Compagnie française d'assurance pour le commerce extérieur*, and its subsidiaries. The key dates in its history are described below.

1.1.1 Creation and changes to shareholding structure

1946

Compagnie française d'assurance pour le commerce extérieur was created by decree in 1946 and established in 1948 to support French foreign trade. It is the source of the Group as it exists today. Its first shareholders – insurance companies, banks and other financial establishments – were primarily controlled by the French State. Following the privatisation of a large number of these companies in the 1980s, the French government's indirect holdings gradually decreased.

1994

With the privatisation of SCOR (a result of the privatisation of UAP), its major shareholder, most of the capital of *Compagnie française d'assurance pour le commerce extérieur* became private, but Coface continued to manage State guarantees on behalf of the French State.

2000

Compagnie française d'assurance pour le commerce extérieur was listed on the primary market of the Paris Stock Exchange by its shareholders.

2002

Natexis Banques Populaires, established through the acquisition by the Caisse centrale des banques populaires of Natexis, the latter resulting from the merger of the Group's two original shareholders (Banque française du commerce extérieur and Crédit national), acquired 35.26% of the Compagnie française d'assurance pour le commerce extérieur share capital from SCOR and became its majority shareholder, owning 54.4% of the share capital.

2006

After *Compagnie française d'assurance pour le commerce extérieur* was delisted from the Paris Stock Exchange in 2004, it became a wholly owned subsidiary of Natixis, the entity born out of the merger between Natexis Banques Populaires and Ixis CIB. Natixis is the financing, asset management and financial services bank of Groupe BPCE, one of the leading French banking groups, which was created by the merger of the Banques Populaires and Caisses d'Epargne in 2009.

2009 and 2010

The Company strengthened its equity through two capital increases, fully subscribed by Natixis, for €50 million and €175 million respectively, in view of maintaining the Group's solvency margin in the sharp economic slowdown at that time.

2014

On June 27, the Company launched an initial public offering (IPO) on Compartment A of the Euronext Paris regulated market. The offering concerned a total of 91,987,426 shares, representing 58.65% of its capital and voting rights.

2018

The Company proceeded with two share buyback programmes, of €30 million and €15 million respectively, under the second pillar of the Fit to Win strategic plan, with the aim of improving the capital efficiency of its business model.

2019

On June 24, the Euronext Expert Indices Committee included COFACE SA in the SBF120, the flagship index of the Paris Stock Exchange. This was thanks to the improved liquidity of Coface securities and an increase in its market capitalisation.

2020

On February 25, Natixis announced the sale of 29.5% of the capital of COFACE SA to Arch Capital Group Ltd ("Arch"). Completion of the transaction was subject to obtaining all the required regulatory authorisations. At December 31, Natixis' stake in the Company's capital remained at 42.20% pending the completion of the transaction.

On October 26, the Company launched a €15 million share buyback programme. Through the Build to Lead strategic plan, Coface continues to improve the capital efficiency of its business model.

2021

On February 10, Natixis and Arch Capital Group announced that the sale of 29.5% of COFACE SA's shares had obtained all the necessary approvals. Following this transaction, Natixis' stake in the Company's capital stood at 12.7%.

2022

On January 6, 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 holds any shares in COFACE SA.

2023

Its average market capitalisation in 2023 was €1,904,680,242.

1.1.2 International growth

1992

- The Group adopted an international growth policy, acquiring various credit insurance companies and establishing new subsidiaries or branches. It started with the acquisition of an equity interest in La Viscontea, an Italian bonding insurance and credit insurance company;
- This international growth policy was also based on the creation of the CreditAlliance network, in order to enter into various strategic partnerships, especially in emerging countries (located in Latin America, Asia and Africa).

1993

The Group acquired an interest in London Bridge Finance, a British finance company offering credit insurance services, whose business has since been taken over by the Company's local branch, Coface LBF.

1996

The Group acquired an initial interest in Allgemeine Kredit (later acquired in full by Coface), a German company providing domestic and export credit insurance solutions.

1997

The Group acquired an initial interest in Osterreichische Kreditversicherung (later acquired in full by Coface), Austria's leading credit insurer.

2002

The Group took an equity interest in the portfolio of Continental Casualty Company in the United States.

2014

As part of its sales development, Coface reorganised its international network of partners, CreditAlliance, and renamed it Coface Partner, to draw on the strength of networks of larger scale than the Group's own commercial network.

2019

With the ambition to grow in new markets with high potential, Coface:

- finalised the acquisition of PKZ, the leader in credit insurance in Slovenia; and
- created the Coface entity in Greece. In this way, Coface extended its business and strengthened its presence in key geographic regions for trade.

2020

With the acquisition of GIEK Kredittforsikring AS, Coface strengthened its position in the Nordic market. This will increase services available to Norwegian exporters, allowing them to contribute more to the country's economic development.

2023

The Group acquired Rel8ed, a North American company specialising in data analysis. This acquisition will enrich Coface's databases and increase its analytical capabilities.

1.1.3 Strategy and objectives

2002

Until 2010, the Group was positioned as a multi-service player specialised in trade receivables management for companies.

2011-2013

In 2011, as part of the refocusing of its activities on its core business – credit insurance – the Group launched the Strong Commitment strategic plan and took around 80 far-reaching measures to clarify and optimise its business model around credit insurance. The implementation of this plan addressed three essential concerns:

(i) focusing on the fundamentals of credit insurance, its core business;

(ii) establishing the conditions for sustainable and profitable growth; and

(iii) implementing structured, flexible governance focused on innovation.

2015

- On July 29, 2015, the French State announced its decision to transfer the State guarantees management activity carried out by Coface to the Bpifrance group, and that it had reached an agreement with *Compagnie française d'assurance pour le commerce extérieur* on the financial terms of such transfer. The management of State export guarantees was a services business that Coface carried out on behalf of the French State;
- The amended French Finance Act of December 29, 2015 (No. 2015-1786) provided for the transfer of this activity no later than December 31, 2016. The December 29, 2016 Finance Act (No. 2016-1917, Articles 47 and 127) set the effective date of the transfer at January 1, 2017.

2016-2019

In the first half of 2016, the Group was faced with declining profitability. To respond to this volatile environment, Coface's management developed a three-year strategic plan, Fit to Win, with two ambitions:

(i) to become the most agile international credit insurer in the sector; and

(ii) to move its business model towards greater capital efficiency.

2020-2023

The year 2020 marked a decisive step in Coface's development with the launch of the Build to Lead strategic plan. The Build to Lead plan had two key priorities, intended to:

(i) strengthen the Group's leadership in the credit insurance market by standing out with its expertise in risk and information services while simplifying its operating model;

(ii) seize growth opportunities, in particular by developing adjacent activities that complement Coface's long-standing credit insurance business, for example information services, bonding, Single Risk coverage and factoring.

The Build to Lead strategic plan came to an end in 2023. Despite the Covid health crisis and economic and geopolitical instability, Coface has reaffirmed its leadership in credit insurance with a client-centric approach, while creating growth options in adjacent activities with strong synergies such as information services and factoring. It upheld its ambitions, with a shift in priorities to take into account the economic environment and the new risks weighing on the economy (interest rates, inflation, geopolitical context).

Coface's commitment to supporting the economy is reflected in a significant increase in commitments (€685.1 billion at the end of 2023 *versus* €537.2 billion at end-2019) and the relevance of its services, which is illustrated in particular by a record level of customer retention (93.1% at end-2023).

2024-2027

2024 will see the launch of the plan Power the Core (2024-2027), which will capitalise on the achievements of previous strategic plans, strengthen Coface's leadership in credit insurance and continue to develop the information activity, in particular *via* investments in data, scoring and technology (see Section 1.5 "Group strategy" for more information).

1.2 PRESENTATION OF THE CREDIT INSURANCE MARKET AND THE COMPETITIVE ENVIRONMENT

1.2.1 Credit insurance market

The purpose of credit insurance is to protect a company against default on payment of its trade receivables. It provides conditional insurance coverage on counterparties approved by the insurer. The solution offers two basic services: the prevention of debtor risks – by selecting and monitoring insured buyers – and the collection of unpaid receivables. In the classic form of the product, these two services are the main hallmarks of the expertise of sector players.

The Group's principal activity concerns short-term credit insurance (defined by risks of no more than 12 months), which is a market representing around €10 billion in premiums. The Group is also active in the medium-term credit insurance market through its Single Risk offer. This is a global market which is often syndicated, with a value of some €2 billion in premiums. In 2023, the Single Risk business represented approximately 1.3% of the Group's consolidated turnover.

The Group believes that the credit insurance sector has significant growth potential. The penetration rate of credit insurance in the overall volume of trade receivables worldwide remains low – estimated at 13% by the ICISA [(1)] (International Credit Insurance and Surety Association) – offering real potential for client acquisition. However, long term growth in the sector remains modest, at around 3%, and typically fluctuates between 0% (2016) and 5% (2005-2009, 2019) when driven by the global economy [(2)]. In 2020, however, the market contracted by more than 5% due to the economic crisis caused by Covid-19. This contraction then gave way to a dynamic recovery since 2021, reinforced by the effects of inflation in 2022, when the sector recorded exceptional growth of 15%.

Sector growth depends on several factors, which are sometimes contradictory:

- client acquisition by sector players (and conversely, the potential loss of clients);
- organic growth in turnover among credit insurance clients;
- price trends, either up or down;
- the risk selection policy by participants, up or down.

1) Source: https://icisa.org/news/estimating-the-impact-of-trade-credit-insurance-in-world-trade/

2) The ICISA database only contains data on ICISA partners (participants and countries) and does not represent the entire credit insurance market.

1.2.2 Competitive environment of the Coface Group

The global credit insurance market comprises three types of players:

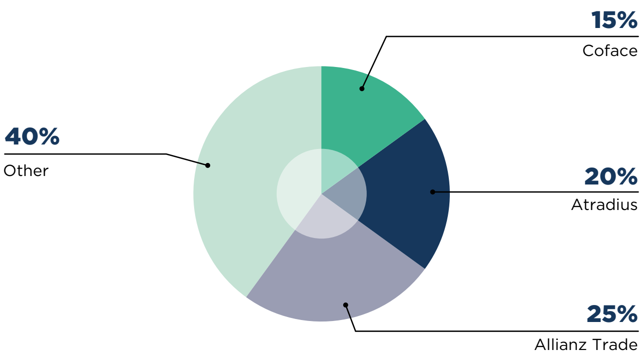
- global insurers;
- national or regional players; and
- niche players.

There are three global insurers:

- Coface (listed on the Paris Stock Exchange);
- Allianz Trade (formerly Euler-Hermes, a Belgian subsidiary of the Allianz group, which is listed on the Frankfurt stock exchange); and
- Atradius (a Dutch company belonging to Grupo Catalana Occidente, which is listed on the Madrid Stock Exchange).

In 2022, these three insurers accounted for around 60% of the global market [1].

/ CREDIT INSURANCE MARKET SHARE - 2022



The other participants are national or regional and some of them are from or are still public export insurance agencies. These include Sinosure (China), the largest by size, followed by Nexi (Japan), K-Sure (South Korea), EDC (Canada) and Cesce (Spain). There are also private local players, such as the German R+V.

Lastly, a growing number of participants tackle credit insurance with a niche strategy. This strategy allows them to partly bypass the high cost of establishing and maintaining a global debtor information database. These players generally delegate more broadly the selection of risks to policyholders that can demonstrate effective risk management; the insurer provides its financial strength to absorb shocks that exceed a significant deductible. Among the players in this segment, AIG (United States) is the largest in terms of credit insurance earned premiums.

1.3 PRINCIPAL ACTIVITIES

Coface applied IFRS 17 and IFRS 9 accounting standards from January 1, 2023. All comparisons are made using the *pro forma* 2022 IFRS 17 figures presented on April 27, 2023.

The Group's activities are mainly focused on credit insurance, which represented 88.9% of its revenue in 2023. This entails providing businesses with solutions to protect them against the risk of client debtor insolvency in both their domestic and export markets.

The Group is also present in the factoring market, in Germany and in Poland, and in the surety bond market in Italy, France and Germany mainly. In some countries, mainly in Central Europe and Israel, the Group has historically sold business information and debt collection products. In 2020, the Group decided to modernise and deploy its information offering globally. It reviewed its product range, strengthened the sales force and upgraded its technology platform. The Group built a sales organisation adapted to the needs of the information market, enabling it to drive strong growth. The information services business thus saw its revenue grow by 17% in 2023.

1) *Global market shares are calculated on the basis of gross short term credit insurance premiums, including markets under state monopoly, in 2022. Sources: i) Official market sources, often at the behest of regulators, and sometimes published by a consolidating organisation (for example, Latino Insurance in Latin America. ii) Published consolidated financial statements, when they show the share of gross credit insurance premiums. iii) ICISA data (www.icisa.org), consolidated and published by the association upon declaration by its members. iv) Group estimates, as a last resort.*

The Group generates its consolidated turnover of €1,868 million from approximately 100,000 clients [1]. Average annual income per client is less than €30,000 and is generated in very diversified business sectors and geographic regions.

The Group does not consider itself to be dependent on any particular policyholders. For the financial year ended December 31, 2023, the largest policyholder represented less than 1.75% of its consolidated turnover.

The following table shows the contribution of these activities to the Group's consolidated turnover (at current FX and perimeter, restated for IFRS 17) at December 31, 2022 and 2023:

CONSOLIDATED TURNOVER BY BUSINESS LINE

(in thousands of euros and as a % of the Group total)	See also Section	DEC. 31, 2023 *(in thousands of euros)*	DEC. 31, 2023 *(as a %)*	DEC. 31, 2022 *(in thousands of euros)*	DEC. 31, 2022 *(as a %)*
Gross earned premiums – Credit		*1,464,765*	*78.4%*	*1,432,845*	*79.6%*
Gross earned premiums – Single Risk		*24,644*	*1.3%*	*20,510*	*1.1%*
Gross earned premiums – Credit insurance		**1,489,409**	**79.7%**	**1,453,355**	**80.8%**
Fee and commission income [(1)]		**171,374**	**9.2%**	**158,574**	**8.8%**
Other related benefits and services [(2)]		**51**	**0.0%**	**39**	**0.0%**
Turnover from credit insurance activity	**1.3.1**	**1,660,834**	**88.9%**	**1,611,968**	**89.6%**
Gross earned premiums – Bonding	**1.3.3**	**69,654**	**3.7%**	**62,307**	**3.5%**
Financing fees		34,688	1.9%	32,888	1.8%
Factoring fees		40,794	2.2%	41,126	2.3%
Other		(2,797)	(0.1%)	(3,600)	(0.2%)
Net income from banking activities (factoring)	**1.3.2**	**72,686**	**3.9%**	**70,414**	**3.9%**
Business information and other services		56,419	3.0%	48,359	2.7%
Receivables management		8,638	0.5%	5,982	0.3%
Turnover from information and other services	**1.3.4**	**65,057**	**3.5%**	**54,341**	**3.0%**
CONSOLIDATED TURNOVER		**1,868,231**	**100.0%**	**1,799,030**	**100.0%**

(1) Policy management costs.
(2) IPP commission – International policies commission; business contributors' commission.

1.3.1 Credit insurance and related services

Key figures

For the financial year ended December 31, 2023, credit insurance products and related services generated turnover of €1,661 million, or 88.9% of the Group's consolidated turnover.

The following table shows the contribution of this business line to the Group's consolidated turnover during the 2022-2023 period (in thousands of euros and as a percentage of the Group's total).

Share of consolidated turnover CREDIT INSURANCE *(in thousands of euros and as a % of the Group total)*	DEC. 31, 2023 *(in thousands of euros)*	DEC. 31, 2023 *(as a %)*	DEC. 31, 2022 *(in thousands of euros)*	DEC. 31, 2022 *(as a %)*
Gross earned premiums – Credit	*1,464,765*	*78.4%*	*1,432,845*	*79.6%*
Gross earned premiums – Single Risk	*24,644*	*1.3%*	*20,510*	*1.1%*
Gross earned premiums – Credit insurance	**1,489,409**	**79.7%**	**1,453,355**	**80.8%**
Fee and commission income [(1)]	**171,374**	**9.2%**	**158,574**	**8.8%**
Other related benefits and services [(2)]	**51**	**0.0%**	**39**	**0.0%**
TURNOVER FROM CREDIT INSURANCE ACTIVITY	**1,660,834**	**88.9%**	**1,611,968**	**89.6%**

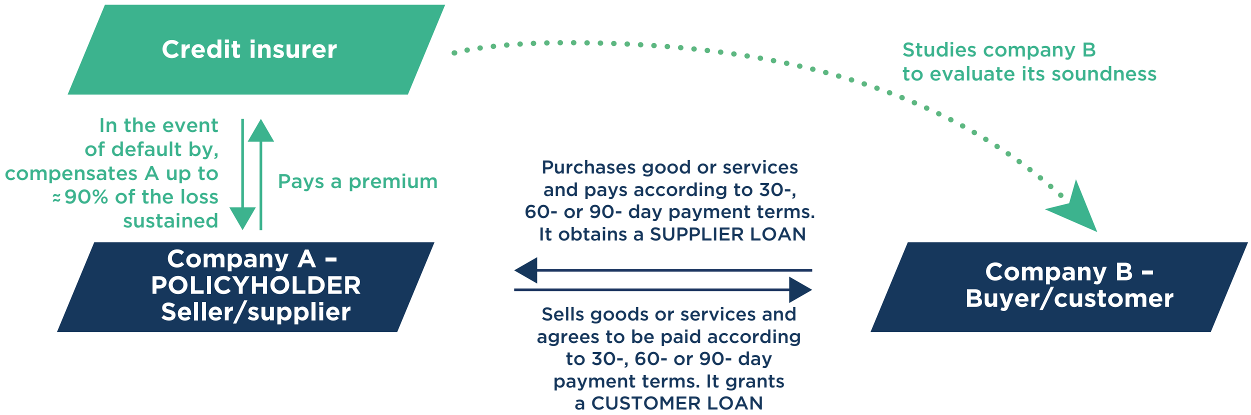
(1) Policy management costs.
(2) IPP commission – International policies commission; business contributors' commission.

1) Companies with at least one active contract with Coface in our various business lines.

Description

Credit insurance allows a creditor (the seller/supplier), with a term commercial debt held on its debtor (the buyer/client), to ask an insurer to cover the risk of non-payment of the trade receivable, in exchange for payment of a premium. It is therefore one of the key hedging instruments for the trade receivables of companies that grant payment terms to their clients.

The following diagram illustrates the credit insurance mechanism.



The service proposed by the Group to its policyholders entails much more than compensating the losses they sustain; it also includes preventing claims and providing assistance in developing a profitable and solvent clientele.

Preventing the risk of non-payment through credit insurance solutions requires collecting relevant, reliable and up-to-date information about debtors and their economic environment. Information held by the Group on debtor solvency is the basis for its credit insurance offerings. This information is used when making decisions on the coverage granted by its underwriters on a daily basis.

The Group grants complete or partial coverage, which in general globally covers a portfolio of debtors (or a stream of business) of a given policyholder, as opposed to underwriting one insurance policy to cover a single debtor risk. Credit insurance policies are generally entered into for a period of one year, and may be automatically renewed.

Within the context of these policies, the Group authorises each new debtor that is presented by the policyholder, and through the credit limit granted, establishes the maximum amount of risks it is prepared to accept for this debtor. It may reduce or cancel its credit insurance coverage at any time, sometimes subject to prior notice, for the future deliveries of goods or services by the policyholder to the debtor concerned, in order to reduce payment default risk. This reduction or cancellation allows the policyholder to be warned of if the Group's concerns with regard to that debtor's soundness increase.

In certain offerings, the Group may give its policyholders some autonomy, depending on their expertise, in setting credit limits for outstanding receivables up to an amount provided for in their credit insurance policy.

In the event that a receivable is not paid by the debtor, the Group handles the recovery of unpaid receivables, to limit the loss and release the policyholder from managing this dispute phase. As such, the policyholder preserves its commercial relations with its debtor as much as possible. The Group conducts negotiations and, if necessary, legal proceedings, to recover the amounts due.

By using credit insurance, companies secure their margins by insuring themselves against the financial impacts of an unpaid receivable, while benefiting from information tools regarding the solvency of their debtors and the collection of unpaid receivables. They also benefit from regular exchanges with the Group's sector and country specialists.

Detailed offer

Present directly through subsidiaries or branches and covering a geographical area that accounts for nearly 97% of the world's gross domestic product, the Group relies on its international network of local partners. It sells its credit insurance solutions and adjacent services in 100 countries, giving it critical mass and a geographical footprint spanning all continents. It is one of three global players in the credit insurance market.

The Group's primary credit insurance products

The Group has refocused and enhanced its range of solutions to adapt to the specific needs of identified market segments: SMEs, mid-market companies, large international corporations, financial institutions, clients of distribution partners.

The Group offers numerous credit insurance solutions which are harmonised at a global level; the main ones are described below.

PRODUCT	DESCRIPTION
TradeLiner	This is a flexible offering addressing the specific requirements and needs of each policyholder with a range of options and adaptable general terms and conditions. It is currently the central solution in the Group's product platform. TradeLiner has replaced most local offerings as it was rolled out across different markets – this rollout is almost complete. The migration of legacy portfolios to this new offering is continuing in all markets.
EasyLiner	EasyLiner is a range of contracts intended for small and medium enterprises (SMEs), which are often unfamiliar with the mechanisms and benefits of credit insurance solutions. This offering can be distributed online, under a custom brand if necessary, in the context of commercial partnership agreements.
GlobaLiner	GlobaLiner is a policy sold by Coface Global Solutions (CGS), which was launched in 2022. It is dedicated to the management of major international policyholders. This offering is based on a global organisation. It offers multinationals services and management and oversight tools tailored to their specific requirements (geographic fragmentation, multi-currency risks, consolidation of aggregate client receivables, etc.). To round out this offer, the GlobaLiner contractual framework provides large international policyholders with standardised flexible management of their various policies around the world.
CofaNet and other online services	CofaNet is the central internet portal that enables Coface's policyholders to manage their contracts. This multilingual portal is supplemented by a range of added-value services: • *Coface Dashboard*: a tool providing client risk analyses and reports; • *CofaMove*: a mobile app available on app stores, which includes the key features of *CofaNet*; • *CofaServe*: Coface's API offer for policyholders, bringing credit insurance services to the heart of the client's information system.
Medium term insurance (Single Risk)	The Single Risk offering provides coverage for commercial and political risks in connection with operations that are time-specific, complex, for a high amount (generally greater than €5 million) and for which the credit term is between 12 months and seven years. It covers policyholders against a risk linked to a particular investment or market, as opposed to credit insurance products, which cover policyholders against payment default risks for the entirety of their revenue (whole turnover policies).

Pricing of credit insurance offers

The pricing of credit insurance is generally reflected in the premiums. Related services are generally subject to specific pricing depending on policyholders' actual consumption of each service (number of clients monitored, number of collection files).

The Group considers the fair compensation of risk as an important issue. Accordingly, it has developed a pricing methodology within a proprietary computer tool (PEPS – past and expected profitability system) and associated commercial governance. The Group considers that it has a benchmark pricing methodology, including, for example, a risk-based analysis and cost-of-capital approach directly linked to the portfolio of insured risks and the capital allocated. Furthermore, adjustments and improvements are made routinely to ensure that the pricing methodology contributes to controlled and relevant underwriting in the various markets.

A separate methodology applied by a small team of experts is used for medium term Single Risk coverage, for which the default probabilities series are more limited.

Debtor solvency information at the centre of the Group's business

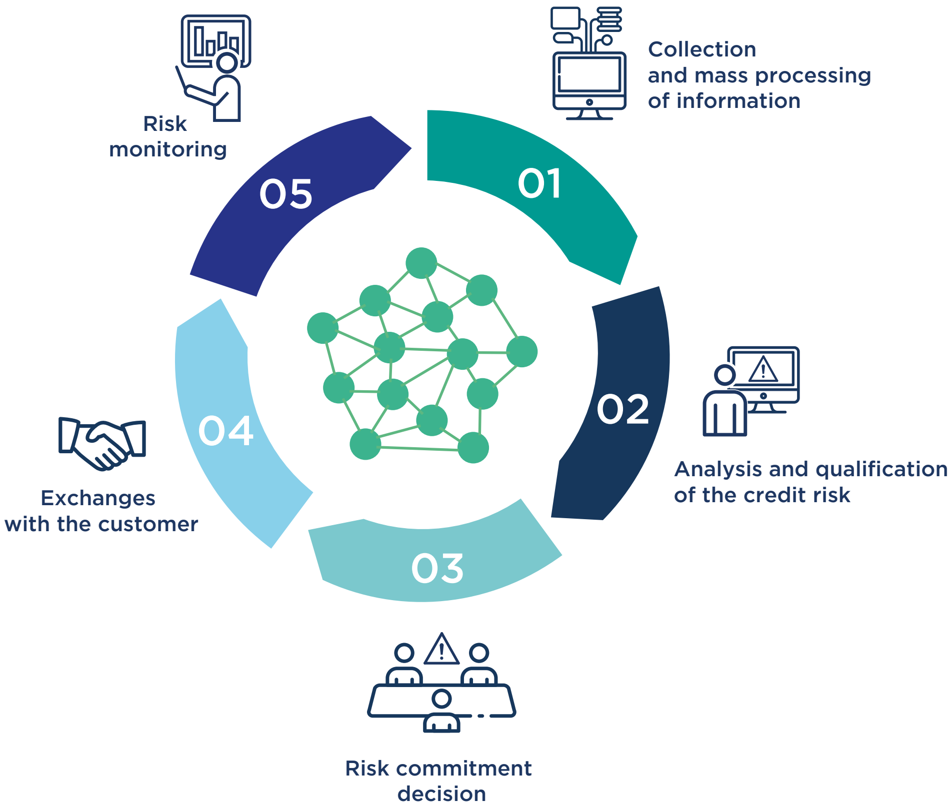
The Group's business essentially consists of the sale of coverage or services relying on the acquisition and management of relevant, reliable and up-to-date information on debtors and their environment. The Group runs a network of 53 centres dedicated to collecting, processing and analysing financial and solvency information on all of the Group's debtor risks worldwide.

Information is a key part of each stage of risk monitoring within the Group. Compiled in its ATLAS [1] database. It is first collected, specifically from some 100 information providers, for initial administrative processing. It is then analysed by the team of 340 credit analysts for the purpose of evaluating debtors according to the debtor risk assessment (DRA) scale, which is used by the entire Group. The risk underwriters use the DRA to decide on the amount of risk to be underwritten for each policyholder. This analysis is also based on various tools and methods, including several decision-making engines, conventional invoicing tools and algorithms such as artificial intelligence.

Lastly, this information, which is collected, enhanced, analysed and used by the Group, is updated regularly to allow tracking of debtor risks. Moreover, all of the Group's businesses rely on EASY, its debtor identification database, which facilitates communication between the Group and its partners and clients.

1) See Section 1.7.2 "Group applications and tools".

The following diagram illustrates the central place of information for the Group's activities:



The collection, use and preservation of reliable, updated and secure information constitutes a major issue for the Group, in order to:

- guide its pricing policy and enhance the quality of its credit insurance offerings;
- obtain, specifically at the local level due to its close proximity to the risk, microeconomic information on debtors and their economic environment, to support underwriting decisions under its risk management policy, while offering its policyholders a debtor risk-tracking solution;
- facilitate its receivables management and debt collection activity.

Incidentally, this policy allows the Group to obtain macroeconomic information, which is analysed by the Economic Research Department's teams. These teams are distributed between head office and the Group's various regions, to ensure local coverage. They conduct studies internally for the Group's businesses, and externally for policyholders and the public (journalists, academics, prospective clients, banks, brokers, partners and so on). External production essentially takes the form of "panoramas" (country and sector risks, corporate defaults), which are published on its website (www.coface.com). Their purpose is to help businesses assess and prevent risks, and to make their decisions using the most relevant and recent information.

The following diagram illustrates the network of information on the Group's businesses:

Under the Fit to Win strategic plan, which has now been completed, the Group allocated substantial investments to business information in order to improve risk management by enhancing its local presence and adopting new technologies (artificial intelligence).

A harmonised risk underwriting process

The Group has established a harmonised process for all of its risk underwriters in 45 countries, to strengthen and support the management of risks attached to its various businesses. The risk underwriting decision is, by default, made by the risk underwriter of the debtor's country, who is best placed to know the local economic environment. Where applicable, a second risk underwriter is able to adjust this initial decision upward or downward, because they are best qualified to determine the policyholder's business or strategic position. This organisation allows for proximity with both the debtor and policyholder, including for major export transactions. In all, approximately 12,000 risk underwriting decisions are made each day.

Risk underwriting decisions relating to Single Risk coverage are made by a dedicated team within the Group's Risk Underwriting Department.

To make their decisions, risk underwriters rely on the information collected, which is then analysed internally and synthesised by the DRA (debtor risk assessment), the drafting and updating of which are carried out in line with debtor quality and the Group's commitments. They also use the weighted assessment of portfolio (WAP), a concise indicator that measures a policyholder's average debtor portfolio quality. Lastly, Coface has implemented detailed management of its risks, through 38 sectors and five different country risk levels (forming a matrix of 150 risk categories).

Underwriters work in real time and as a network, thanks to the ATLAS risk centralisation system, a risk underwriting and management IT tool used by all Group entities [1]. They:

- have no sales objective for the Group's products and services, and their compensation is in no way linked to their commercial success. This is to ensure an impartial application of the Group's policies in terms of risk management;
- have underwriting authorities of up to €10 million according to their expertise, seniority and skills. For coverage beyond €10 million, they are required to abide by a double-signature procedure for decisions up to €40 million at the regional level. Decisions relating to coverage greater than €40 million and particularly sensitive cases are validated by the Group Risk Underwriting Department.

The new generation of risk underwriting decision-making engines used since 2019 has increased the instant response rate to 66%. This increase in the proportion of coverage resulting from decision-making engines allows underwriters to:

- free up more time for complex decisions;

1) See Section 1.8.2 "Group applications and tools".

- manage the risk portfolio;
- manage disruption in business cycles, such as the 2008-2009 crisis, the Covid-19 pandemic in 2020, and the rate hike cycle of 2021-2022.

Structured commercial underwriting

Commercial underwriting consists of determining:

- pricing elements (premium rate, bonus, penalty);
- technical parameters (maximum credit period, limit of cash outflows);
- clauses adapted to the needs of a policyholder and its risk profile.

Commercial underwriting focuses on the contract, whilst risk underwriting deals with coverage of the buyers of the entity to be insured. The scope of coverage depends on the validated clauses. The two activities are therefore complementary. For this reason, the Group has a Commercial Underwriting Department that oversees commercial underwriting, risk underwriting, claims & collections and recovery.

Commercial underwriting is conducted at all levels of the Group (countries, regions and head office) in close collaboration with the risk underwriting teams.

This operational supervision complements the business lines, which together form the risk management system. It optimises the support provided to clients by ensuring we are more selective in the quality of debtors covered, that we verify the profitability of the underwritten businesses, and that technical expertise is better shared among the Group's underwriting centres.

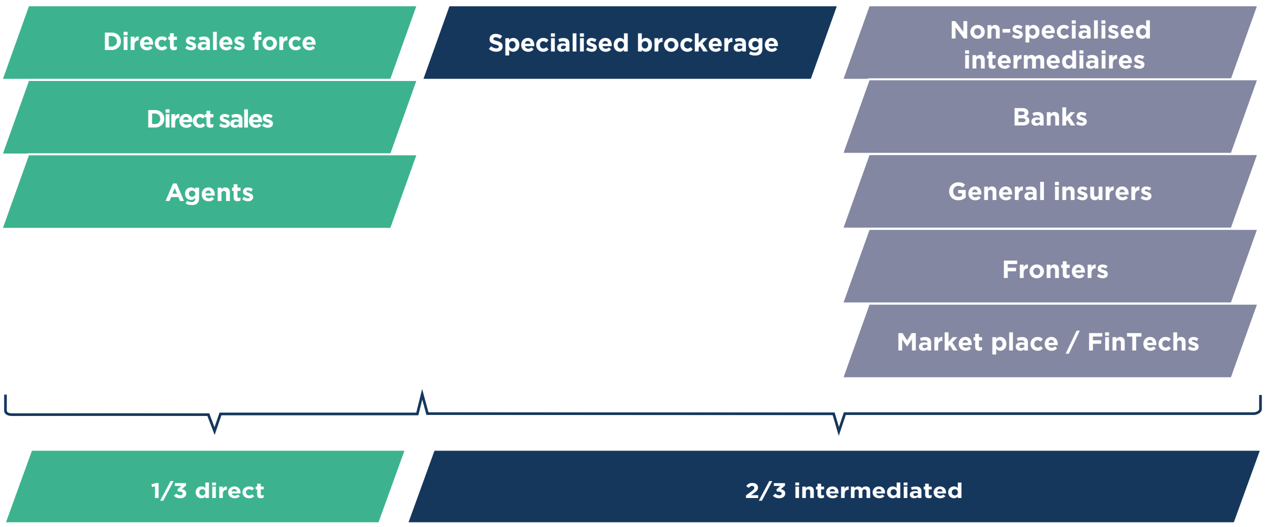
This business is governed by the Group's rules, which allocate delegation levels on the basis of the seniority and experience of the employees concerned. Beyond certain risk levels and according to the nature of the request, decisions are taken at the Group's headquarters, either by the Commercial Underwriting Department or by the Group Underwriting Committee.

The Group Underwriting Committee consists specifically of Group commercial underwriting, risk underwriting and commercial underwriting directors. This committee meets every day to review all commercial proposals for new business or policy renewals that exceed local delegations.

A multi-channel sales network strengthened by a large network of partners and business contributors

To market its credit insurance products and complementary services, the Group uses several distribution channels, the breakdown of which changes according to local markets. Specialised brokerage is largely dominant on the international scale, although in certain markets direct sales forces are historically more common.

The following diagram illustrates this multi-channel distribution model of the Group's service offerings. The breakdown between direct and indirect sales is expressed as a share of total collected premiums.



Fronters, who can also participate as business contributors, are partner insurers who issue insurance policies on behalf of the Group in countries where it does not have a licence. With its network of partners, many of which are members of the Coface Partner network, the Group serves policyholders in some 40 countries in which it has no direct commercial presence or specific licence.

In terms of non-specialist contributors, banks are a key distribution channel, opening up new client bases, with better transformation rates for prospects.

1.3.2 Factoring

Key figures

For the financial year ended December 31, 2023, factoring represented €73 million, or 3.9% of the Group's consolidated turnover.

Part du chiffre d'affaires consolidé *(in thousands of euros and as a % of the Group total)*	DEC. 31, 2023		DEC. 31, 2022	
	(in thousands of euros)	*(as a %)*	*(in thousands of euros)*	*(as a %)*
Financing fees	34,688	1.9%	32,888	1.8%
Factoring fees	40,794	2.2%	41,126	2.3%
Other	(2,797)	(0.1%)	(3,600)	(0.2%)
TURNOVER FROM THE FACTORING BUSINESS	**72,686**	**3.9%**	**70,414**	**3.9%**

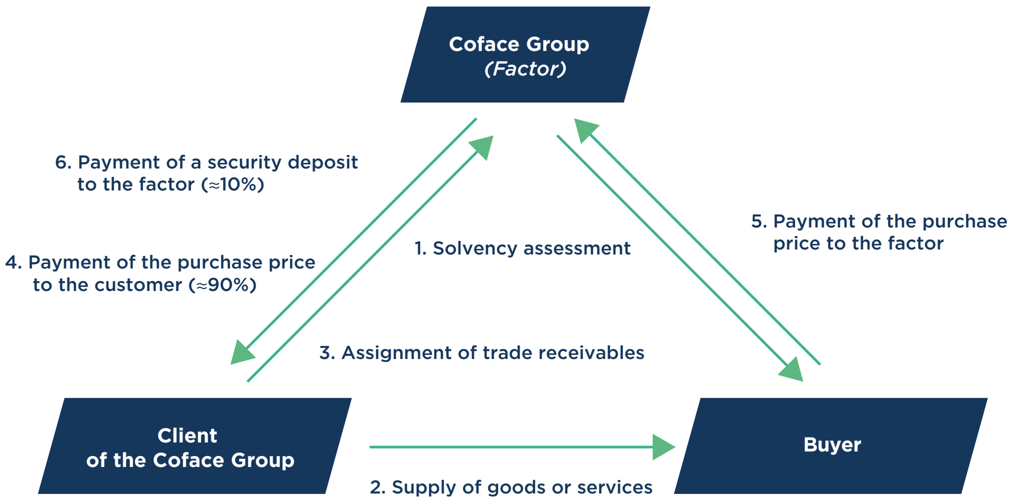
Detailed description of the offering

Factoring is a financial technique whereby a factoring company (the factor) finances and, if necessary, manages the trade accounts of a company by acquiring its trade receivables. Depending on the type of factoring, in the event of an unpaid receivable, the loss may either remain at the expense of the factor, or it may be recovered from the company.

The Group's factoring offering allows businesses to fund their trade receivables and optimise their liquidity:

- by having immediate access to cash on the transfer of their receivables (subject to a security retention);
- by reducing their client risk, in the absence of recourse (by transferring non-payment and debt collection risks);
- by financing their growth without being held up by an increase in their working capital requirement.

The following diagram illustrates the factoring mechanism:



Factoring mitigates the risks associated with the financing of trade receivables, thanks to the analysis performed on the chosen counterparties, the evaluation of their solvency, and the recovery mechanisms for unpaid receivables. The Group offers factoring solutions in Germany and Poland.

The Group combines its factoring business with its credit insurance expertise to offer the following products:

- factoring with recourse: a factoring product with recourse on the client in case of payment default;
- full factoring without recourse: a product combining factoring and credit insurance services. In the event of a claim, the client is covered by credit insurance for its unpaid invoices;
- in-house factoring with or without recourse: the client manages the relationship with its buyer, particularly in the case of a payment default, allowing it to preserve its business relationship;
- reverse factoring: the Group's client in this case is the buyer, who offers advance payment to its supplier through the factoring company;
- maturity factoring: a service derived from full factoring, for which financing only occurs at the invoice due date (late payment protection).

Market

The Group is active in the German and Polish markets.

In Germany, the factoring market grew by more than 20% to reach €373 billion in turnover in 2022. This growth was also reflected in a further increase in the factoring ratio (factored receivables to GDP) to 9.7%. This positive development was confirmed in the first half of 2023, with growth of 5.7% and factoring turnover of €192.8 billion [(1)].

The German factoring market is dominated by five players, which, according to the Coface Group's estimates, account for approximately 60% of the market: PB Factoring GmbH, Coface Finanz GmbH, BNP Paribas Factor GmbH, Targobank AG et Commerzfactoring (JV Commerzbank and Targobank). Coface Finanz GmbH is the second largest player.

In Poland, the factoring market is closely linked to recent developments in the macroeconomic environment (rising inflation and energy costs, turbulence in the economies of the country's main export trading partners). This weighed on the activity of Coface Poland Factoring's clients, particularly in the steel and other heavy industries sectors, and consequently impacted the volume of turnover. After very rapid and marked growth of 27% year-on-year in 2022, the first three quarters of 2023 were more subdued: the value of factored receivables on the Polish market amounted to 96.7% of the amount recorded the previous year.

The ten largest factoring players in Poland accounted for 93% of the market in Q3 2023, including: BNP Paribas Faktoring, ING Commercial Finance, Santander Factoring, mFaktoring, PKO Faktoring, Bank Millennium and Coface Poland Factoring. Coface Poland Factoring (the only player that is neither a department nor a subsidiary of a bank) has a market share of around 6% and is ranked number eight.

1.3.3 Bonding

Key figures

For the financial year ended December 31, 2023, surety bonds generated turnover of €70 million, or 3.7% of the Group's consolidated turnover, primarily in Italy.

Share of consolidated turnover **SURETY BONDS** *(in thousands of euros and as a % of the Group total)*	**DEC. 31, 2023** *(in thousands of euros)*	*(as a %)*	**DEC. 31, 2022** *(in thousands of euros)*	*(as a %)*
GROSS EARNED PREMIUMS – BONDING	**69,654**	**3.7%**	**62,307**	**3.5%**

Detailed description of the offering

As a complement to its main credit insurance activities, the Group draws on its debtor risk management capabilities to offer bonding solutions in some countries (France, Italy, Germany, Austria, Romania and Spain) to meet the specific needs of companies in certain markets.

A surety bond consists of a commitment to pay the beneficiary of the surety bond in the event of a default or breach by the bondholder of its contractual obligations. The coverage provided by a surety bond allows a corporate bondholder to reassure its commercial or financial partners, in order to postpone immediate payment and/or to avoid reducing its borrowing abilities. For the bondholder, these are off-balance sheet commitments. Furthermore, in certain sectors, a surety bond is needed to run a business or access specific markets.

The surety bonds issued by the Group have a fixed term (from a few weeks to a maximum of five years) and the associated risks can be shared among several market players (generally banks and insurers).

The Group selectively offers a range of specific surety bonds to help businesses obtain domestic or export contracts:

- **Contract surety bonds:**
  - tender bonds (a guarantee for the buyer that a supplier taking part in a call for tenders will be able to offer the services announced in its response, if it wins the contract);
  - performance bonds (a guarantee for the buyer that the seller will execute the contract);
  - advance payment bonds (a commitment to return the advance paid by the buyer in the event that the seller does not pursue the contract);
  - holdback bonds (a guarantee covering any faults occurring during the warranty period); and
  - subcontracting bonds (to guarantee the payment of any subcontractors the company employs);
- **Customs and excise bonds**: allow bearers to benefit from customs duties credits or even, in some markets, to cover amounts payable as indirect contributions or excise taxes, or to postpone the payment thereof;
- **Environmental surety bonds**: cover expenses linked to monitoring a site, keeping a facility safe, any interventions in the event of accidents or pollution and the restoration of the site after the activity is discontinued;
- **Legal bonds for temporary employment companies**: to cover the wages and social security contributions of temporary employees, in case the business becomes insolvent;
- **Payment guarantees**: covering the amounts owed by the bondholder as payment for its purchases and services rendered by a beneficiary.

1) *Source: German Factoring Association.*

Market

The world surety bond market is largely dependent on the regulatory framework of the various countries. It is therefore fragmented into national markets. Indeed, the local legal context determines the characteristics of the product as well as the requirements in terms of a mandatory surety bond, which makes it difficult to determine the scope of this market. In addition, the practice of certain business sectors or certain types of operations may also influence this market.

The Group estimates that this market represents between €10 billion and €15 billion in turnover, or more than the credit insurance market. Although this market is largely dominated by banks, insurers rank second, with approximately €6 billion in turnover, mainly because they cannot access some national markets for regulatory reasons. This is the case in India and several countries in the Middle East and North Africa. According to the Coface Group's estimates, the world's largest market, the United States, represents approximately half of the global surety bond market. In Europe, Italy is by far the leading market, and in Asia, South Korea has the highest percentage of turnover from surety bonds issued.

1.3.4 Business information and other services

Key figures

As of December 31, 2023, this business line generated consolidated turnover of €65 million.

Share of consolidated turnover **BUSINESS INFORMATION AND OTHER SERVICES** *(in thousands of euros and as a % of the Group total)*	**DEC. 31, 2023** *(in thousands of euros)*	*(as a %)*	**DEC. 31, 2022** *(in thousands of euros)*	*(as a %)*
Business information and other services	56,419	3.0%	48,359	2.7%
Receivables management	8,638	0.5%	5,982	0.3%
TURNOVER FROM BUSINESS INFORMATION AND OTHER SERVICES	**65,057**	**3.5%**	**54,341**	**3.0%**

Description

Coface has a unique high added value database, which draws on:

- its recognised expertise in credit risk, including analysis of companies' financial statements and in-depth knowledge of their payment behaviour;
- the Group's economic research and predictive models;
- the exploitation of Coface's abundant data by data science.

Coface's teams use this infrastructure to make more than 10,000 credit decisions on a daily basis, helping its policyholders choose their business partners.

Thanks to the quality of its information, its global network, and its expertise in transforming raw data into value-added data, the Group is in a strong position to offer business information services. This activity, which has strong synergies with its core business line in credit insurance, has a digitalised business model and is based on partnerships. Coface has proven expertise in this area and is one of the leaders in business information in several countries (Israel, Poland, Romania).

The need for information in managing business relationships with customers or suppliers has intensified in recent years. Information is vital to anticipate the risks of non-payment by companies. Coface naturally meets a number of these needs with its trade credit insurance business by offering access to:

- standard, global information, available fast;
- micro information (on a company's financial health) and macro information (sector information, country risk, etc.);
- high quality, constantly updated information;
- risk expertise that transforms information into decision-making.

This access is now available through Coface's information offering, which draws on its credit insurance strengths and processes.

It provides companies and financial institutions with a comprehensive sales decision support service, to meet three main needs:

- Reporting: descriptive data (information reports, alerts, risk management dashboard, etc.);
- Scoring: predictive data (scoring, buyer risk assessment, etc.);
- Decision-making: bespoke data for decision-making (simple or advanced credit opinions, etc.).

The objective is to enable companies and financial institutions to manage their risk strategy more effectively as part of their business activity.

Detailed offer

The launch of the platform called ICON, developed by Coface under the new Build to Lead strategic plan, offers an innovative, digital, global solution for business information services.

ICON is accessible all over the world, 24 hours a day, 7 days a week, *via* the internet or through enhanced connectivity with client information systems *via* APIs.

A full range of services with easy-to-read indicators, adapted to the needs of businesses, is provided:

URBA

URBA (Universal Risk Business Assessment) incorporates all the products described below to give a 360° view of a company's situation. It has been gradually launched in the various regions since the end of 2022. Client can access all **URBA** information and analyses *via* APIs or through a dynamic user interface. **URBA** contains portfolio management and corporate risk monitoring options.

Full report

If comprehensive information about a company is needed to conduct an in-depth risk analysis, the full report provides complete financial data, a credit score, a maximum recommended credit limit and our debtor risk assessment (DRA) of the company using an 11-point scale (from "Insolvency/bankruptcy procedure" to "Excellent risk"), based on Coface's experience as a credit insurer.

Comprehensive reports are available in nearly 200 countries. A monitoring service is available to provide notifications when there are changes to one of the indicators identified as being key to tracking a company's risk (financial data, ownership, credit rating, etc.).

Snapshot report

If an in-depth analysis such as the one available in the full report is not necessary, Coface offers an instant report that provides a summary of the key aspects needed to assess business partners, with fewer details. This report includes a quick rating ("Low", "Medium" or "High"), Coface's assessment and a maximum recommended credit limit.

Monitoring is also available for these reports: notifications are sent in the event of changes in a company's solvency, late payments, etc.

Debtor risk assessment (DRA)

With the debtor risk assessment, Coface determines a company's ability to meet its short-term financial commitments. The DRA is produced using information available in the Group's single high added value database, on a scale of 0 to 10 (from "Insolvency/bankruptcy procedure" to "Excellent risk"). The DRA is used on a daily basis to monitor the Group's own credit insurance portfolio. A company's DRA takes into account its past assessments and its current default probability. Monitoring is also available on request.

Credit Opinions

Credit Opinions provide a recommended credit limit for a company. This is an effective way to assess the solvency of debtors, prospects, and any company with which the client does business. The Credit Opinion report includes the DRA and country risk assessment, thereby providing a holistic approach to a company's risk profile.

Two products based on credit opinions are available to meet various business needs:

- **@Credit Opinion** expressed as an index, for small business portfolios or high turnover portfolios, covering exposures up to €100,000;
- **Advanced Opinion,** a specific recommended exposure amount.

Other products are also available:

Portfolio Insights and Selectio

Portfolio Insights and Selectio are interactive portfolio management tools that provide the client with in-depth information on the risk presented by all its trading partners (debtors, buyers, customers, etc.) wherever they are in the world, cross-referenced with Coface's expert macroeconomic assessments. Selectio is currently only available in Italy.

Economic Insights

Coface also provides its expertise in economic assessment to help its clients make the right strategic and operational decisions by anticipating the various risks affecting economies and sectors at the global level thanks to **Economic Insights**. This interactive platform enables risk monitoring in more than 160 countries and the main business sectors.

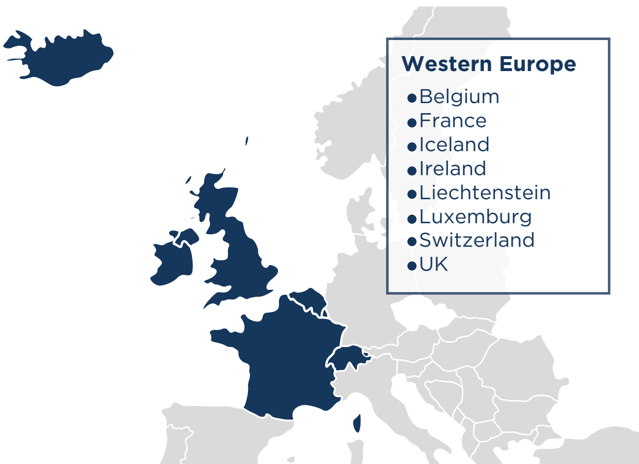
1.4 POSITIONING OF THE COFACE GROUP REGION BY REGION (1) (2)

Thanks to its leading international presence, the Group organises its business lines around seven geographic regions in which it sells its products:

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

Group activities in the Western Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group, which currently employs approximately 1,097 people in the Western Europe region, generated turnover of €380.1 million in the region, or 20.3% of its total turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The Group's activities in Western Europe are heavily oriented towards the sale of credit insurance policies. However, there are also certain local features, for example the Group also sells bonding products in France and Single Risk policies in the United Kingdom and France. All countries in this region have significantly strengthened their information offering in line with the Build to Lead strategic plan.

Marketing and strategy

Western European countries are mature credit insurance markets. The offering is mainly distributed through specialised credit insurance brokers. Large brokers use their own international distribution network or third-party distribution partners, particularly for international programmes. In France, Coface rounds out its distribution network with a direct sales force across France and is diversifying its multi-channel sales approach by developing partnerships with banks.

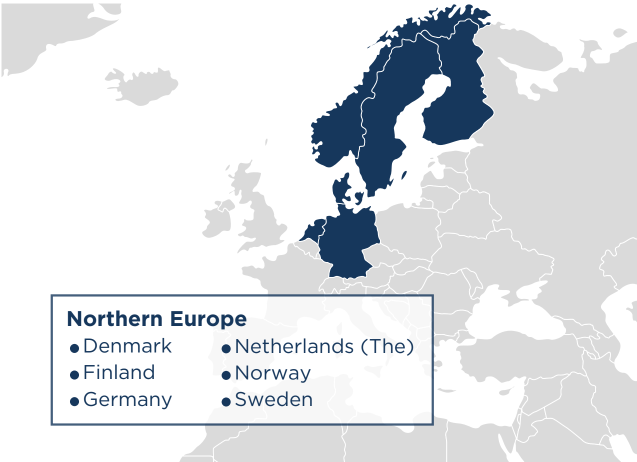
In 2022, the region continued to develop its information offering. It also continued to improve the client experience in credit insurance.

1) *The headcount given corresponds to employees on permanent or fixed-term contracts, excluding those on permanent inactive status.*

2) *The results of the regions are commented on in Section 3.3 "Comments on the results as at December 31, 2023".*

Group activities in the Northern Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group, which currently employs approximately 744 people in this region, generated turnover of €379.6 million in the region, or 20.3% of its turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The Western European countries in which the Group does business are mature credit insurance markets. The Group mainly sells credit insurance services and related credit management solutions such as information and debt collection services. In Germany, it also offers Single Risk policies, factoring and bonding.

There is strong price pressure due to intense competition. Client activity, which had rebounded after the pandemic in 2022, fell sharply in the second half of 2023. In addition, inflation, which supports growth in policyholder turnover and therefore premium income, began to slow in 2023.

Marketing and strategy

The Group's offering in this region is marketed through a combination of direct sales by its own sales teams and sales through its partners, mainly *via* broker networks, and also with banks.

The Group is continuing to invest in this region.

The Northern Europe region plays a leading role for the connectivity and deployment of Coface's APIs. A new credit management platform, Alyx, was launched in Germany, Norway and Denmark (as well as France) to improve connectivity and optimise the digitalisation of the Group's client relationships. This solution also allows for the cross-selling of other services, in particular business information.

In Germany, the biggest market in the Northern Europe region, continuous efforts to improve the client experience have helped to increase the NPS. Initiatives have been carried out in the important credit insurance segments of mid-market companies and very small enterprises in Germany to digitalise business opportunities, improve operational efficiency and optimise structures. In 2023, particular attention was paid to the development of the information services offering. This activity saw strong growth, particularly in the key accounts segment, supported by the launch of the URBA information services platform. The factoring strategy to provide financing solutions for M&A and cross-border transactions continues to confirm its effectiveness.

The creation of the "Nordics" platform strengthened the Group's presence in the region while promoting its growth in the Scandinavian market. While the mainstays were Denmark and Sweden until 2019, the acquisition of Norwegian credit insurer GIEK Kredittforsikring in 2020 – now fully integrated with the Group – significantly expanded Coface's footprint in the region, doubling turnover between 2019 and 2023.

Although historically characterised by a broker-centred distribution model, the Group is successfully pursuing its multi-channel distribution business model in the Dutch market. The launch of factoring services in 2022 strengthened the Group's presence on the Dutch market and delivered its first positive results in 2023.

Group activities in the Central and Eastern Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group, which currently employs approximately 1,016 people in the Mediterranean & Africa region, generated turnover of €177.1 million in this region, or 9.5% of its turnover for the financial year ended December 31, 2023.

Classification of countries and offering

In this region, the Group is the only supplier of integrated credit management solutions comprising credit insurance, business information and debt collection services for both insured and uninsured businesses. It offers factoring solutions in Poland, and, since 2022, surety bonds in Romania.

Economic activity weakened significantly in 2023 as Central and Eastern European countries experienced high inflation and higher financing costs due to a series of interest rate hikes. The main driver of economic activity – consumer spending – declined accordingly. Although economic activity began to recover at the end of 2023, weak demand in Western Europe, which remains the main destination for foreign trade, is the main risk to the region's economic recovery.

Marketing and strategy

The Group has the most extensive network in Central and Eastern Europe and the largest local footprint, offering services in 18 countries, directly or indirectly.

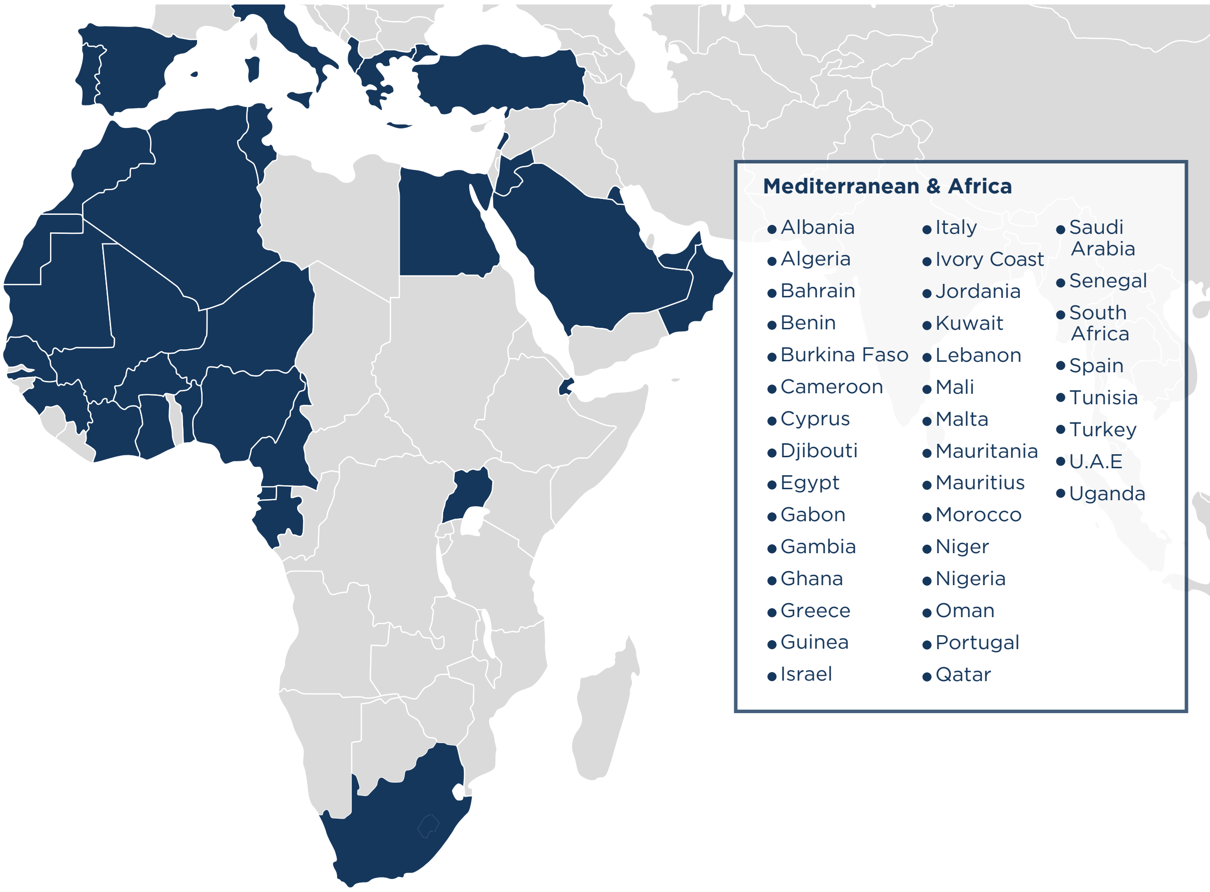
The cornerstone of the Group's strategy in this region is supporting the development of distribution (direct, *via* brokers and banking partners), and growing while keeping risks under control, in very different countries. The Group is also focusing on increasing the SME and mid-market company segments.

In 2023, the region focused on improving service quality and fostering client loyalty by simplifying and digitalising its operating model. In addition, the Group continued to develop information services by improving data quality and significantly increasing the number of companies in its database.

The Group applied all the economic sanctions taken against Russia due to the war in Ukraine, cancelling exposures to sanctioned companies and entities controlled by sanctioned persons. No new risks have been underwritten in the sanctioned sectors and entities, and no new transactions are carried out. In addition, the Group has considerably scaled back its activities in Russia: the Group's exposure there now represents less than 0.1% of Coface's total exposure. This exposure is maintained in sectors that meet local people's basic needs, such as the pharmaceutical and agri-food sectors.

Group activities in the Mediterranean & Africa region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group, which currently employs 885 people in the Mediterranean & Africa region, generated turnover of €526.3 million in this region, or 28.2% of its turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The Group sells credit insurance policies and surety bonds, as well as information and debt collection services.

In terms of credit insurance, this region has both emerging and mature markets (Italy, Greece, Spain and Portugal). The Group has unique geographic coverage in the credit insurance market in the region. It is directly present in eight countries and in a position to operate its business in Middle Eastern and African countries through partnerships with top-tier insurers. It applies its strategy through regional centres in Casablanca, Dubai, Madrid, Milan, Athens, Istanbul, Tel Aviv and Johannesburg tasked with coordinating the management of its establishments and partner networks. In Italy, Coface is a benchmark in the bonding market.

Since 2020, the business information offering has experienced strong and promising growth in Italy and Spain. In Israel, Coface BDI is the undisputed leader in the information market.

Marketing and strategy

Depending on the size and configuration of the region's markets, the Group alternates between:

- sales through insurance intermediaries (brokers, agents) or partnerships with banks; and
- direct sales.

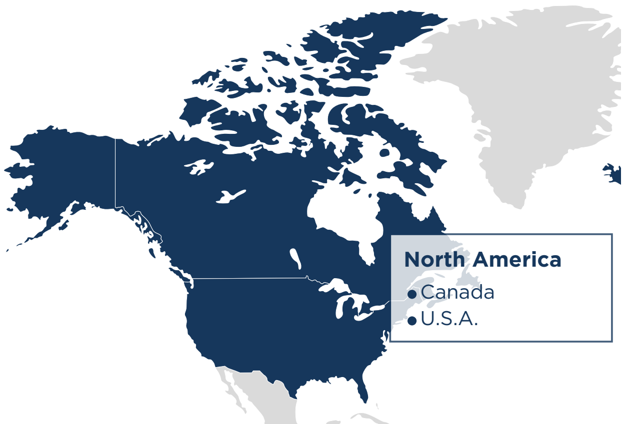
The relative importance of the channels varies significantly depending on the market:

- banking agents and partnerships have a wide reach in Italy and Spain;
- brokers play a key role in Portugal, Turkey, the Gulf countries, Saudi Arabia, and South Africa;
- direct sales are favoured in countries such as Israel and Morocco;
- intermediated sales *via* partners (insurers, banks) account for the majority in West African countries with an offering of credit insurance policies and back office services.

The Group also distributes its products *via* fronters in the Gulf countries and Saudi Arabia.

Group activities in the North America region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group, which currently employs approximately 250 people in the North America region, generated turnover of €171.8 million in this region, or 9.2% of its total turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The Group directly issues credit insurance policies in the United States and in Canada, two markets that are under-penetrated in terms of credit insurance due to low product awareness. It mainly sells credit insurance and information services.

Marketing and strategy

The Group has completed the reorganisation of its distribution channels with a focus on being close to its clients. The process of bringing the sales teams in-house in order to improve sales efficiency is now complete. The Group now distributes its products through its direct sales forces and brokers. Relations with brokers are managed by a dedicated team (Broker Connect). The CGS and Financial Institutions teams have also been strengthened. Coface has introduced new standards to simplify its operations and improve the quality of service and the client experience.

The Group expanded its offering by launching credit insurance solutions including non-cancellable credit limits. This strengthens the Group's competitive position in the key accounts segment and allows it to fully cover the needs of its international broker partners.

The Group also continued to expand its information offering with a dedicated sales team, the launch of the ICON platform and the URBA360 product.

Group activities in the Latin America region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group, which currently employs approximately 465 people in the Latin America region, generated turnover of €100.3 million in this region, or 5.4% of its total turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The portfolio of products sold by the Group in the region essentially consists of credit insurance policies, but also includes business information and debt collection services.

The credit insurance market in Latin America remains underdeveloped, with significant growth potential. The region is an area of high economic volatility, making credit insurance attractive for companies wishing to ensure the sustainable growth of their business.

Marketing and strategy

The Group distributes directly in the following countries: Argentina, Brazil, Chile, Colombia, Ecuador and Mexico; and elsewhere through partners. The Group is also investing in the development of information services and recorded strong growth in 2023.

The Group's credit insurance strategy in Latin America focuses on the notion of profitable growth achieved by:

- ensuring effective risk management;
- focusing its sales efforts on specific countries and client segments;
- adjusting pricing and contractual terms to clients' risk profiles;

marketing credit insurance products *via* a direct sales network, partners and brokers.

Group activities in the Asia-Pacific region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group, which currently employs approximately 513 people in the Asia-Pacific region, generated turnover of €133.1 million in this region, or 7.1% of its total turnover for the financial year ended December 31, 2023.

Classification of countries and offering

The Group has a direct presence in 14 countries: Australia, China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

In terms of credit insurance, most countries in the region have high risk profiles – with the exception of Japan, South Korea, Singapore and Australia, which are economically mature markets.

The region offers business information and debt collection services. It also boasts a service centre in India which is used by the region and the Group for various back office and middle office services, including the processing of debtor information, the production of information reports and support for sales, IT and finance operations (see Section 1.3.1 "Credit insurance and related services").

Marketing and strategy

In Asia-Pacific, the Group distributes its products directly and through partnerships with local insurers (fronters). The Group has branches with direct insurance licences in Australia, Hong Kong SAR, Japan, New Zealand, Singapore and Taiwan, and has the largest partner network in the region, with 32 partners. Lastly, consistent with the Group's multi-channel strategy, the region has its own direct sales teams and also uses specialised brokers and banking partners to sell its offering.

The Group also has three specialist teams in the region – Japanese Solutions, the Korea Desk and the China Desk – which provide international Japanese, South Korean and Chinese companies with a single point of access to its services.

In 2023, the Group successfully launched the new company information product URBA360 in Hong Kong SAR, Japan and Singapore, which helped strengthen the company information offering for uninsured segments.

1.5 GROUP STRATEGY

In 2024, Coface will launch its new strategic plan Power the Core for the 2024-2027 period. This plan succeeds the Fit to Win (2016-2019) and Build to Lead (2020-2023) strategic plans. These plans have strengthened Coface's leadership in credit insurance. They placed the client at the centre of its activities and enabled the development of specialised activities adjacent to credit insurance, such as information services.

The objective of Power the Core *(2024-2027)* plan is to establish the conditions to sustain Coface's robust performance in an increasingly competitive and uncertain environment. Power the Core is structured around three main pillars:

1. Strengthening Coface's leadership in credit insurance;
2. Expanding the Business Information services in synergy with credit insurance;
3. Investing in data, technology and connectivity to serve clients and our business lines.

The Group will also continue to manage its capital more effectively so it can secure the resources needed to finance its growth.

As part of this plan, the Group's objectives throughout-the-cycle are :

- an undiscounted combined ratio at ~78%,
- a return on average tangible equity (RoATE) of 11.0%, at the current level of interest rate environment,
- a solvency ratio towards the upper end of the 155%-175% target range,
- a payout ratio of at least 80% of net income,
- an additional contribution from Business Information services to group RoATE of 50bp starting in 2027.

1.5.1 Strengthening Coface's leadership in credit insurance

Maintain consistent, disciplined, agile and transparent risk management

Coface stands out for the quality of its underwriting and its risk management. Power the Core will strengthen fundamentals while capitalising on the opportunities offered by new technologies. Commercial underwriting processes will be fully digitalised with a single interface. This will improve teams' efficiency and the consistency of decisions. Artificial intelligence will be used to strengthen the automation and justification of risk underwriting decisions.

Accelerate profitable growth in high-potential segments and markets

Develop multi-channel distribution for mid-caps and SMEs

Coface will differentiate its sales approach and services to adapt them to the needs of its brokers and build their loyalty. The Group will also strengthen its direct sales forces and its network of partners in high-potential countries to better target mid-caps and SMEs.

Strengthen our value proposition for international key accounts

Coface is one of the few players in the credit insurance market to offer solutions adapted to the needs of international key accounts, which are keen to develop their export activities while controlling their credit risk. With teams present in 35 countries, Coface Global Solutions (CGS) offers unique international coverage, able to issue policies in 100 countries.

The Group will continue to roll out its GlobaLiner offering, adapted to international customers. GlobaLiner will continue to improve the client experience and the adaptation of insurance policies in the 100 countries in which Coface operates worldwide.

Propose a credit insurance offer adapted to demand in certain markets

The Group will roll out a non-cancellable credit insurance offering that meets the needs of markets such as the United States and Japan. In doing so, the Group will continue to maintain its risk management discipline.

Coface will adapt its strategy to better address the under-penetrated SME segment by rolling out EasyLiner in several target countries. The subscription of EasyLiner has been made easier and is carried out on an online portal in order to remove the main obstacle to the adoption of credit insurance by SMEs.

Continue to simplify the client experience and operations

The Group will complete the simplification of its offering, which it began under the Build to Lead strategic plan, with the X-Liner range. It will deploy initiatives to commit all employees to high service quality objectives. Client retention and satisfaction will be enhanced with the transformation of key claims and contract management processes.

1.5.2 Expanding the information services business in synergy with credit insurance

Strengthen the sales structure and expand distribution

Coface has a unique and distinctive position in the information services market thanks to its expertise in credit risk and its international presence. This led to strong growth over the last years of the previous strategic plan. The Group will continue to capitalise on its reputation to accelerate its development in the target regions.

To achieve its growth objectives, Coface will strengthen its sales organisation with dedicated and experienced resources from the information world. The Group will also diversify its distribution processes by adopting a multi-channel and partnership approach.

Enhance the range of high added value products and services

The Group will continue to enhance its proprietary data assets by offering them in the form of high added value information products. Coface will expand its offering to include new sectoral and functional use cases, such as supply chain risk management, and new complementary products.

Develop a robust technology platform

Coface will develop a new version of iCON, its credit risk management technology platform, which will incorporate new high added value functionalities and meet market standards in terms of application architecture and security. It will include URBA 360, a comprehensive solution for accessing credit risk management expertise spanning information reports, scoring, credit opinion, payment experience, country risk assessment, for example.

1.5.3 Investing in data, technology and connectivity to serve clients and our business lines

To achieve the growth objectives of the credit insurance and information services businesses, Coface will invest to develop strategic technological assets around data, scoring and connectivity.

Develop differentiating data and scoring capabilities to serve the business lines

Data and scoring are at the heart of Coface's business lines, which boast recognised assets and expertise. The Group will invest to improve data quality, accessibility and reuse with a data factory.

The Coface teams will use new internal scoring models that are more efficient thanks to the use of artificial intelligence.

Connect Coface's services to the client's environment

Companies are increasingly digitalising their processes to generate productivity gains. They are looking for simple and seamless credit management processes.

To meet their needs, the Group will deploy connectivity solutions for its credit management services that will integrate with its clients' tools.

The Group will use a catalogue of APIs to integrate all its services (credit insurance, information services, debt collection) into the client's environment. Coface will also invest to develop credit management software compatible with the main tools and software used by its clients. Connectivity will be a lever for improving the client experience and retention.

1.5.4 A dynamic capital management model

The Group is constantly upgrading its business model to manage its capital more efficiently. Achieving an appropriate return on capital is a factor of long term competitiveness and a major driver of value creation for shareholders. The Solvency II prudential framework reinforces this focus on both regulatory and economic capital.

The Group's capital management policy meets two main objectives: maintaining the financial solidity provided to clients and financing its profitable growth. These targets are measured by its robust solvency ratio and a recurrent financial rating of at least A from the rating agencies.

At the same time, the Group has demonstrated its ability to use instruments that make its balance sheet more efficient (subordinated debt, share buyback programme). It also pursues an active strategy in terms of available reinsurance options.

Based on the partial internal model and stress tests performed during the own risk and solvency assessment (ORSA), the Group has established a comfort scale that was approved by the Board of Directors under the Build to Lead strategic plan. It aims to maintain a solvency ratio above 100% in the event of a crisis equivalent to that of 2008-2009, and takes into account the flexibility needed for its growth requirements.

The Group aims to maintain its solvency at the upper end of this comfort zone, with lower and upper limits of 155% and 175% respectively, which are compatible with the targets set out in the strategic plan.

The following chart shows the action plan to be implemented depending on where the Group's solvency ratio is positioned.

Coface comfort scale

In addition, Coface has a distribution policy equal to at least 80% of its net profit, provided that its solvency is at the upper end of the 155%-175% target range.

Coface was able to demonstrate its agility and resilience throughout 2023 in an uncertain economic environment. With its culture and a solid balance sheet, Coface continued to execute its Build to Lead strategic plan, which was completed at the end of 2023. It presented its new strategic plan Power the Core (2024-2027) on March 5, 2024.

1.6 GROUP ORGANISATION

The Group's organisation includes seven regions and functional departments. Each of the Group's seven regions is headed by a regional director who is a member of the Group's Executive Committee.

This organisation, built on clearly defined responsibilities and transparent governance, aims to facilitate the implementation of the Group's strategic guidelines.

The organisational structure is based on:

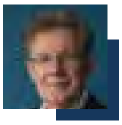
- the Strategy and Development Department, headed by Thibault Surer, to which the Strategic Planning, Marketing & Innovation, Partnerships, Economic Research, Datalab and Information teams report;
- the Commercial Underwriting Department, headed by Cyrille Charbonnel. This department comprises the Risk Underwriting, Claims & Collections and Recovery, and Commercial Underwriting Departments;
- the Commercial Department, led by Nicolas Garcia;
- the Audit Department, led by Nicolas Stachowiak;
- the Finance and Risk Department, headed by Phalla Gervais;
- the General Secretariat, led by Carole Lytton, which includes the Legal, Human Resources, Compliance and Communications departments;
- the Business Technologies Department, headed by Keyvan Shamsa;
- the Operations Department, headed by Declan Daly.

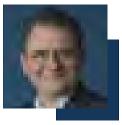
In the corporate functions (Risk, Actuarial, Compliance and Audit), the regional departments report to head office to ensure consistency in their strategy across the Group and that control activities are performed effectively and independently. For other functions, functional ties are organised according to the principle of a strong matrix organisational structure.

The organisational chart below shows the executive organisation of Coface at December 31, 2023:

GROUP CENTRAL FUNCTIONS

Xavier DURAND
CEO



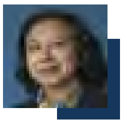


Pierre BEVIERRE
Human Resources Director

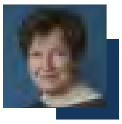
Cyrille CHARBONNEL
Underwriting Director

Declan DALY
Group Chief Operating Director

Nicolas GARCIA
Commercial Director

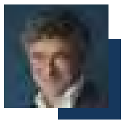


Phalla GERVAIS
CFO & Risk Director



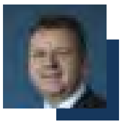
Carole LYTTON
General Secretary

Keyvan SHAMSA
Business Technology Director



Thibault SURER
Strategy & Business Dvlpmt Dir.

EXECUTIVE COMMITTEE

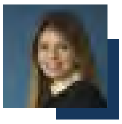


Hugh BURKE
Asia Pacific CEO

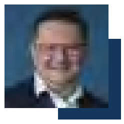
Matthieu GARNIER
Information Services Director

Jaroslaw JAWORSKI
Central Europe CEO

Katarzyna KOMPOWSKA
Northern Europe CEO

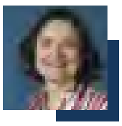


Marcele LEMOS
Latin America CEO



Antonio MARCHITELLI
Global Specialties CEO

Cécile PAILLARD
Mediterranean & Africa CEO



Carine PICHON
Western Europe CEO

Oscar VILLALONGA
North America CEO

1.6.1 Strategy and Development Department

Led by Thibault Surer, the scope of this department includes:

- Strategic Planning, which is in charge of strategic planning, strategic research and the Group's development through external growth;
- Marketing & Innovation, which analyses competition (market studies), determines client segmentation, defines the Group's product and service offering and pricing, and leads the innovation/digitalisation strategy as well as projects in this area;
- the Partnership Department, in charge of developing and setting up new distribution and fronting agreements;
- Economic Research, which performs analysis and publishes macroeconomic research;
- the Data Lab, in charge of supporting modelling, innovation and digital transformation projects;
- Information, which aims to develop information services. It is tasked primarily with selecting and coordinating information providers and service centres to supply the databases used by risk underwriting teams.

1.6.2 Commercial Underwriting Department

Headed by Cyrille Charbonnel, this department brings together:

- Commercial Underwriting, which examines business decisions requiring head office approval and sets underwriting standards in contractual matters;
- Claims & Collections and Recovery, in charge of indemnification and debt collection procedures;
- Risk Underwriting, which defines and controls the credit risk underwriting policy and monitors its application. Specifically, it oversees the largest outstanding amounts, as well as those the most at risk, and analyses the monthly reports on credit risk activity for the Group as a whole. In addition, it underwrites major risks and coordinates risk underwriting centres in the Group's seven regions;
- Risk Portfolio Management is in charge of analysing the effectiveness of risk management and implementing the measures necessary for its improvement, and is responsible for enhanced information (individual analyses of buyers) destined for risk underwriting;
- The Commercial Underwriting Department is supplemented by two offices responsible for monitoring specific risks: Single and Political Risk, and Bonding.

1.6.3 Commercial Department

Led by Nicolas Garcia, this department is tasked with structuring, organising and coordinating the Group's commercial activity. Its responsibilities extend to the intermediated and direct distribution networks for the client portfolio of the Group's three segments:

(i) key accounts (CGS);

(ii) mid-market (segments A, B and C); and

(iii) financial institutions, as well as the generation of business opportunities.

This department includes:

- Mid-Market and Commercial Operations, which is primarily responsible for coordinating sales in the mid-market segment (segments A, B and C), monitoring the sales activity and Group tools in the Commercial Department (invoicing, contract management, reporting tools, etc.);
- Brokerage, in charge of structuring, the brokered sales strategy for all client segments, and coordinating the main international brokerage firms at Group level;
- Financial Institutions, in charge of implementing the strategy, sales and coordinating the sales teams dedicated to this segment;
- Coface Global Solutions, devoted to international key accounts, which handles strategy, the coordination and management of sales teams and quality of service.

1.6.4 Audit Department

Led by Nicolas Stachowiak, this department is in charge of internal audit function. In particular, it performs three levels of periodic controls in accordance with Solvency II requirements, and reports directly to the CEO, according to an audit plan approved by the Board of Directors.

1.6.5 Finance and Risk Department

Led by Phalla Gervais, this department, together with all the Group's operational departments and entities, is tasked with steering and monitoring the Group's financial performance in all the countries in which it does business.

It is responsible for:

a) accounting and taxation,

b) the publication of regulatory statements,

c) financial communications, investor relations and relations with rating agencies,

d) the establishment of balance sheet protection measures (particularly for reinsurance),

e) asset management, Group funding and purchasing.

In accordance with the new rules governing the insurance sector and the banking system, the actuarial function has been separated from the Risk Department and reports directly to Phalla Gervais:

- The Risk Department is in charge of supporting general management to ensure the Group's long term solvency and profitability, and of monitoring compliance with the requirements laid down by the Solvency II Directive. It includes the risk management and internal control functions as described in the Solvency II Directive;
- The Actuarial Department is responsible for analysing and processing the financial impacts of risk, and pricing, among other duties. It works on solvency modelling and provisioning under Solvency II (internal model).

1.6.6 General Secretariat

Led by Carole Lytton, the general secretariat includes the following functions:

- the Legal function, which advises all Group entities and defends the Group's interests with respect to third parties. It handles all aspects of the Company's life and activity, with the exception of tax and employment law issues. The Legal Department, with the support of its network of correspondents in the Group's various regions, is in charge of the legal and regulatory watch, the compliance of insurance policies and of all products sold by the Company with laws in France and abroad, and contracts with suppliers. It advises the departments in charge of compensation and participates in partnerships and acquisitions. The Legal Department is also responsible for the good governance of the Group's companies. As such, it acts as secretary of the Board for French companies. The General Secretary is secretary of the Board of Directors of COFACE SA;
- The compliance function, which ensures that the Group complies with all the rules governing its activities in France and abroad. It lays down the rules governing the Company's activities in terms of international sanctions, anti-money laundering and anti-corruption policies and personal data protection in particular. It ensures compliance with the rules governing the issuance of the licences held by Group entities. Lastly, it is responsible for the dissemination and knowledge of these rules by all employees, the definition of level one compliance controls and the implementation of level two controls;
- Human Resources, which is in charge of providing change management support to general management and all employees. It manages human resources procedures and policies, and implements initiatives for talent and skills development, compensation and performance management;
- Communications, which defines and implements the Group's internal and external communications strategy, both in France and abroad. For internal communications, the teams contribute to change management and to furthering employees' understanding of the Group's strategy. For external communications, the teams are responsible for developing the Group's brand awareness and protecting its reputation. It carries out this task in liaison with general management;
- CSR, which implements applicable legislation, defines the Company's strategy and submits it to the Board of Directors. It is also in charge of training employees on CSR issues and promoting knowledge within the Company. It works with the support of other functions that are highly involved in this area, such as the Group Human Resources Department, the Group Compliance Department, the Finance and Risk Department and coordinates their work.

1.6.7 Business Technologies

Led by Keyvan Shamsa, this department has four units:

- a cross-business unit in charge of IT administration, architecture, data management, the deployment and management of the Group's shared IT resources, and security;
- a functional unit covering the Coface businesses, which conducts impact studies and supports the implementation of various IT projects for the Group and users;
- a unit in charge of infrastructure and operations;
- an international unit comprising the seven regions and providing coordination and consistency between the business, Business Technology matters and the regions.

1.6.8 Audit Department

Led by Declan Daly, this department is responsible for managing the client service and operational excellence programme as part of the Build to Lead strategy. It focuses on improving the client experience and implementing more efficient business processes. It is responsible for:

- the strategy and establishment of shared service centres;
- the client experience and business process management;
- the Transformation office, whose main responsibilities include the project portfolio, the operational management of major strategic projects related to the Build to Lead plan, Coface's transformation programme and change management;
- the implementation of the digitisation programme.

1.7 INFORMATION SYSTEMS AND PROCESSES

1.7.1 General introduction

The use of efficient, reliable and secure information systems is a major challenge for the Group in the context of its commercial offerings; the digital experience provided to its clients through its products and services is an important development focus. It is also equally important for its management, reporting and internal control procedures, since it provides a global perspective on the Group's activities, the completion of its strategic plans and its development, the management of its risks, and the follow-up given to internal and external audit report recommendations.

In recent years, the Group has focused on aligning its information systems with its strategic objectives, and modernising, unifying and securing its business data. This approach has continued under the new strategic plan, which affords great importance to the streamlining of processes and the automation of information systems. In accordance with its disaster recovery plan (DRP), all servers worldwide are hosted in two external data centres located in the Paris region in France, which will soon be supplemented with a third cold data storage solution. All data are backed up on a private cloud. These two sites combine the Group's information system equipment (servers, storage, backups, network and telecommunications equipment, security, etc.). In the event of a failure at one of these two sites, the other takes over in a completely transparent manner for all users. The "information systems" component of the DRP is tested twice a year.

The Group has chosen to guarantee a high level of expertise and quality in data management, and has chosen open information systems, which allow it to keep abreast of the technological developments needed for its activities, through a range of applications consisting of internally developed applications and software packages.

Furthermore, the Group's information systems follow a quality process based on the ITIL (Information Technology Infrastructure Library) standard. Its development teams apply agile methods and an active certification process. As such, the Coface Group's information systems have been ISO 9001 certified since 2000 [(1)].

Overall, thanks to this new architecture, maintenance costs have fallen and security and the assurance of business continuity have improved. The Group is committed to investing in its information systems, particularly to support its commercial and innovation strategy, while also controlling related expenses and investments.

The information systems allow staff to work remotely. In accordance with the business continuity plan (BCP), the Group has strengthened its resources to maintain security and availability outside the Company's premises. This period was also an opportunity for criminals to develop their activities. The Group therefore decided to strengthen its security by increasing the resources allocated to both human and technical security. Processes were reviewed to ensure that security is taken into account, existing solutions were improved, and new ones have been added. This work has already proven effective in countering these ever-increasing attacks.

The Group has scaled operational infrastructure to deal with crisis situations such as Covid-19 and more generally to support the Company with a mixed office/remote working model.

1) *ISO: founded in 1947, ISO (International Organisation for Standardisation) is the world's leading producer of voluntary international standards in almost all technological and economic domains. These standards establish quality specifications that are applicable to products, services and best practices in order to boost efficiency in all sectors of the economy.*

1.7.2 Group applications and tools

The main applications and operational tools directly linked to the services the Group provides to its clients, and referred to in this Universal Registration Document, are described below.

APPLICATIONS	DESCRIPTION
ATLAS	ATLAS is the IT underwriting tool for the credit insurance business and for the risk underwriting management of all the Group's businesses, for all of its entities and a number of partners of the Coface Partner network. ATLAS incorporates all functions necessary for commercial underwriting and monitoring (receipt of coverage requests, automatic or manual underwriting, management and follow-up of the risk covered, as well as outstanding amounts and portfolios). It offers comprehensive management of debtor risks: the various risks are integrated, and outstanding amounts are managed and viewable. The quality of Group-level reporting and control procedures is thereby improved. This tool, which is accessible 24 hours a day, 7 days a week (excluding programmed maintenance periods), contains access to information on more than 70 million businesses worldwide, thereby allowing a quick answer to an initial request for a credit limit. In addition, this tool offers an integrated view of the information contained in the Group's main risk analysis tools (ATLAS, EASY, ATLAS-INFO, WORKLIST, CUBE) and a link to these applications from a single portal.
COP (IMX) (Collection Overview Platform)	IMX is used by the Group for its debt management and collection and unpaid invoice management activities. It combines all tasks and reminders relating to a specific case and facilitates the communication and sharing of information among the Group's entities. This tool simplifies and harmonises the underlying processes and improves the accuracy of the data shared with clients around the world.
EASY	EASY is a centralised Group database and software tool which allows companies to be identified, regardless of their location in the world. It is linked to all Group applications which require access to such data, notably enabling users to: • search and identify debtors; • continuously manage the content and quality of information in the database (history of modifications); • duplicate files and standardise data; • cross-check debtors against anti-money laundering lists published by international institutions.
CofaNet	CofaNet is a secure online information flow management platform for the Group's policyholders. Using this platform, each policyholder can, in a few seconds, identify its debtors, check its covered receivables, declare claims, and track the indemnification of unpaid receivables. The platform also offers key services for the Group's various business lines. The version that had been in place since 2017 was completely revamped in 2020 to provide policyholders with optimised interfaces and pathways for a smoother and more intuitive browsing experience.
ICON	ICON (Information on Companies ONline) is an information services web platform that is also available to clients and partners *via* web-service interfaces (APIs). It is a multi-language, multi-currency tool available 24 hours a day, 7 days a week and gives instant access to information on any type of business in 195 countries. With ICON users can search for a company and receive information in different formats: • information reports; • credit scores; • credit opinions; • follow-up and monitoring. Other features, such as risk analysis on more than 160 countries and the main sectors of the economy, are also available.
Other Group tools	The Group also makes available numerous other IT tools used for its various activities, for example: • NAVIGA for bonding management; • SONATA for Single Risk; and • MAGELLAN for factoring. INVOICING, an invoicing tool, and iNCA, a claims and collections management tool, are deployed in the Northern Europe and Central Europe regions and will be extended to the other regions of the world under the strategic plan. In addition, CofaServe, a set of APIs for policyholders and their brokers, puts credit insurance services at the heart of the information systems of both the client company and its broker.

1.8 THE GROUP'S REGULATORY ENVIRONMENT

The Group is governed by specific regulations in each of the countries in which it operates its insurance or factoring activities, either directly, or through branches, subsidiaries or partnerships. In certain jurisdictions, information sales and/or debt collection activities may also be regulated.

1.8.1 Credit insurance activities

General rules on oversight and control of the Group's activities

The French Insurance Code (Code des Assurances), notably in Book III thereof, provides that an insurance company holding an authorisation from a Member State that allows it to perform its activities in one or more classes of insurance, may exercise these same activities, directly or through branch offices, under the European passport.

As an insurance company, *Compagnie française d'assurance pour le commerce extérieur* is subject to the provisions of the French Insurance Code and European Union regulations, in particular Solvency II. The Company and its branches in the European Union are placed under the supervision of the Autorité de contrôle prudentiel et de résolution (ACPR), an independent administrative authority. It ensures that insurance undertakings are always able to meet their commitments to their policyholders through the application of appropriate internal policies and a sufficient level of own funds. In this respect, level two controls have been put in place since 2008. They mainly relate to:

- regulatory licences and authorisations;
- compliance with personal data protection regulations;
- the implementation of procedures to guarantee the confidentiality of data;
- governance rules;
- compliance with anti-money laundering and counter-terrorist financing legislation;
- the Know Your Customer obligations incumbent on insurance companies; and
- the effectiveness of reporting procedures.

The Company, as a holding company for an insurance group, is likewise subject to the ACPR's additional oversight as concerns compliance with the solvency standards (see Section 5.2.2 "Financial Risks").

In accordance with Articles L.322-4 and R.322-11-1 to R.322-11-3 of the French Insurance Code, any party (acting alone or in concert) that intends to increase or decrease its interest, directly or indirectly, in the share capital of the *Company or Compagnie française d'assurance pour le commerce extérieur*, such that the voting rights held by that party (or parties, in the case of a disposal or extension of interest made in concert) would go above or below the threshold of one tenth, one fifth, one third or one half of the voting rights in the Company or in *Compagnie française d'assurance pour le commerce extérieur*, is required to inform the ACPR of such plan and obtain its approval in advance. Pursuant to Article L.561-2 of the French Monetary and Financial Code, *Compagnie française d'assurance pour le commerce extérieur* is subject to the legislative mechanism relating to combating money laundering and the financing of terrorism. The current mechanism, codified under Title Six, Book V of the French Monetary and Financial Code, includes oversight of any practices whereby third parties would use insurance operations to engage in corruption or to reintroduce the proceeds of criminal offences into the legal economy. Transactions likely to be the result of an act of corruption, money laundering, or terrorism financing are analysed and, where applicable, result in a suspicious transaction report to TRACFIN (the French financial intelligence unit), which is the competent authority for these matters in France.

Following the entry into force in 2017 of the French law of December 9, 2016 on transparency, anti-corruption and the modernisation of economic life, known as the Sapin II law, the Group reviewed its internal procedures in order to verify their legal and regulatory compliance.

Prudential regime for insurance companies

The prudential regime for insurance companies, which applies to the Company as an insurance group as defined in Article L.356-1 5 of the French Insurance Code, comprises two aspects which govern their operation:

- a financial component; and
- an accounting component.

The companies of the Group operating outside of the European Union are likewise subject to a prudential regime.

Financial aspect of the prudential regime for insurance companies

Regulations resulting from

(i) Directive 2009/138/EC of the European Parliament and of the Council of November 25, 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, transposed by order and decree into the French Insurance Code in April and May 2015; and

(ii) its implementing texts, including the delegated regulations of the European Commission ("the Commission"), in particular Delegated Regulation (EU) 2015/35 supplementing the aforementioned directive, entered into force on January 1, 2016 (together, "Solvency II").

The aim of Solvency II is, in particular, to achieve better understanding of insurers' risks, and create a common system for all European Union members (see Section 5.2.2 "Financial risks").

In this context, Solvency II sets out rules relating to:

- the valuation of assets and liabilities;
- technical provisions;
- own funds;
- the solvency capital requirement;
- the minimum capital requirement; and

- the investment rules that must be applied by insurance companies.

In this regard, the insurance entities located in the European Union are branches of the Company. This makes it possible to pool all these entities' assets and to leave only the minimum amount of cash required for operational requirements at the local level.

In other countries, regardless of the legal status of the entity concerned, the Group must comply with local regulations. To that end, the entities hold their asset portfolios and their cash locally in order to meet the asset-liability and solvency requirements set by local regulators.

Accounting aspect of the prudential regime for insurance companies

In addition to the general accounting obligations enacted by Articles L.123-12 et seq. of the French Commercial Code, the Group is subject to specific accounting rules for insurance companies, which have been codified under Title IV, Book III of the French Insurance Code. In fact, the inversion of the production cycle that is specific to insurance activities, *i.e.* the fact of providing services with an actual cost that will only be known after the fact, justifies the existence of specific accounting rules for the companies that conduct these activities.

The Group's consolidated financial statements are prepared in accordance with IFRS rules including the revised IFRS 17, applicable from January 1, 2023. IFRS 17 Insurance Contracts is an international financial reporting standard for the insurance sector that aims to harmonise the measurement of insurance contracts between countries, make their accounting presentation more transparent and ensuring consistency with other IFRSs. Alongside the application of this standard, IFRS 9 on financial instruments traded on spot or derivatives markets has also applied to insurance holding companies since January 1, 2023. The Group has thus adopted the French principles to show the accounting of the insurance contracts.

Regulations applicable to credit insurance policies signed by the Group

The policies issued in each of the countries where it is present comply with the corresponding country's regulations. In France, credit insurance policies issued by Coface are not subject to the provisions of the French Insurance Code, but rather to those of the general law on contracts – with the exception of the provisions of Article L.111-6 (major risks), L.112-2 (pre-contractual information), L.112-4 (content of insurance policies), L.112-7 (information to be provided when the contract is offered under European freedom to provide services provisions) and L.113-4-1 (reasons to be provided to the policyholder by the credit insurer when coverage is terminated) of the French Insurance Code.

1.8.2 Factoring activities in Germany and Poland

Factoring is regulated as a financial service (and not as a banking activity) by the German banking law (*Kreditwesengesetz*) and is defined as the ongoing acquisition of receivables based on a master agreement, with or without recourse against the ceding company. As a financial service (*Finanzdienstleistung*), as defined in German banking law, the factoring business is regulated and subject to oversight by the two German financial regulation authorities, the Deutsche Bundesbank and BaFin (the Federal Financial Supervisory Authority), which notably requires authorisation to conduct such activities.

In Poland, factoring activities that are performed within the context of the local Civil Law scheme on disposal of receivables are not specifically supervised, with the caveat that they are subject to Polish anti-money laundering regulations.

The law and regulations applicable to the Group's factoring activities in Germany and Poland do not impose any quantitative requirements in terms of regulatory capital or liquidity. At the Group level, regulatory capital requirements are calculated in accordance with the Basel regulations applicable to banking activities (see Section 3.4.2 "Group Solvency").

1.8.3 Information sales and debt collection activities

Information sales and debt collection activities may be subject to specific regulations in certain countries (*e.g.* Denmark, South Korea, etc.) and may require that such activities be authorised to declared to the relevant local authority. Local laws may regulate such activities. It should be noted that in terms of debt collection, if there is a binding framework it generally applies to debt collection from individuals and not to the collection of commercial debts, or only partially.

BOARD OF DIRECTORS

STRUCTURE AND OPERATION

10
DIRECTORS

60%
INDEPENDENT DIRECTORS

50%
WOMEN DIRECTORS

90%
AVERAGE ATTENDANCE RATE AT BOARD MEETINGS

2

CORPORATE GOVERNANCE

2.1 STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS AND ITS SPECIALISED COMMITTEES

2.1.1 Details of the members of the Board of Directors for financial year 2023 (1)

The information and biographies presented below were drawn up as at December 31, 2023. The Board of Directors of COFACE SA is composed of ten directors, with a majority of independent directors (six members), including the Chairman, as well as four directors appointed by Arch Capital.

	PERSONAL INFORMATION				EXPERIENCE	POSITION ON THE BOARD OF DIRECTORS			
NAME	AGE	GENDER	NATIONALITY	NUMBER OF SHARES	NUMBER OF OFFICES HELD IN LISTED COMPANIES (1)	INDE-PENDENT	START OF TERM/ END OF TERM	ATTENDANCE RATE (2)	BOARD COMMITTEES/ ATTENDANCE RATE (3)
Bernardo Sanchez Incera	63	♂	Spanish	1,000	1	✓	Feb. 10, 2021 2024 AGM	100%	NCC 100%
Janice Englesbe	55	♀	American	1,000	-		Feb. 10, 2021 2024 AGM	100%	RC 100%
David Gansberg	51	♂	American	1,000	-		Jul. 28, 2021 2024 AGM	78%	AAC 100%
Chris Hovey	57	♂	American	1,000	-		Feb. 10, 2021 2024 AGM	67%	-
Isabelle Laforgue	43	♀	French	1,000	-	✓	Jul. 27, 2017 2024 AGM	100%	AAC -100% RC -100%
Laetitia Léonard-Reuter	48	♀	French	1,000	-	✓	May 17, 2022 2025 AGM	100%	AAC (Ch.) 100%
Nathalie Lomon	52	♀	French	1,000	1	✓	Jul. 27, 2017 2024 AGM	89%	RC (Ch.) 100%
Sharon MacBeath	54	♀	British	1,000	-	✓	Jul. 1, 2014 2025 AGM	89%	NCC (Ch.) 100%
Laurent Musy	57	♂	French	1,400	-	✓	May 17, 2022 2025 AGM	89%	RC -100%
Nicolas Papadopoulo	61	♂	French	12,800	-		Feb. 10, 2021 2024 AGM	89%	NCC -100%
AVERAGE (4)	**54**	**50% (5)**	**50%**			**60%**		**90%**	

For the purposes of their corporate offices, the members of the Board of Directors are domiciled at the head office of the Company.
(1) With the exception of the office held within the Company.
(2) Average attendance rate at Board meetings.
(3) AAC: Audit and Accounts Committee – RC: Risk Committee – NCC: Nominations, Compensation and CSR Committee – Ch.: Chairman
(4) Average at December 31, 2023
(5) Percentage of women on December 31, 2023
♀ *Female*

♂ *Male*

1) The information presented in this table is correct as at December 31, 2023.

Changes in the composition of the Board of Directors and the Board Committees since the beginning of 2023

BOARD OF DIRECTORS/COMMITTEE	NAME	NATURE OF CHANGE	DATE OF DECISION
Nominations, Compensation and CSR Committee	Sharon MacBeath, Bernardo Sanchez Incera and Nicolas Papadopoulo	Inclusion of CSR in the committee's scope	Board of Directors' meeting of February 16, 2023

2.1.2 Experience and offices of the members of the Board of Directors

The Board of Directors has ten members. Information relating to the members of the Board of Directors, including their principal offices outside the Coface Group as at December 31, 2023 is provided in the section below [1].

Bernardo SANCHEZ INCERA

SPANISH NATIONAL

AGE: 63

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT NOMINATIONS, COMPENSATION AND CSR COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Chairman of the Board of Directors independent director

since February 10, 2021

CURRICULUM VITAE

Bernardo Sanchez Incera, a Spanish national, joined Societe Generale in 2009 before serving as Deputy Chief Executive Officer of Societe Generale from January 2010 to May 2018. Prior to that, he was Executive Director of the Monoprix Group from 2004 to 2009, Executive Director of Vivarte from 2003 to 2004, Chairman of LVMH Mode et Maroquinerie Europe between 2001 and 2003 and International Director of Inditex Group from 1999 to 2001. Bernardo Sanchez Incera also served as Chief Executive Officer of Zara France between 1996 and 1999 after being Deputy Director of Banca Jover Spain from 1994 to 1996 and jointly Director and Board member of Crédit Lyonnais in Belgium from 1992 to 1994. With an MBA from INSEAD, Bernardo Sanchez Incera is a graduate of the Paris Institute of Political Studies (Sciences Po) and holds a Master's degree and a postgraduate degree in economics.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Director, Edenred [2]
- Director, Boursorama
- Director, Compagnie Financière Richelieu
- Member of the Supervisory Board, Banque Richelieu France (100% owned by Compagnie Financière Richelieu)

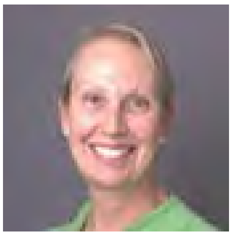
During the past five years and which are no longer held

- Director, ALD Automotive [2] (in 2021)
- Member of the Supervisory Board, PJSC Rosbank, Russia (in 2021)
- Deputy Chief Executive Officer, Societe Generale [2]
- Chairman of the Board of Directors, Crédit du Nord and Boursorama
- Director, Sogecap
- Member of the Supervisory Board, SGMB, Morocco, Komercni Banka [2], Czech Republic
- Director, BRD Bank [2], Romania

1) *In accordance with legal requirements and the recommendations of the AFEP-MEDEF Code, Coface directors cannot hold more than four other offices in listed companies outside the Group, including abroad.*

2) *Listed company.*

Janice ENGLESBE



AMERICAN NATIONAL

AGE: 55

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Director

since February 10, 2021

CURRICULUM VITAE

Janice Englesbe is Executive Vice President and Chief Risk Officer at Arch Capital Services Ltd. She joined Arch as Global Head of Risk Management on February 25, 2019. She has over 25 years of experience in risk, finance and business, including as Deputy Chief Risk Officer of the General Re Group. She holds a degree in economics from the Wharton School of the University of Pennsylvania and is a CFA charterholder.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Chief Risk Officer, Arch Capital Services Ltd.

During the past five years and which are no longer held

- Chief Executive Officer, Englesbe Consulting LLC
- Deputy Chief Risk Officer, General Re Group

David GANSBERG

NAMERICAN NATIONAL

AGE: 51

ATTENDANCE RATE AT BOARD MEETINGS: 78%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Director

since July 28, 2021

CURRICULUM VITAE

David Gansberg was appointed Chief Executive Officer in charge of the mortgage lending business of Arch Capital Group Ltd., which provides mortgage insurance and reinsurance worldwide, on March 1, 2019. From February 2013 to February 2019, he was Chairman and CEO of Arch Mortgage Insurance Company. From July 2007 to February 2013, David Gansberg was Executive Vice President and Director of Arch Reinsurance Company. Previously, he held various positions in underwriting, operations and strategy at Arch Reinsurance Ltd. and Arch Capital Services Inc., which he joined in December 2001. Before joining Arch, David Gansberg held various positions at ACE Bermuda and Cigna Property and Casualty. He holds a degree in Actuarial Mathematics from the University of Michigan.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Chief Executive Officer, Global Mortgage Group, Arch Capital Group, Ltd. (1)
- Director of Mortgage Bankers Association

During the past five years and which are no longer held

- Chairman and Chief Executive Officer, Arch Mortgage Insurance Company
- Treasurer, Greensboro Chamber of Commerce

Chris HOVEY

AMERICAN NATIONAL

AGE: 57

ATTENDANCE RATE AT BOARD MEETINGS: 67%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Director

since February 10, 2021

CURRICULUM VITAE

Chris Hovey is Chief Operating Officer at Arch Capital Services LLC. From July 2018 to January 2020, he served as Executive Vice President and Chief Information Officer at Arch Capital Services LLC. Prior to that, he was Chief Operating Officer of Arch Mortgage Insurance Company. Before joining Arch, Chris Hovey was Chief Operating Officer of PMI Mortgage Insurance Co. from 2011. He was also Vice President and Head of Service Operations and Claims Management for PMI, which he joined in 2002. Chris Hovey holds a degree from San Francisco State University and an MBA from Saint Mary's College in Moraga, California.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Chief Operating Officer, Arch Capital Services LLC
- Director, Arch Global Services Holdings Ltd.

During the past five years and which are no longer held

- N/A

Isabelle LAFORGUE

FRENCH NATIONAL

AGE: 43

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Independent director

since July 27, 2017

CURRICULUM VITAE

After graduating from École Polytechnique and École des mines de Paris, Isabelle Laforgue began her career at SFR in 2006, where she held various roles in the Strategy and Finance Departments. She was appointed Director of Central Finance in 2011, in charge of management control, accounting, financial communications and consolidation. In 2012, she was appointed Chief of Staff to the Chairman and Chief Executive Officer of SFR, advising, analysing and supporting the decision-making processes during a period of change and market consolidation. In 2015, she joined Econocom, a European company specialising in the digital transformation of businesses, as Chief Transformation Officer to develop and implement the Group's internal transformation. In 2017, she became Deputy CEO for France at Econocom. In 2019, she joined Owkin, a start-up specialising in the use of artificial intelligence in cancer research, as Executive VP Finance & Operation. In March 2021, Isabelle Laforgue joined AstraZeneca France as Head of Digital, Transformation and Innovation.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

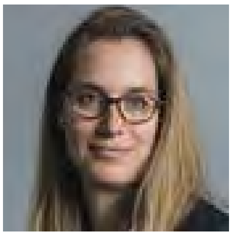
- Head of Digital, Transformation and Innovation, AstraZeneca France

During the past five years and which are no longer held

- Executive VP Finance & Operation, Owkin
- Chief Transformation Officer, Econocom [(1)]
- Deputy CEO for France, Econocom [(1)]

1) Listed company.

Laetitia LEONARD-REUTER



FRENCH NATIONAL

AGE: 48

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2025

Independent director

since May 17, 2022

CURRICULUM VITAE

Laetitia Léonard-Reuter is a graduate of HEC Paris, the University of Saint-Gall (Switzerland), and a participant at the Institut des Hautes Etudes de l'Entreprise (IHEE). She joined Generali France as Chief Financial Officer in November 2018. She previously worked at Axa Group where she held various positions from 2003: Corporate Finance Account Manager, Head of Group Capital Management, then in 2014 Chief Financial Officer of AXA Global P&C, a non-life insurance and reinsurance entity. In 2017, she became Chief Data Officer of Axa France. She began her career in 2000 as an M&A analyst at JPMorgan Chase covering the Telecommunications, Media and Technology sectors.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Director, Generali Vie SA, Generali IARD SA, and Generali Retraite
- Director, AKG SAS
- Permanent Representative of Generali France, Director of Prudence Créole SA
- Permanent Representative of Generali Vie, Director of GFA Caraïbes SA
- Representative of Generali France, Director of Generali Investments Holding S.p.A. and Generali Real Estate SPA
- Vice-Chair of the Economic and Financial Committee of France Assureurs

During the past five years and which are no longer held

- Representative of Generali on the Economic and Financial Committee (ECOFIN) and on the ECOFIN Board of France Assureurs

Nathalie LOMON

FRENCH NATIONAL

AGE: 52

ATTENDANCE RATE AT BOARD MEETINGS: 89%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Independent director

since July 27, 2017

CURRICULUM VITAE

Nathalie Lomon was Senior Executive VP and Chief Financial Officer of the SEB Group until September 30, 2023. She was also a member of the Executive Committee and the General Management Committee until this date. A graduate of the NEOMA Business School, Nathalie Lomon began her career in auditing at Mazars in 1995 before joining the General Inspection Department at BNP Paribas in 1999. In 2002, she joined Pechiney where she held several financial and management positions, including Chief Financial Officer for the Aeronautical, Transport and Industry division of Rio Tinto Alcan. She then joined the Ingenico group in 2010 as Head of Management Control, subsequently becoming Chief Financial Officer for the European-SEPA region in 2014 and then Chief Financial Officer in 2015, overseeing the finance, legal & governance functions, as well as being a member of the Executive Committee.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Director and chair of the Audit Committee at exclusive networks (1)
- Senior Executive VP And Chief Financial Officer, SEB Group (1), until September 2023
- Chief Executive Officer of SEB Internationale SAS and Immobilière Groupe SEB SAS until September 2023
- Member of the Supervisory Board of WMF GMBH and Schaerer (AG) until September 2023
- Director and member of the Audit Committee, Zhejiang Supor CO. LTD. until September 2023
- Director representing the founding members of the SEB Group endowment fund until September 2023
- Deputy Chief Executive Officer of Groupe SEB RÉ until September 2023
- Director of SEB professional North America, CEI RE Acquisition LLC and Wilbur Curtis CO. INC. until September 2023

During the past five years and which are no longer held

- EVP finance, legal & governance, Ingenico Group SA (1) (2010-2019)
- Director, Ingenico Holdings Asia Limited (HK) and Fujian landi commercial equipment Co., Ltd. (2010-2019)
- Manager, Ingenico e-commerce solutions BVBA/SPRL (BE) (2010-2019)
- Director, Ingenico financial solutions NV/SA (BE), Ingenico do Brasil Ltda., Ingenico Holdings Asia II Limited (HK), stichting Beheer Derdengelden Ingenico financial solutions (IFS Fondation) (2010-2019)
- Chairman of the Supervisory Board and member of the Audit Committee, global collect services BV (2015-2019)
- Director, Fixed & Mobile Pte. Ltd., Fixed & Mobile Holdings Pte. Ltd.
- Chairman, Ingenico Business Support SAS. & Ingenico 5 SAS.
- Director, Bambora Top Holding AB, Ingenico International (Singapore) Pte. Ltd., Ingenico Japan Co. Ltd., Ingenico Corp.

1) *Listed company.*

Sharon MacBEATH

BRITISH NATIONAL

AGE: 54

ATTENDANCE RATE AT BOARD MEETINGS: 89%

ATTENDANCE RATE AT NOMINATIONS, COMPENSATION AND CSR COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2025

Independent director

since July 1, 2014

CURRICULUM VITAE

Sharon MacBeath has a degree in psychology and management from the University of Glasgow, holds a Master's degree in human resources from the Sorbonne, and an EMBA from INSEAD. After founding the consulting firm EMDS, which specialises in the recruitment, selection and development of highly promising young people with international profiles, she has worked in France since 1991 in human resources. She held the position of Director of Human Resources for the pharmacy and beauty line of the Rexam group before becoming Director of Human Resources and Communications for Redcats, a company in the Kering group (formerly PPR) in 2005. Sharon MacBeath was Head of Human Resources and a member of the Executive Committee of the Rexel group between 2013 and the end of 2016. She was a member of the Board and Head of Human Resources at the Tarkett group from January 2017, before moving from a role as director on the Supervisory Board at Hermès International* to the role of Group Human Resources Director at Hermès International in June 2019. Sharon MacBeath is a member of Hermès' Executive Committee.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Group HR Director of Hermès international [1] since June 17, 2019

During the past five years and which are no longer held

- Group Director of Human Resources, member of the Executive Committee of Rexel [1]
- Member of the Board and Executive Committee, Director of Human Resources and Communications for the Tarkett Group [1] (until may 1, 2019)
- Director on the Supervisory Board, Hermès International [1] until March 2019
- Member of the Hermès International [1] Audit Committee until March 2019
- Member of the Nominations, Compensation and Governance Committee of Hermès International [1] until March 2019

Laurent MUSY

FRENCH NATIONAL

AGE: 57

ATTENDANCE RATE AT BOARD MEETINGS: 89%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2025

Independent director

since May 17, 2022

CURRICULUM VITAE

Laurent Musy is an engineer, a graduate of the École des mines de Paris, and holds an MBA from INSEAD. Since 2015, he has been Chairman and Chief Executive Officer of TERREAL Group. He joined Terreal after 17 years in the aluminium industry in France and abroad, most recently as President of the Packaging and Automotive divisions, then of Aerospace and Transportation at Constellium. He previously worked at Saint-Gobain and McKinsey. He was President of the French Federation of Tiles and Bricks (FFTB) from 2018 to 2022.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Member of the Board of Directors: Promodul, Promotoit, FFTB and CTMNC
- Chairman: Terreal Holding, Terreal Espagne, Terreal Investissements, Terreal Participations, OGT Invest, Quaterreal and Atout Terreal
- Chairman of the Board: Terreal Italy
- Managing Director: Creaton SEE and Creaton Benelux
- Director: Terreal Singapore
- Member of the Board: Creaton Polska and Ludowici Roof Tile
- Advisory Board member: Creaton Gmbh

During the past five years and which are no longer held

- FFTB (Chairman until June 2022)
- CTMNC (Chairman until June 2022)
- IB2 (Board member until June 2022)
- CTMNC (Chairman until June 2023)
- Terreal Malaysia (Board member until January 2023)

1) *Listed company.*

Nicolas PAPADOPOULO

FRENCH NATIONAL

AGE: 61

ATTENDANCE RATE AT BOARD MEETINGS: 89%

ATTENDANCE RATE AT NOMINATIONS, COMPENSATION AND CSR COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2024

Director

since February 10, 2021

CURRICULUM VITAE

Nicolas Papadopoulo is Chairman and Underwriting and Claims Director of Arch Capital Group Ltd. He was promoted to this position on January 1, 2021. From September 2017 to December 2020, he was Chairman and CEO of Arch Worldwide insurance group and Underwriting Director for property and casualty insurance operations. From July 2014 to September 2017, Nicolas Papadopoulo was Chairman and CEO Arch Reinsurance Group at Arch Capital Group Ltd. He joined Arch Reinsurance Ltd. in December 2001, where he held various underwriting positions. Before joining Arch, he held positions within the reinsurance group Sorema NA, a US subsidiary of Groupama, and was also an insurance examiner at the French Ministry of Finance, Insurance Department. Nicolas Papadopoulo is a graduate of the École Polytechnique and the École Nationale de la Statistique et de l'Administration Économique with a master's degree in statistics. He is also a member of the International Actuarial Association and a member of the French Actuarial Society.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2023

- Chairman and Underwriting and Claims Director of Arch Capital Group Ltd. [1]
- Director, Premia Holdings Ltd.
- Director, McNeil & Company Inc.

During the past five years and which are no longer held

- Director, Greysbridge Holdings Ltd.
- Director, Somers Re Ltd. (formerly Watford Re Ltd.)
- Director, Somers Group Holdings Ltd. (formerly Watford Holdings Ltd.)
- Director, Arch Insurance Group Inc.
- Director, Arch Insurance Company
- Director, Arch Indemnity Insurance Company
- Director, Arch Specialty Insurance Company
- Director, Arch Property Casualty Insurance Company
- Director, Arch LMI Pty Ltd
- Director, Arch Financial Holdings Australia Pty Ltd
- Director of Arch MI (Asia) Limited
- Director, Ventus Risk Management, Inc.
- Director, Out Of Towne, LLC
- Director, Arch Underwriters Ltd.
- Director, Arch Reinsurance Ltd.

2.1.3 Operation of the Board of Directors

The Board of Directors has established Internal Rules which can be consulted on the website at https://www.coface.com/the-group/our-governance.

Convening notice of the Board of Directors

The Board of Directors meets as often as required in the interests of the Company, and at least once per quarter.

Board meetings are convened by the Chairman. However, directors representing at least one third of the Board members may convene a meeting of the Board, detailing the agenda, if there has been no meeting for more than two months. Where the duties of CEO are not performed by the Chairman, the Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a fixed agenda.

Board meetings are held either at the registered office or any other location indicated in the convening notice. The convening notice is in the form of a simple letter or e-mail sent to the Board members within a reasonable period of time before the scheduled date of the meeting. It is sent out by the Board Secretary.

In the event of an emergency as defined below ("Emergency"), the following accelerated procedure may be applied.

An emergency is defined as an exceptional situation:

(i) characterised by the existence of a short period, imposed by a third party under penalty of non-compliance with time limits and which, in the event of non-observance, could cause harm to the Company or one of its subsidiaries; or

(ii) requiring a rapid response from the Company that is incompatible with the application of the usual notice periods for Board of Directors' meetings.

In an Emergency, the meeting may be convened using all appropriate methods, even verbally, and the time frames for convening and holding the meeting of the Board of Directors shall not be subject to the provisions described above, insofar as the Chairman of the Board of Directors of the Company has:

- first sent notice to the directors providing the basis for the Emergency as defined above; and
- sent all directors, with the convening notice for said Board meeting, all the information needed for their analysis.

Conduct of the Board of Directors' meetings

Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, in his absence, by the oldest director or by one of the Vice-Chairmen, as the case may be.

In accordance with the legal and regulatory provisions, and except when adopting decisions relating to the review and closing of the annual parent company and consolidated financial statements, directors participating in the Board meeting by video conference or telecommunication that meet the technical criteria set by the current legal and regulatory provisions are deemed to be present for the purposes of calculating the quorum and the majority.

Each meeting of the Board of Directors must be long enough for useful and in-depth debate on the agenda. Decisions are made by a majority of the votes of the members present or represented. In the event of a tie, the Chairman of the Board of Directors shall have the casting vote.

In the event of a malfunction in the video conference or telecommunications system, as noted by the Chairman of the Board of Directors, the Board may make valid decisions and/or move forward with just the members who are physically present, provided that the quorum conditions are met.

Informing the Board of Directors

Pursuant to the terms of Article 21 of the Company's Articles of Association, and Article 3.4 of the Board of Directors' Internal Rules, the Board carries out the inspections and verifications which it deems necessary. The Chairman or the Chief Executive Officer must send each director all the documents and information needed to fulfil their duties.

The directors must have access to the information that will allow them to make an informed decision, sufficiently in advance of the meeting of the Board of Directors. However, for urgent matters, or when respect for confidentiality so requires, and in particular when sensitive strategic, commercial or financial information is at issue, this information may be provided during the meeting. Directors shall likewise receive, if they so request, a copy of the minutes of the Board of Directors' deliberations.

Furthermore, the directors receive all useful information on the events or operations which are significant for the Company in between meetings.

The Company has set up a Group-level governance system based on a clear separation of responsibilities with a system for the provision of information. This governance system includes the following key functions: the risk management, compliance, internal audit and actuarial functions (see Section 5.3.1 "Internal control system"). Each key function operates under the ultimate responsibility of the Board of Directors, to which it reports.

- Information at the initiative of the Board of Directors;

  The Board of Directors consults key function managers, directly and at its own initiative, whenever it deems this necessary and at least once a year. This consultation can take place in the absence of the Chief Executive Officer if the Board members consider it necessary. The Board of Directors may refer this consultation to a specialised Board committee;

- Information at the initiative of a Head of a key function;

  The Heads of functions may inform the Board of Directors, directly and at their own initiative, of the occurrence of certain events that warrant this action. They must do so immediately upon encountering a major problem that falls within their purview. The Head of the key function must send a written report of the problem to the Chairman. The report must include a detailed explanation of the problem as well as all the elements required to understand it. The report must include recommendations for resolving the problem. The Chairman then communicates this report to the Board members.

2.1.4 Activities of the Board of Directors in 2023

The Board of Directors held eight meetings in a standard board format, including a meeting on November 14, 2023 without the presence of management, in accordance with the recommendations of the Corporate Governance Code of Listed Companies (AFEP-MEDEF Code). It also held a strategy seminar on 16th November 2023.

The average attendance rate was 90%.

The main subjects reviewed by the Board of Directors in 2023 were:

The Company's financial position, cash and exposure	• Approval of the 2022 annual financial statements (parent company and consolidated statements) • Review of quarterly and half-yearly financial statements • IFRS 17 restatement • Approval of the 2024 budget
Internal control/Risks	• Solvency II: approval of all written policies as drafted or revised in 2023 • Regulatory reports: ORSA, RSR, SFCR and actuarial reports • Risk appetite • The partial internal model
Corporate governance	• Convening of a Combined Shareholders' Meeting on May 16, 2023 • Self-assessment of the Board's work • Review of related party agreements entered into in previous years • Assessment of the independence of directors • Amendment of the Internal Rules of the Board of Directors
Compensation	• Global compensation policy • Compensation policy for the Chief Executive Officer, Chairman and Directors for 2023 • Compensation paid to the Chief Executive Officer for financial year 2022 • Approval of the 2023 Long-Term Incentive Plan • Delivery of the 2020 Long-Term Incentive Plan
Financial operations	• Annual authorisation to issue guarantees as part of the factoring business • Liquidity programme • Authorisation to carry out a subordinated bond issue
Corporate strategy	• Economic outlook and macro-economic update • Approval of the Group's reinsurance policy • Connectivity of services
Financial Communication	• Market perception survey

2.1.5 Diversity policy applied to the members of the Board of Directors

The Company is vigilant with regard to the diversity of the members of its Board of Directors to ensure that it operates in a manner appropriate to the Company's business and development, in compliance with applicable regulations. The Company also refers to the provisions of the Corporate Governance Code of Listed Companies (AFEP-MEDEF Code) in implementing its diversity policy. Several criteria are applied:

- Number of directors

  The number must reflect the size of the Company and the aforementioned diversity. In 2023, there were ten directors.

- Seniority and age of directors

  The Company complies with regulations on the terms of directorships and strives to have a wide range of ages represented on its Board. In 2023, the average age of directors was 54.

- Proportion of independent and non-independent members

  The Company complies with the rules applicable to companies with many shareholders and no controlling shareholder. Independent directors account for 60% of Board members. Two-thirds of the directors, including the Chairman, sitting on the Audit and Accounts Committee and the Nominations, Compensation and CSR Committee are independent directors. Three-quarters of members of the Risk Committee are independent directors, including the Chairman.

- International diversity

  The Company takes into account international diversity and at December 31, 2023, 50% of directors were non-French nationals.

- Gender equality

  In 2023, the proportion of women on the Board was 50%. In 2023, 100% of the specialised committees of the Board of Directors have been chaired by women.

- Skills and expertise

  The Company ensures its directors possess specific skills in certain fields to ensure that the Board has the requisite expertise in terms of finance, insurance regulations, human resources, digital technology and CSR.

2.1.6 Assessment of the Board's work in financial year 2023

As in previous years, COFACE assessed the work of its Board of Directors and its specialised committees, in accordance with the recommendations of the Corporate Governance Code of Listed Companies (AFEP-MEDEF Code).

The assessment for the 2023 financial year was carried out *via* a questionnaire and focused on the following themes:

- The composition of the Board of Directors;
- The organisation of Board of Directors' meetings;
- The quality of the information given to the Board;
- The quality of the discussions;
- The composition and operation of the specialised committees;
- Interaction between directors and with the Chief Executive Officer;
- The individual contribution of each Board member.

In general, the overall performance of the Board is considered satisfactory or very satisfactory, in terms of the organisation of the Board and its work, the quality of the documentation transmitted, the involvement and competence of the directors, and especially their spirit of cooperation, the answers obtained from the Company to their questions, and the relationship of trust with the Chairman and the Chief Executive Officer.N Similarly, the activity of the specialised committees is also valued.

For 2024, it was suggested to discuss more in depth the following areas: CSR, business processes, business presentations by regional CEOs, human resources policy.

2.1.7 Analysis of the independence of members of the Board of Directors

Pursuant to the AFEP-MEDEF Code, the Board of Directors must review the status of independent directors every year. As such, during the meeting of December 7, 2023, the Board was asked to examine the situation of the six (6) directors who are not members of ARCH Group with regard to the criteria set out in the Code. For each director concerned, this assessment is based on the independence criteria set out in the AFEP-MEDEF Code and the analysis of the High Committee on Corporate Governance (HCGE) included in the Guide to Applying the AFEP-MEDEF Code, which was revised in December 2022.

In order to evaluate the independence of directors, and in the absence of any other dependence criteria, Coface attaches particular importance to any business relationship with a company in which the directors hold senior management positions.

A review of all the criteria set out in the Code, as mentioned in the table below, showed that Bernardo Sanchez Incera, Sharon Macbeath, Isabelle Laforgue and Nathalie Lomon currently do not meet any of the criteria of dependence. Laurent Musy and Laetitia Léonard-Reuter, who respectively hold management positions at Terreal and Generali, must be considered with regard to the business relationship between Coface and these companies. It is recalled that in these circumstances, Coface assesses any impact the business relationship could have on the director's independent judgement. To do this, Coface analyses a range of items, including the nature of the business, the size of the contract, the existence of an alternative provider for the director's company, and the importance of the turnover generated for Coface by this business relationship.

The Terreal Group is a Coface customer in credit insurance, surety bonds and business information. It has a small-volume business information contract in Poland and credit insurance and surety bond contracts for a limited volume and premium amount in both cases. All of Coface's resulting revenues is very limited compared to the turnover. Although these amounts are not insignificant for the Terreal group, it has alternatives in a highly competitive market. In addition, Laurent Musy would not participate in any discussions of the Board of Directors in the event of a technical matter relating to this credit insurance coverage. This situation therefore does not affect the independence of Laurent Musy.

Generali is not a client of Coface, but has concluded half a dozen distribution agreements in Malaysia, Germany, Hungary and Portugal. These partnerships resulted in the conclusion of a small number of insurance contracts, generating annual revenue for Coface very limited in relation to the turnover, and very limited revenue for Generali. This relationship therefore does not affect the independence of Laetitia Léonard-Reuter.

CRITERIA TO BE ASSESSED	BERNARDO SANCHEZ INCERA	ISABELLE LAFORGUE	LAETITIA LÉONARD -REUTER	NATHALIE LOMON	SHARON MACBEATH	LAURENT MUSY
Not to hold or have held an employee position or a corporate mandate within the past five years in Arch Capital Group Ltd., Coface, or one of its subsidiaries.	✓	✓	✓	✓	✓	✓
Not to be a corporate officer of a company in which Coface directly or indirectly holds a directorship or in which an employee or corporate officer of Coface (in position currently or within the past five years) holds a directorship.	✓	✓	✓	✓	✓	✓
Not to be a client, supplier, corporate banker, significant investment banker of the Company or its group, or for which the Company or its group represents a significant proportion of the business.	✓	✓	✓	✓	✓	✓
Not to have a close family tie to a corporate officer.	✓	✓	✓	✓	✓	✓
Not to have been an auditor of Coface over the past five years.	✓	✓	✓	✓	✓	✓
Not to have been a director of Coface for more than 12 years.	✓	✓	✓	✓	✓	✓
Not to be a director representing a significant shareholder of Coface or Arch Capital Group Ltd.	✓	✓	✓	✓	✓	✓
Not to receive or have received significant supplementary compensation from Coface or from the Group outside of the compensation paid for attendance at meetings of the Board of Directors and its committees, including participation in any form of stock options, or any other form of performance-linked compensation.	✓	✓	✓	✓	✓	✓

The percentage of independent directors on the Board was 60% as at December 31, 2023.

2.1.8 Specialised committees, offshoots of the Board of Directors

Pursuant to Article 18 of the Company's Articles of Association, the Board of Directors may decide to form, with or without the participation of individuals who are not directors, committees or commissions to examine issues that the Board itself or its Chairman refers for their assessment. These committees or commissions perform their duties under its responsibility.

The Board of Directors has established an Audit and Accounts Committee, a Risk Committee, and a Nominations, Compensation and CSR Committee. The composition, powers and rules of operation are described below.

Board Committees may request external technical studies on matters falling within their remit, at the company's expense, after having informed the Chairman of the Board of Directors or the Board. The Committees shall report to the Board on the conclusions thereof.

Audit and Accounts Committee

During financial year 2023, the members of the Audit and Accounts Committee were Laetitia Léonard-Reuter (Chairman), David Gansberg and Isabelle Laforgue.

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.

Composition (Article 1 of the Audit and Accounts Committee Internal Rules)

- Members

  The Audit and Accounts Committee has at least three members, who have the appropriate and requisite qualifications to exercise their functions effectively, including particular expertise in financial or accounting matters. They are appointed from among the directors of the Company for the duration of their term of office as members of the Board of Directors.

  At least two-thirds of the members of the Audit and Accounts Committee are independent members of the Board of Directors.

- Chairman

  The Chairman of the Audit and Accounts Committee will be one of the members of the Audit and Accounts Committee nominated by the Company's Board of Directors from among the independent members for the duration of his/her term of office as a director.

  The Chairman of the Audit and Accounts Committee will exercise his/her functions in accordance with the Audit and Accounts Committee Internal Rules.

  The Chairman of the Audit and Accounts Committee will set the dates, times and places of the meetings of the Audit and Accounts Committee, set the agenda and chair its meetings. The convening notices for the meetings will be sent by the Committee's Secretary,

  who reports to the Board of Directors on the opinions and recommendations expressed by the Audit and Accounts Committee for the Board of Directors to consider.

The Chairman of the Audit and Accounts Committee will ensure that the preparation and due process of the work of the Audit and Accounts Committee is monitored between each of its meetings.

Duties (Article 3 of the Audit and Accounts Committee Internal Rules)

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:

- Monitoring the preparation of financial information

  The Audit and Accounts Committee must examine the annual or half-year parent company and consolidated financial statements before they are presented to the Board of Directors, to ensure the accounting methods used to prepare these financial statements are appropriate and consistent.

  The Audit and Accounts Committee reviews in particular the level of technical provisions and any situations that could create a significant risk for the Group, as well as all financial information and quarterly, half-year or annual reports on the Company's business, or that produced for a specific transaction (such as an asset contribution, merger or market transaction).

  It reviews the accounting treatment of all major transactions.

  The examination of the financial statements is accompanied by a presentation by the Statutory Auditors indicating the key points not only of the results of the statutory audit, in particular the audit adjustments and significant weaknesses in internal control identified during the audit, but also of the accounting methods used, as well as a presentation by the Chief Financial Officer describing the Company's risk exposure and its material off-balance sheet commitments.

  It examines the scope of consolidated companies.

- Monitoring the control of the external audit of financial statements

  The Audit and Accounts Committee is responsible for monitoring the statutory audit of the parent company and consolidated financial statements by the Company's Statutory Auditors.

  The Audit and Accounts Committee has regular discussions with the Statutory Auditors during the Audit and Accounts Committee meetings dealing with the review of the procedures for preparing financial information and the review of the financial statements in order to report on their performance and the conclusions of their work.

  The Audit and Accounts Committee also monitors the Company's Statutory Auditors (including without the presence of the executives), in particular their working schedule, potential difficulties encountered in the exercise of their duties, modifications which they believe should be made to the Company's financial statements or other accounting documents, irregularities, anomalies or accounting inaccuracies which they may have identified, uncertainties and material risks relating to the preparation and treatment of accounting and financial information, and material weaknesses in internal control that they may have discovered.

  It is responsible for monitoring the independence of the Statutory Auditors and ensuring compliance with the professional code of conduct.

  The Audit and Accounts Committee shall meet the Statutory Auditors at least once a year without the presence of senior management. In this respect, the Audit and Accounts Committee also reviews, with the Statutory Auditors, the risks affecting their independence and the preventive measures taken to mitigate such risks. It must, in particular, ensure that the amount of the fees paid by the Company and the Group, or the share of such fees in the revenues of the firms and their networks, would not impair the independence of the Statutory Auditors.

  At the same time, the Statutory Auditors will also present to the Audit and Accounts Committee a report on compliance with their obligations regarding the professional code of conduct for Statutory Auditors and with professional auditing standards.

  To this end, the Audit and Accounts Committee must, in particular, ask to receive each year:

  - the Statutory Auditors' statement of independence;
  - the amount of the fees paid to the network of Statutory Auditors by the companies controlled by the Company or the entity controlling the Company in respect of services that are not directly related to the Statutory Auditors' duties, and
  - information concerning the benefits received for services directly related to the Statutory Auditors' duties;

- Selection and renewal of the Statutory Auditors

  The Audit and Accounts Committee oversees the selection and renewal of the Statutory Auditors, and submits the result of this selection to the Board of Directors. When the Statutory Auditors' term expires, the selection or renewal of the Statutory Auditors may be preceded, at the suggestion of the Audit and Accounts Committee and the decision of the Board of Directors, by a call for tenders overseen by the Audit and Accounts Committee, which will approve the specifications and choice of firms consulted, and ensure the selection of the "best bidder" and not the "lowest bidder".

  The Audit and Accounts Committee reports regularly on the exercise of its duties to the Board of Directors and informs it without delay of any difficulties encountered.

- Approval of the provision by the Statutory Auditors of services other than account certification

  Pursuant to the provisions of Article L.822-11-2 of the French Commercial Code, the committee approves the provision by the Company's Statutory Auditors of services other than account certification. In this case, it makes this decision after having reviewed the risks affecting the independence of the Statutory Auditors and the preventive measures taken by the Statutory Auditor in this regard.

- Internal control duties

  The Audit and Accounts Committee provides its opinion on the organisation of the Audit Department.

  The committee receives a copy of the Company's annual audit plan. It reviews this plan, in cooperation with the Risk Committee.

  It is responsible for following up internal audit recommendations. It receives regular summary reports from management.

- Annual budget

  Before the beginning of each financial year, it reviews the Company's draft budget and monitors the budget process throughout the financial year.

Operation (Article 2 of the Audit and Accounts Committee Internal Rules)

- Frequency of meetings and procedures for convening meetings

  The Audit and Accounts Committee is convened whenever necessary and at least four times a year. The Audit and Accounts Committee will, in particular, meet prior to each Board meeting if the agenda includes the examination of a matter within its remit and sufficiently in advance (at least two days) of any Board meeting for which it is preparing resolutions.

  - Ordinary convening of meetings

    Meetings of the Audit and Accounts Committee are called in writing, with convening notices issued by the committee's Secretary and sent to each member. The Chairman of the Company's Board of Directors may, as necessary, refer a matter to the Chairman of the Audit and Accounts Committee and request the convening of said committee to discuss a specific agenda.

  - Extraordinary convening of meetings

    Two members of the Audit and Accounts Committee may ask its Chairman to convene a meeting of the committee to discuss a certain agenda or to add one or more points to the agenda in accordance with the limits and powers of said committee. In the event that the Chairman of the Audit and Accounts Committee does not grant this request within a period of 15 days, the two members may convene the Audit and Accounts Committee and set the agenda for its meeting,

    If the Company's Statutory Auditors consider there is an event which exposes the Company or its subsidiaries to a significant risk, they may ask the Chairman of the Audit and Accounts Committee to convene a meeting of said committee.

  - Form and timing for convening meetings

    The notice convening the Audit and Accounts Committee contains the detailed agenda for the meeting and is sent to the members of the Audit and Accounts Committee with reasonable prior notice. The information allowing the members of the Audit and Accounts Committee to issue informed advice during this meeting is sent to the members of said committee, to the extent possible, sufficiently in advance of the meeting.

    In case of an urgent matter, the Audit and Accounts Committee may be convened at any time by its Chairman, acting under an exceptional procedure. In this case, the Audit and Accounts Committee meeting does not need to comply with the time limits for the above convening notice as long as the urgent matter is declared in the convening notice and the information allowing the members of the Audit and Accounts Committee to issue informed advice has been sent prior to the meeting.

- Attendance at Audit and Accounts Committee meetings

  If any member is unable to attend a meeting of the Audit and Accounts Committee, he or she may participate in the meeting by telephone or video conference.

  Only the members and the Secretary of the Audit and Accounts Committee are entitled to attend its meetings.

  At the Chairman's proposal, the Audit and Accounts Committee may invite to any of its meetings any executive of the Company (including an executive of any of the principal subsidiaries) capable of informing the work of the Audit and Accounts Committee, as well as the Statutory Auditors of the Company.

- Quorum and majority rule

  The opinions and recommendations expressed by the Audit and Accounts Committee can only be valid if at least half of its members (including the Chairman) are present;

  No member of the Audit and Accounts Committee may represent another member.

  The opinions and recommendations of the Audit and Accounts Committee will be adopted if the Chairman and the majority of members present at the meeting vote in favour.

- Secretariat and minutes of meetings

  The Secretary of the Company's Board of Directors is responsible for the secretariat of the Audit and Accounts Committee.

  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.

Activity of the Audit and Accounts Committee

The Audit and Accounts Committee met five times in 2023. The average attendance rate was 100%.

Its main work included:

- the approval of the parent company and consolidated financial statements for the 2022 financial year;
- an examination of the quarterly and half-yearly financial statements for the 2023 financial year;
- a proposed subordinated bond issue;
- a review of off-balance sheet commitments;
- the presentation of the 2024 budget;
- the examination and approval of the 2024 audit plan;
- regular updates on the audit activity.

Risk Committee

In 2023, the Risk Committee was composed of Nathalie Lomon (Chairman), Janice Englesbe, Isabelle Laforgue and Laurent Musy.

Composition (Article 1 of the Risk Committee Internal Rules)

- Members

  The Risk Committee has at least three members, who have the appropriate and requisite qualifications to exercise their functions effectively, including expertise in risk management. They are appointed from among the directors of the Company for the duration of their term of office as members of the Board of Directors.

  The Risk Committee comprises a majority of independent members of the Board of Directors.

- Chairman

  The Chairman of the Risk Committee is an independent member of the Risk Committee nominated by the Board of Directors for the duration of his/her term of office as a director.

  The Chairman exercises his/her functions in accordance with the Internal Rules of the Risk Committee.

  The Chairman of the Risk Committee sets the dates, times and places of its meetings, establishes the agenda and chairs its meetings. The convening notices for the meetings are sent by the Risk Committee Secretary.

  He reports to the Board of Directors on the opinions and recommendations expressed by the Risk Committee for the Board of Directors to consider.

  The Chairman of the Risk Committee will ensure that the preparation and due process of the work of the Risk Committee are monitored between each of its meetings.

Duties (Article 3 of the Risk Committee Internal Rules)

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, monitor the management of the Group's capital requirements, and monitor the implementation of recommendations from internal audits of areas under its responsibility. The Risk Committee carries out all of these duties in order to facilitate the Board of Directors' duties of control and verification. In this regard, the committee issues opinions and/or recommendations to the Board of Directors.

Accordingly, the principal functions of the Risk Committee include the following:

- Efficiency of risk management systems

  The Risk Committee reviews the major asset and liability risks (including subscription risks, market risk and funding risk), and ensures that effective monitoring and management mechanisms are in place. In this regard, it evaluates the various risk management policies on an annual basis.

  Each year, it reviews the internal assessment carried out by the Company of its risks and solvency (ORSA).

  It is kept updated on the Company's risk appetite.

  It receives and reviews the results and updates of risk mapping carried out by the Company.

- Review of all regulatory reports relating to the Company.

  The Risk Committee receives and reviews the regulatory reports required under regulations (in particular SFCR, RSR, anti-money laundering report and actuarial reports), before they are approved by the Board.

- Changes in prudential regulations

  The Risk Committee is informed of any regulatory changes that may have an impact on the Group's solvency or governance. It is also informed of solutions introduced to reduce any negative effects of these changes.

- Compliance

  The committee continuously monitors the activity of the compliance function. It receives the results of level one and two compliance controls.

- The committee is responsible for monitoring the Group's capital requirements

  It monitors, in particular, the drafting of the partial internal model, the compilation of the file for the regulator, and the results of the model.

  It also examines the governance and major changes to the model.

  The committee ensures that all Level 1 and Level 2 operational controls are in place.

  It receives a summary of the results of these controls. It is informed of action plans implemented following these controls and is regularly updated on the progress of these action plans.

  The Risk Committee is informed of any loopholes in the internal control system and of the corrective actions implemented to address them. It is informed of the actual implementation of these corrective actions.

Operation (Article 2 of the Risk Committee Internal Rules)

- Frequency of meetings and procedures for convening meetings
- The Risk Committee will be convened whenever necessary and at least four times a year. The Risk Committee will, in particular, meet prior to each Board meeting if the agenda includes the examination of a matter within its remit and sufficiently in advance (at least two days) of any Board meeting for which it is preparing resolutions.
  - Ordinary convening of meetings

    Meetings of the Risk Committee are called in writing, with convening notices issued by the committee's Secretary under the conditions set out in paragraph 3, Section 1 b) of the Risk Committee Internal Rules and sent to each member. The Chairman of the Company's Board of Directors may, as necessary, refer a matter to the Chairman of the Risk Committee and ask them to meet with said committee to discuss a specific agenda.

  - Extraordinary convening of meetings

    Two members of the Risk Committee may ask its Chairman to convene a meeting of the committee to discuss a certain agenda or to add one or more points to the agenda in accordance with the limits and powers of said committee. In the event that the Chairman of the Risk Committee does not grant this request within a period of 15 days, the two members may convene the Risk Committee and set the meeting agenda.

If the Company's Statutory Auditors consider there is an event which exposes the Company or its subsidiaries to a significant risk, they may ask the Chairman of the Risk Committee to convene a meeting of said committee.

- Form and timing for convening meetings

The notice convening the Risk Committee contains the detailed agenda for the meeting and is sent to the members of the Risk Committee with reasonable prior notice. The information allowing the members of the Risk Committee to issue informed advice during this meeting is sent to the members of said committee, to the extent possible, sufficiently in advance of the meeting.

In case of an urgent matter, the Risk Committee may be convened at any time by its Chairman, acting under an exceptional procedure. In this case, the Risk Committee meeting does not need to comply with the time limits for the above convening notice as long as the urgent matter is declared in the convening notice and the information allowing the members of the Risk Committee to issue informed advice has been sent prior to the meeting.

- Attendance at Risk Committee meetings

If any member is unable to attend a meeting of the Risk Committee, he or she may participate in the meeting by telephone or video conference.

Only the members and the Secretary of the Risk Committee are entitled to attend its meetings.

At the Chairman's proposal, the Risk Committee may invite to any of its meetings any executive of the Company (including an executive of any of the principal subsidiaries) capable of informing the work of the Risk Committee, as well as the Statutory Auditors of the Company.

- Quorum and majority rule

The opinions and recommendations expressed by the Risk Committee can only be valid if at least half of its members (including the Chairman) are present.

No member of the Risk Committee may represent another member.

The opinions and recommendations of the Risk Committee will be adopted if the Chairman and the majority of members present at the meeting vote in favour.

- Secretariat and minutes of meetings

The Secretary of the Company's Board of Directors will be responsible for the secretariat of the Risk Committee.

The opinions and recommendations of the Risk Committee will be included in a written report. One copy of the report will be sent to all members of the Risk Committee and another, if required, will be sent by the Chairman to the directors of the Company.

Activity of the Risk Committee

The Risk Committee met five times in 2023. The average attendance rate was 100%.

It considered:

- the overall risk mapping;
- the partial internal model;
- written policies;
- risk appetite indicators;
- regulatory reports: the ORSA, RSR and SFCR and the internal control anti-money laundering report;
- compliance actions;
- actuarial reports;
- cyber resilience;
- cyber risk;
- liability management.

Nominations, Compensation and CSR Committee

The Nominations, Compensation and CSR Committee is made up of Sharon MacBeath (Chairman), Bernardo Sanchez Incera and Nicolas Papadopoulo.

The Nominations, Compensation and CSR Committee is chaired by an independent director, and two-thirds of committee members 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.

Since February 2023, the committee has also been responsible for reviewing the Company's CSR strategies and actions.

Composition (Article 1 of the Nominations, Compensation and CSR Committee Internal Rules)

- Members

The Nominations, Compensation and CSR Committee has at least three members, appointed from among the members of the Company's Board of Directors for the duration of their term as director.

At least two-thirds of members of the Nominations, Compensation and CSR Committee are independent members of the Board of Directors who are competent to analyse compensation-related policies and practices and the Company's risk policy.

- Chairman

The Chairman of the Nominations, Compensation and CSR Committee will be one of the members of the Nominations, Compensation and CSR Committee nominated by the Company's Board of Directors from among the independent members for the duration of his/her term of office as director.

The Chairman of the Nominations, Compensation and CSR Committee will convene the meetings of the Nominations, Compensation and CSR Committee, determine the agenda and chair the meetings.

The Chairman will report to the Board of Directors on the proposals and recommendations put forward by the Nominations, Compensation and CSR Committee in order for the Board of Directors to consider them, and will ensure that the preparation and due process of the work of the Nominations, Compensation and CSR Committee is monitored between each of its meetings.

Duties (Article 3 of the Nominations, Compensation and CSR Committee Internal Rules)

- Duties of the Nominations, Compensation and CSR Committee

In all matters relating to the appointment of executives (and separate from any issues related to their compensation), the Chief Executive Officer will be involved in the work of the Nominations, Compensation and CSR Committee.

The Nominations, Compensation and CSR Committee shall prepare the resolutions of the Company's Board of Directors on the following topics:

- Compensation conditions

  The Nominations, Compensation and CSR Committee is responsible for formulating proposals for the Company's Board of Directors concerning:the level and terms of compensation of the Chairman of the Board of Directors, including benefits in kind, retirement and personal protection plans, as well as grants of stock options or warrants, as applicable,

  - the level and terms of compensation of the Chief Executive Officer (CEO), and, as the case may be, the Deputy CEO, including benefits in kind, retirement and personal protection plans, as well as grants of stock options or warrants, as applicable,
  - le niveau et les modalités de rémunération du directeur général, et le cas échéant du directeur général délégué, y compris les avantages en nature, le régime de retraite et de prévoyance ainsi que les attributions d'options de souscription ou d'achat d'actions s'il y a lieu ;
  - the rules for the distribution of compensation to be allocated to the Company's directors and the total amount to be submitted to the approval of the Company's shareholders, and
  - the compensation policy.

- Appointment process

  The Nominations, Compensation and CSR Committee:

  - makes proposals to the Board of Directors regarding the appointment of members of the Board of Directors by the Ordinary Shareholders' Meeting, and the appointment of the members of General Management,
  - establishes and keeps an up-to-date succession plan for members of the Board of Directors and the key executives of the Company and the Group;

  In its specific role of appointing members of the Board of Directors, the Nominations, Compensation and CSR Committee shall consider the following criteria:

  (i) the target balance of the composition of the Board of Directors in view of the composition and changes in the Company's shareholding structure,

  (ii) the desired number of independent members,

  (iii) lthe proportion of men and women required by the regulations in force,

  (iv) the opportunity to renew terms of office, and

  (v) the integrity, competence, experience and independence of each candidate.

  The Nominations, Compensation and CSR Committee must also establish a procedure for selecting future independent members and undertake its own evaluation of potential candidates before they are approached in any way;

  The qualification of an independent member of the Board of Directors is discussed by the Nominations, Compensation and CSR Committee, which drafts a report on the matter for the Board. Each year, in light of this report and prior to the publication of the annual report, the Board of Directors will review each director's situation with regard to the criteria of independence as defined by the Internal Rules of the Board of Directors;

  The committee is also responsible for reviewing, developing, implementing and monitoring the CSR strategy and initiatives taken in this area;

- Resources and prerogatives of the Nominations, Compensation and CSR Committee

  The Nominations, Compensation and CSR Committee receives all documents and information required for the completion of its tasks from the Company's Chief Executive Officer. It may, moreover, if requested by the Company's Board of Directors, order any study or analysis by experts outside of the Company relating to the compensation of corporate officers in comparable companies in the banking sector.

Operation (Article 2 of the Nominations, Compensation and CSR Committee Internal Rules)

- Frequency of meetings and procedures for convening meetings

  The Nominations, Compensation and CSR Committee is convened whenever necessary and at least once a year. The Nominations, Compensation and CSR Committee will, in particular, meet prior to each Board meeting if the agenda consists of the examination of a matter within its remit and sufficiently in advance of any Board meeting for which it is preparing resolutions:

  - Ordinary convening of meetings

    Meetings of the Nominations, Compensation and CSR Committee are called by its Chairman, with convening notices sent to each member. The notice of meeting is sent by the Secretary of the Nominations, Compensation and CSR Committee. The Chairman of the Company's Board of Directors may, as necessary, refer a matter to the Chairman of the Nominations, Compensation and CSR Committee and ask them to meet with said committee to discuss a specific agenda.

  - Extraordinary convening of meetings

    Two members of the Nominations, Compensation and CSR Committee may ask its Chairman to convene a meeting of the committee to discuss a certain agenda or to add one or more points to the agenda in accordance with the limits and powers of said committee. In the event that the Chairman of the Nominations, Compensation and CSR Committee does not grant this request within a period of 15 days, the two members may convene the Nominations, Compensation and CSR Committee and set the meeting agenda.

  - Form and timing for convening meetings

    The notice convening the Nominations, Compensation and CSR Committee is sent to the members of the Nominations, Compensation and CSR Committee with reasonable prior notice and contains the detailed agenda for the meeting. The information allowing the members of the Nominations, Compensation and CSR Committee to issue informed advice during this meeting is sent to the members of said committee, to the extent possible, sufficiently in advance of the meeting.

  In case of an urgent matter, the Nominations, Compensation and CSR Committee may be convened at any time by its Chairman, acting under an exceptional procedure. In this case, the Nominations, Compensation and CSR Committee meeting does not need to comply with the time limits for the above convening notice as long as the urgent matter is declared in the convening notice and the information allowing the members of the Nominations, Compensation and CSR Committee to issue informed advice has been sent prior to the meeting.

- Attendance at meetings of the Nominations, Compensation and CSR Committee

  Only members of the Nominations, Compensation and CSR Committee are entitled to attend its meetings. The Secretary of the Nominations, Compensation and CSR Committee also participates in these meetings.

  If any member is unable to attend a committee meeting, he or she may participate in the meeting by telephone or video conference.

- Quorum and majority rule

  The opinions and proposals expressed by the Nominations, Compensation and CSR Committee can only be valid if at least half of its members (including the Chairman) are present.

  No member of the Nominations, Compensation and CSR Committee may represent another member.

  The opinions and proposals of the Nominations, Compensation and CSR Committee will be adopted if the majority of the members present, including the Chairman, vote in favour.

- Secretariat and minutes of meetings

  The Secretary of the Company's Board of Directors is responsible for the secretariat of the Nominations, Compensation and CSR Committee.

  The opinions and proposals of the Nominations, Compensation and CSR Committee will be included in a written report. One copy of the report will be sent to all members of the Nominations, Compensation and CSR Committee and another, if required, will be sent to the directors of the Company.

Activity of the Nominations, Compensation and CSR Committee

The committee met five times in 2023. The average attendance rate was 100%.

It examined and/or set:

- the compensation policy for the Chairman of the Board for 2023;
- the directors' compensation policy for 2023;
- the policy for compensation paid or due to the Chief Executive Officer for financial year 2022;
- the compensation policy for the Chief Executive Officer for 2023;
- a Long-Term Incentive Plan for 2023;
- delivery of the 2020 LTIP;
- succession plans (including for members of the Executive Committee);
- the 2023 compensation policy;
- the deferred remuneration scheme;
- the renewal of the Chief Executive Officer's office;
- the actions implemented by the Human Resources Department;
- the target for the greenhouse gas emission reduction trajectory;
- the global CSR strategy;
- the implementation of the CSR Directive.

2.1.9 Fitness and probity policy

The Company's fitness and probity policy is reviewed and approved each year by the Board of Directors.

Fitness

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.

To assess the fitness 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. In appraising each person, the assessment also takes into account the fitness, experience and responsibilities of the other members of the Board of Directors. When terms of office have been previously exercised, fitness is presumed owing to the experience acquired. For new members, the assessment considers the training they may receive throughout their term of office.

The Company ensures that directors collectively have the necessary knowledge and experience in the insurance and financial markets, Group strategy and its economic model, its governance, financial analysis and actuarial system, and the legal and regulatory requirements applicable to the Group, which are appropriate to assume the responsibilities conferred on the Board of Directors.

Probity

Evaluating a person's probity includes an assessment of his/her honesty and financial strength, based on tangible evidence concerning his/her character, personal behaviour and professional conduct, including any relevant information of a criminal, financial or prudential nature, for the purpose of this assessment.

The functions of director, executive director, head of key function, general manager of a branch, or the authority to sign on behalf of the Company cannot be performed by any person who has been the subject, within the past ten years, of:

- a final sentence;
- a final measure of personal bankruptcy or any other final prohibition measure.

Persons serving as executive 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 a competent judicial or administrative authority of the original member State of origin of these persons.

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

2.1.10 Conflict of interest prevention rules applicable to directors

Pursuant to the Directors' ethics charter, which can be consulted on the website at https://www.coface.com/the-group/our-governance, on the Board of Directors tab, a director must inform the Board of Directors of any conflict of interests, including potential conflicts, in which he or she may be directly or indirectly involved. The director shall refrain from participating in discussion and decision-making on the subjects concerned.

The director shall also inform the Chairman of the Nominations, Compensation and CSR Committee of any intention to accept a new directorship in a listed company that does not belong to a group of which the director is an executive, in order to allow the Board of Directors, at the proposal of the Nominations, Compensation and CSR Committee, to decide, if necessary, whether such an appointment would be incompatible with being a director of the Company.

The director shall inform the Chairman of the Board of Directors of any conviction for fraud, any indictment and/or public sanction, and any prohibition to manage or govern that may have been issued against them, as well as any bankruptcy, sequestration or winding-up proceedings in which they may have been involved.

2.1.11 Statement of conflicts of interest

To the Company's knowledge, there is no service contract binding the members of the Board of Directors to the Company or to one of its subsidiaries and providing for the award of benefits.

To the Company's knowledge, there are no familial ties between the members of the Board of Directors and the other executive directors of the Company.

To the Company's knowledge, none of the members of the Board of Directors have been convicted of fraud during the last five years. None of these people have participated as a manager in a bankruptcy, sequestration or winding-up proceedings in the last five years, and none of these people were subject to charges and/or an official public sanction handed down by a statutory or regulatory authority (including designated professional bodies). None of these people were prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, nor from taking part in the management or performance of the business of an issuer in the last five years.

To the Company's knowledge, as of the date of this Universal Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and the executive directors of the Company, as regards the Company and their private interests.

To the Company's knowledge, no pact or agreement has been entered into with any shareholders, clients, suppliers or other parties by virtue of which any member of the Board of Directors or any executive director of the Company has been appointed in such capacity.

As of the date of this Universal Registration Document, no restrictions have been accepted by the members of the Board of Directors or the executive directors of the Company as concerns the disposal of their interests in the Company's share capital, with the exception of the rules relating to the prevention of illegal insider trading and the recommendations of the AFEP-MEDEF Code imposing an obligation to retain shares.

2.1.12 Code of corporate governance

The Company voluntarily refers to all recommendations of the Corporate Governance Code of Listed Companies (the AFEP-MEDEF Code [1]). The Company makes copies of the AFEP-MEDEF Code available for the members of its corporate bodies at all times.

Within the context of the rule to "comply or explain" provided for by Article L.22-10-10 of the French Commercial Code, and by Article 28.1 of the AFEP-MEDEF Code, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code. However, as of the date of publication of the Universal Registration Document, certain recommendations are not applied, for the reasons presented in the following table:

• The Board of Directors' rules must specify that any significant operation not covered by the Company's published strategy must receive the prior approval of the Board (Article 1.9).	The wording of the Board of Directors' Internal Rules, although slightly different, results in a comparable outcome. Indeed, it stipulates that the following are subject to prior approval by the Board of Directors: • extension of the Company's activities to significant businesses not performed by the Company; and • any interest, investment, disposal or any establishment of a joint venture carried out by the Company or one of its significant subsidiaries, for a total amount that is greater than €100 million.
• The Compensation Committee must not include any executive director (Article 18.1).	The Chairman of the Board of Directors is a member of the Compensation Committee. The Chairman of the Board of Directors has no executive role. He/she shall not participate in discussions or in the vote if the discussions concern his/her own compensation.
• The Board of Directors must periodically set a minimum quantity of shares that must be held by the Chief Executive Officer in registered form until the end of his/her duties (Article 24).	The Articles of Association set the number of shares that must be held by any director. The Long-Term Incentive Plans set the number of shares that must be held by the Chief Executive Officer until the end of his/her duties.

2.1.13 Limitations on the powers of general management

The Board of Directors has established specific procedures in its Internal Rules which are aimed at limiting the powers of the Company's general management.

Pursuant to the terms of Article 1.2 of the Board of Directors' Internal Rules, the following are subject to prior authorisation from said Board, based on a simple majority of the members present or represented:

- extension of the Company's activities to significant businesses not performed by the Company; and
- any interest, investment, disposal or any establishment of a joint venture carried out by the Company or one of its significant subsidiaries, for a total amount that is greater than €100 million.

Factors that may have an impact in the event of a public offer

These factors are published in Section 7.4 "Factors that may have an impact in the event of a public offer".

1) *https://www.medef.com/uploads/media/default/0020/01/14911-code-afep-medef-version-de-decembre-2022.pdf*

2.2 CHIEF EXECUTIVE OFFICER AND GROUP GENERAL MANAGEMENT COMMITTEES

At the meeting of November 22, 2012, the Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer. This decision reflects the Company's wish to comply with best practices in corporate governance and to clearly distinguish between the strategic, decision-making and supervisory duties of the Board of Directors, and the operational and executive duties of the Chief Executive Officer. This separation was expressly reiterated by the Board of Directors at its meeting of January 15, 2016 on the appointment of Xavier Durand and on his reappointment at the meetings held on February 5, 2020 and February 27, 2024.

2.2.1 Experience and offices of the Chief Executive Officer

For the purposes of this Universal Registration Document, the Chief Executive Officer is domiciled at the Company's head office.

Xavier DURAND

AGE: **59**

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2023

339,500 shares (255,000 in registered form and 84,500 bearer shares)

(voir le paragraphe 7.2.9 « Transactions effectuées par les personnes exerçant des responsabilités dirigeantes »)

Chief Executive Officer

since February 9, 2016

CURRICULUM VITAE

Xavier Durand is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He started his career in 1987 with consultancy firm The Mac Group (Gemini Consulting) before joining Banque Sovac Immobilier in 1994 as deputy CEO. In 1996, Xavier Durand joined GE Capital, where he led an international career, first in Chicago as Director of Strategy and Growth in the finance division of the Global Auto business, then in France, first as CEO of GE Money Bank France, then CEO for Europe of GE Money and GE Capital's banking activities. In 2011, he was named CEO of GE Capital Asia-Pacific, based in Japan. He was appointed GE Capital's Director of Strategy and Growth, based in London, at the end of 2013. He has been Chief Executive Officer of COFACE SA since February 9, 2016.

PRINCIPAL TERMS OF OFFICE AND DUTIES

During financial year 2023

- Chairman of the Board of Directors and Chief Executive Officer of Compagnie française d'assurance pour le commerce extérieur
- Chairman of the Board of Directors of Coface North America Holding Company
- Director of Ayvens [1] (formerly ALD Automotive), Chairman of the Risk Committee (since June 2023) and member of the Audit Committee

During the past five years and which are no longer held

- N/A

1) *Listed company.*

2.2.2 Composition and experience of the members of the Group Management Board

The Chief Executive Officer of the Company created the Group Management Board. It comprises eight members (see also Section 1.7. "Group organisation"):

- the Chief Human Resources Officer;
- the Group Chief Operating Officer;
- the Underwriting Director;
- the Commercial Director;
- the General Secretary;
- the Chief Financial and Risk Officer;
- the Business Technology Director; and
- the Strategy and Business Development Director.

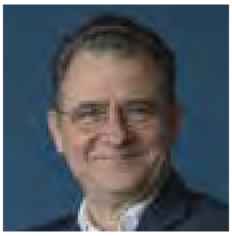
The Management Board is the decision-making body of Coface. It generally meets weekly to:

- review and validate the Company's main strategic guidelines; and
- oversee its management, in particular with regard to:
  - strategy and the budget,
  - major investments and projects,
  - the organisation and human resources,
  - the monitoring of operational performance and results,
  - and the control and compliance of activities.

During the 2023 financial year, it continued to meet on average twice a week.

In addition to Xavier Durand, the following persons were members of the Group Management Board on the date of publication of the Universal Registration Document:

Pierre BEVIERRE



Chief Human Resources Officer

The Human Resources Department is responsible for all of the Group's key human resources processes and policies.

CURRICULUM VITAE

Pierre Bevierre, 56 years old, holds a postgraduate degree in human resources from Université Paris-Dauphine. He began his career as a recruitment expert before joining Presstalis, a French media distribution corporation, in 1992 as Head of HR and industrial relations. In 1998, he was appointed Head of Compensation and Employee Benefits at GE Money Bank, then Head of HR at GE Insurance in 2001. In 2004, he was promoted to Director of Human Resources Europe for shared financial services at the GE group. In 2008, he joined MetLife as Director of Human Resources for Western Europe and was appointed Vice-Chairman of Human Resources for Central and Eastern Europe in 2012. He joined Coface on January 2, 2017 as Group Chief Human Resources Officer and has been a member of the Executive Committee since January 1, 2019.

Cyrille CHARBONNEL

Underwriting Director

Under the Build to Lead strategic plan, the management of both debtor and client risks is fundamental, and monitoring was ramped up due to the crisis in Ukraine. The Underwriting and Claims Department is in charge of both commercial underwriting and litigation, as well as being responsible for the Risk Underwriting and Information Department.

CURRICULUM VITAE

Cyrille Charbonnel, 58 years old, is a graduate in finance from the Institut Supérieur de Commerce de Paris. After initially working at an organisational consulting firm, he joined the Euler Hermes France group as a risk analyst in 1990. He then moved into sales in 2001 and was appointed Sales and Marketing Director in 2004. In 2007, he left for Portugal as Chief Executive Officer of the local subsidiary. He joined Coface in 2011 as Group Organisation Director, then as Chief Operating Officer. In 2013, he was appointed Director of the Western Europe and France region before becoming Group Chief Underwriting Director in 2017.

Declan DALY

Group Chief Operating Officer

The Group Operations Department is a cross-business function focusing on three main objectives: (i) improving the level of service to clients, (ii) increasing productivity through the use of shared services and process optimisation, and (iii) strengthening operational excellence through major global transformation projects.

CURRICULUM VITAE

Declan Daly, 57 years old, began his career in software engineering at ABB in Ireland and Austria, before joining General Electric Company in 2000. From 2002, he was Chief Operating Officer of GE Money Bank in Switzerland, before being appointed Chief Executive Officer of GE Money Bank in Austria in 2006. In 2009, he joined Western Union Financial Services' management team as Vice President of Europe, Head of B2B. In 2014, Declan was appointed Chief Information Officer and member of the Executive Committee of Semperit Holding AG. He joined Coface in 2017 as regional director Central and Eastern Europe. In April 2021, he was appointed Coface Group Chief Operating Officer. Declan holds a degree in electronic engineering from Dublin City University and an MBA from INSEAD.

Nicolas GARCIA

Commercial Director

The Group's Commercial Department is tasked with structuring, organising and coordinating the Group's commercial activity. Its responsibilities extend to distribution networks, both brokerage-based and direct, and management of portfolio accounts, including those of Coface Global Solutions, intended for our major international clients.

CURRICULUM VITAE

Nicolas Garcia, 50 years old, holds a degree in economics and international finance from the University of Bordeaux, as well as an MBA in international banking & finance from Birmingham Business School. He has held various positions within the Euler Hermes group, including Head of Commercial Underwriting since 2011. He has held the position of Group Commercial Director since July 2, 2014.

Phalla GERVAIS

Group Chief Financial and Risk Officer

The Finance and Risk Department encompasses management control and purchasing, accounts, investment and financing activities, financial communications, and reinsurance, as well as the Risk Department and the Actuarial Department.

CURRICULUM VITAE

Phalla Gervais, 55 years old, began her career in the Finance and Banking Department of PwC, before joining GE Capital in 1995, where she held various senior management positions in finance. In 2013, she became Chief Financial Officer of Aviva Italy. She was promoted to Deputy Chief Financial Officer of Aviva France in 2016 before being appointed Chief Financial Officer and Deputy Chief Executive Officer of Aviva France in charge of Finance & Legal cross-business functions in 2017. In 2021, she joined Coface as Chief Financial & Risk Officer. Phalla is a graduate of SKEMA Business School.

Carole LYTTON

General Secretary

The General Secretariat encompasses the Legal Department, the Compliance Department, the Human Resources Department, the Communications Department, and the CSR Department.

CURRICULUM VITAE

Carole Lytton, 67 years old, graduated from the Paris Institut d'études politiques and holds postgraduate degrees in public law and international law. She joined the Group in 1983 and was Chief Legal and Compliance Officer from 2008 to 2015. On July 3, 2015, she was appointed General Secretary. The General Secretariat is directly responsible for the Legal Department, the Compliance Department, the Human Resources Department, the Communications Department, and the CSR Department.

Keyvan SHAMSA

Business Technology Director

The Business Technology Department brought together the former Information Systems and Organisation Departments in 2018.

CURRICULUM VITAE

Keyvan Shamsa, 61 years old, has a PhD in computer science from Université Pierre et Marie Curie. He began his career in finance at Crédit Lyonnais Corporate and Investment Banking in 1991 as part of the information systems team before being appointed in 2000 as Head of IT at Crédit Lyonnais Asset Management (now Amundi). In 2005, he joined Societe Generale Corporate and Investment Banking in New York as Head of Corporate Information Systems for the Americas. In 2008, he joined BNP Paribas Asset Management in Paris as Head of Information Systems, where he also held various other management positions over a ten year period. He joined the Group on November 5, 2018 as Business Technology Director.

Thibault SURER

Strategy and Business Development Director

The Strategy and Development Department includes strategic planning functions, M&A, marketing and innovation, partnerships, information and economic research.

CURRICULUM VITAE

Thibault Surer, 61 years old, is a graduate of École des Hautes Études Commerciales de Paris, the London Business School and the Stockholm School of Economics. He began his career in Eurosuez-Euroventures funds (1987-1994) and then spent more than 15 years with McKinsey & Company, in Paris, New York then Beijing, as Partner and Director of the Financial Institutions and Transport and Logistics Competence Centres. After serving as Partner in the Astorg Partners private equity fund (2010 to 2015), he became Strategy and Business Development Director of Coface Group on June 13, 2016.

2.2.3 Other committees chaired by the Chief Executive Officer

Xavier Durand also chairs the Executive Committee.

The Executive Committee is composed of the members of the Group Management Board and the seven regional directors (see also Section 1.7 "Group organisation").

It helps to prepare the Group's strategy and reviews key operational matters or strategic initiatives.

Like the Management Board, the Executive Committee pays particular attention to monitoring the efficiency of internal control, internal audit and risk management systems that are considered essential to the Group's smooth internal governance.

It meets each month to review the progress of the Group's cross-disciplinary projects and the implementation of the strategic plan. In 2023, it also continued to meet twice a month.

Furthermore, the Executive Committee members contribute, as a team, to setting up and disseminating Coface's managerial culture.

In addition, the Chief Executive Officer convenes the main managers of the various head office functions for a meeting of this committee once a month. This committee focuses on information and discussions relating to the main areas of reflection and action.

Since the fourth quarter of 2022, the Executive Committee has met regularly in the form of a "CSR Committee" (three times in 2023). This committee examines the Company's strategy, the main CSR projects and potential initiatives in this area.

2.3 COMPENSATION AND BENEFITS PAID TO MANAGERS AND CORPORATE OFFICERS

The Company refers to the AFEP-MEDEF Code to prepare the report required by Article L.225-37 of the French Commercial Code.

The tables in the sections below present a summary of the compensation and benefits of any kind paid to the Company's executive directors and members of the Company's Board of Directors by:

(i) the Company;

(ii) companies controlled by the Company in which the office is held, within the meaning of Article L.233-16 of the French Commercial Code;

(iii) companies controlled by the Company or companies that control the Company in which the office is held, within the meaning of Article L.233-16 of the French Commercial Code; and

(iv) the Company or companies that control the Company in which the mandate is exercised, within the meaning of the same article.

Since the Company belongs to a group at the date of this Universal Registration Document, the information concerns the amounts owed by all companies in the chain of control.

The Company is a limited corporation (*société anonyme*) with a Board of Directors. The duties of Board Chairman, performed by Bernardo Sanchez Incera since February 10, 2021, and Chief Executive Officer, performed by Xavier Durand, have been separated.

Xavier Durand is compensated by the Company for his functions as Chief Executive Officer as described in Sections 2.3.2 and 2.3.3 below.

2.3.1 Employee compensation policy

Regulatory framework

The Company's compensation policy is in line with the provisions of Directive 2009/138/EC of the European Parliament and of the Council of November 25, 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and Delegated Regulation (EU) 2015/35 of the European Commission of October 10, 2014 (Article 258[1], point 1 and Article 275).

Generally speaking, compensation practices should contribute to effective risk management at the Company, and in particular:

- ensure strict compliance with the laws and regulations applicable to insurance companies;
- prevent conflicts of interest and not encourage risk-taking beyond the limits of the Company's risk tolerance;
- be consistent with the Company's strategy, interests and long-term results;
- guarantee the Company's capacity to keep an appropriate level of own funds.

In this context, Coface's compensation policy specifies general provisions applicable to all employees according to certain criteria and provisions specific to regulated categories of employees in the definition of the Solvency II Directive.

General principles

The compensation policy is a key instrument in implementing Coface's strategy. It seeks to attract, motivate and retain the best talent. It encourages individual and collective performance and seeks to be competitive in the market while respecting the Group's financial balance. It complies with the regulations in force, guarantees internal equity and professional equality, particularly between men and women. It incorporates social and environmental issues.

It is proposed by the Group HR Department and is reviewed by the Nominations, Compensation and CSR Committee, and then subject to approval by the Board of Directors. The HR function is responsible for implementing the policy at the local to ensure practices are consistent within the Group, and to ensure each country is compliant with local regulations and remains competitive in the market.

Structured in a clear and transparent manner, compensation is intended to be adapted to the Group's objectives and to assist it in its long term development strategy:

- **fixed compensation:** this is the principal component of individual compensation and depends on the skills and expertise expected for a given position. It is set at the time of hiring and reviewed annually in light of market practices, individual contribution and internal equity in strict compliance with the budgets allocated for the financial year;
- **annual individual variable compensation ("bonus"):** the Group's variable compensation policy takes into account individual and collective performance over a given year and is assessed on the basis of financial and non-financial criteria. The eligibility rules and variable compensation level are set by function, responsibility level and market under consideration;
- For the Group's Senior Managers (Top 200), the target variable compensation is set as a percentage of the base salary and may not exceed 100% of this. Variable compensation is awarded based on objectives set annually by the Management Board and the managers of each function, with the support of the Group's HR Department. This procedure ensures that individual objectives are consistent with the Company's strategic objectives:
  - for front office functions:
    - quantitative objectives linked to the financial performance of the entity carrying out the activity represent 20%,
    - objectives linked to the performance of the function in question, most of which are quantitative, represent 50%,
    - 30% of objectives are set individually at the annual performance review. These may be quantitative and/or qualitative objectives, provided that they comply with SMART rules (specific, measurable, attainable, relevant and time-bound),
  - For the control and support functions, the quantitative objectives linked to the financial performance of the operating entity account for 20%, and targets set individually for 80% of the total,

    Furthermore, to avoid any conflict of interest, for the control functions referred to in Articles 269 to 272 (audit, risk, compliance), the collective part of annual variable compensation based on financial objectives is assessed based on the Group scope, irrespective of the employee's level of involvement, to prevent them from being directly assessed on the performance of the units placed under their control;
- **Long-Term Incentive Plan:** since 2016, the Group has awarded performance shares to two types of employees each year:
  - employees identified under the Solvency II Directive, which imposes a system for deferred total variable compensation. This category includes members of the Executive Committee, key functions and employees having a significant impact on the Company's risk profile,
  - key employees as part of a reward and retention process.

  This plan also ensures that the interests of the beneficiaries are aligned with those of the shareholders over the long term.
- **collective variable compensation (employee savings):** in France, the Group negotiated a three-year profit-sharing agreement in 2021. This agreement benefits all employees on permanent and fixed-term employment contracts, who have more than three months' seniority within the companies forming part of the *Compagnie française d'assurance pour le commerce extérieur* – Fimipar economic and corporate unit (a wholly-owned subsidiary of the Group). Participation is defined according to the legal formula. Similar collective schemes exist in other Group entities depending on their legal obligations with a view to giving employees a stake in the Company's performance;
- **employee benefits:** Employee benefits are determined locally. The Group ensures consistency of practices and guarantees a level of social protection that is competitive in the market and respectful of its employees. All members of the Executive Committee have a supplementary pension plan.

In 2020, the Group implemented a car policy aimed at harmonising practices and reducing the carbon impact of its vehicle fleet. It is gradually replacing its high-emission vehicles with petrol, hybrid or 100% electric vehicles.

The compensation of employees consists, in whole or in part, of these elements, depending on the position held, the level of responsibility and the reference market.

Special provisions applicable to Solvency II regulated categories of employees

Scope of regulated categories of employees

Pursuant to the provisions of Article 275, Section 1, Point (c) of Regulation 2015/35, Coface has identified the following functions as falling within the scope of regulated categories of employees:

- members of the Executive Committee including general management, the finance and risk, strategy, operations, specialised product lines, business technology functions, the General Secretariat (legal, compliance, human resources and communications), human resources, sales, risk underwriting, information, claims & recovery and collection, and regional managers;
- employees holding the key functions described in Articles 269 to 272 of Regulation 2015/35: audit, risk, and actuarial (the compliance key function is under the authority of the General Secretariat);
- employees whose professional activity has a material impact on the Company's risk profile: compliance, risk underwriting, commercial underwriting, credit risk support, investment, reinsurance, economic research, financial communication, country managers where turnover exceeds a threshold of the Company's total turnover determined each year.

In 2023, 32 employees fell within the regulated category. The Nominations, Compensation and CSR Committee reviews these functions, then presents them to the Board of Directors for approval. This list is reviewed each year in order to guarantee a perfect match between the evolution of the Company's risk profile and the identification of employees.

Specific provisions regarding compensation

The Group endeavours to ensure that the proportion and structure of variable compensation are balanced and that the goals set are in accordance with the Company's strategy and risk profile.

In addition to rules common to all employees, the Group established specific compensation rules designed for the regulated categories of employees:

- The variable compensation package includes the annual variable compensation (bonus) and long term variable compensation (Long-Term Incentive Plan) in the form of free performance shares. Performance shares constitute the deferred component of total variable compensation and account for at least 30% of the total amount [1]. They are contingent upon presence and performance conditions and have a vesting period of three years;
- All risk hedging transactions are prohibited.

2.3.2 Compensation policy for corporate officers

In accordance with Article L.22-10-8 of the French Commercial Code, the Board of Directors, based on a proposal by the Nominations, Compensation and CSR Committee, establishes a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests, falls within its commercial strategy and contributes to its long-term viability.

It describes all the components of fixed and variable compensation and explains the decision-making process followed to determine, review and implement it.

It is presented in a clear and understandable way as part of the corporate governance report and is the subject of a draft resolution submitted for approval by the Shareholders' Meeting each year and each time a significant change is made.

The compensation policy for corporate officers defines the principles, structure and governance rules applicable to the compensation paid to the Chief Executive Officer and the directors.

Compensation of the Chief Executive Officer

Principles applicable to the compensation of the Chief Executive Officer

The Board of Directors sets the various components of the Chief Executive Officer's compensation at the start of each financial year, based on a proposal by the Nominations, Compensation and CSR Committee. The Nominations, Compensation and CSR Committee proposes the compensation policy for the Chief Executive Officer in compliance with the rules laid down by the Solvency II Directive and the recommendations of the AFEP-MEDEF Code.

It thereby ensures that the principles of balance, external competitiveness, consistency and internal equity are observed in determining the components of compensation. It ensures a correlation between the responsibilities exercised, the results achieved and the level of compensation over a performance year.

It also ensures that compensation practices contribute to effective risk management within the Company and in particular:

- strict compliance with the laws and regulations applicable to insurance companies;
- the prevention of conflicts of interest and the management of risk-taking within the limits of the Company's risk tolerance;
- consistency with the Company's strategy, interests and long-term results;
- consideration of social and environmental issues.

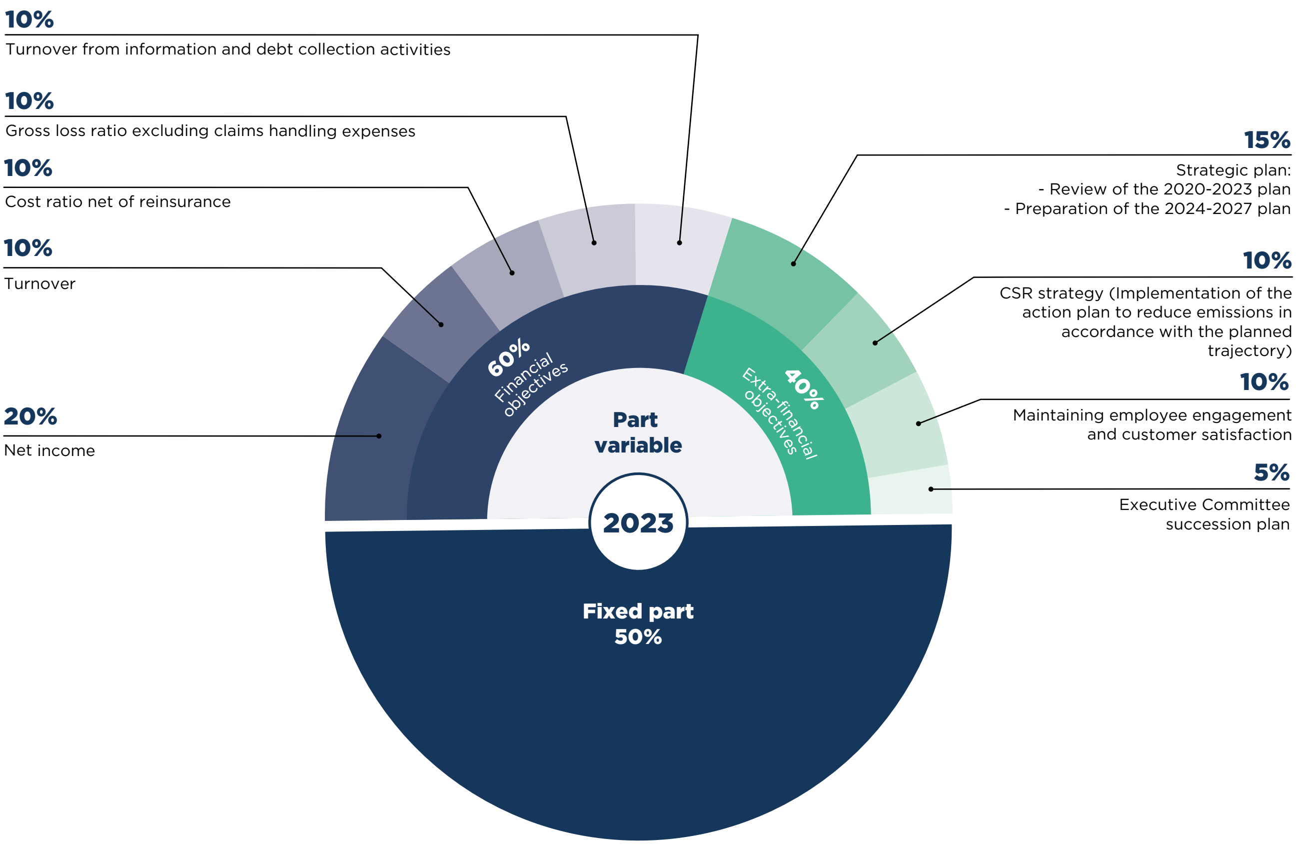
The Chief Executive Officer's compensation is subject to a comparative analysis of the market each year by a compensation consultancy firm in order to ensure it is competitive within the market and that the structure offers the right balance of fixed, variable, short-term and long-term components. The results of this analysis are reported to the Nominations, Compensation and CSR Committee as part of the annual review of the Chief Executive Officer's compensation.

The objectives, practices and governance in terms of compensation are clearly established and communicated and the components of the Chief Executive Officer's compensation are presented transparently in the corporate governance report subject to approval by the Shareholders' Meeting.

1) *The Company's Board of Directors approved a deferred variable remuneration scheme that would increase the deferred portion of variable remuneration to 40% for the 2024 financial year for all employees in the regulated population.*

Components of the compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer comprises:



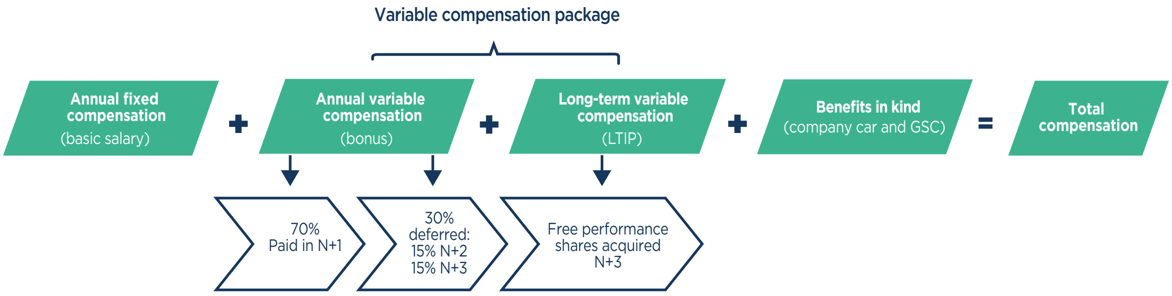
- **fixed compensation:** the fixed annual compensation was adjusted to €750,000 gross when the Chief Executive Officer's term of office was renewed in 2020 in order to take into account his responsibilities, performance and market practices (see detailed explanation in the fairness ratio section below);
- **annual variable compensation:** the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- **long-term variable compensation:** fixed in the form of free performance shares. The delivery of the shares is contingent upon presence and performance conditions and they have a vesting period of three years. The shares awarded to the Chief Executive Officer may not represent more than 20% of the total number of shares awarded for the financial year and is limited to 150% of their base salary. The Chief Executive Officer's free share award is subject to the same conditions as all beneficiaries; however, the Chief Executive Officer must retain 30% of the shares awarded until expiry of their term of office. These Long-Term Incentive Plan (LTIP) schemes are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;
- **benefits in kind:** the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.

The Chief Executive Officer is entitled to the Group healthcare and protection schemes in place for all employees and a supplementary pension plan for members of the Executive Committee (see Section 2.3.1 above). A medical check-up is proposed to the Chief Executive Officer and members of the Executive Committee every two years.

Note:

- The variable compensation package includes the annual variable compensation ("bonus") and the long term variable compensation (Long-Term Incentive Plan) in the form of free performance shares;
- The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. Deferred compensation is not paid if a loss is observed on the date of payment or in case of dismissal for gross negligence or serious misconduct;
- Deferred compensation, including the deferred bonus portion and the free shares awarded under the Long-Term Incentive Plan, accounts for more than 60% of the overall variable compensation;
- All risk hedging transactions are prohibited.

The compensation of the Chief Executive Officer may be summarised as follows:



Directors' compensation

Principles of directors' compensation

The Group's policy is not to award compensation to management representatives who perform the duties of directors in Group companies. The Chairman of the Board of Directors receives compensation of €180,000 for thier corporate office within COFACE SA.

The compensation policy for corporate officers is aligned with the usual practices of listed companies and guarantees the independence of directors.

The components of directors' compensation are presented clearly and transparently in the corporate governance report and are subject to approval by the Shareholders' Meeting.

Components of directors' compensation

The overall annual budget allocated to directors' compensation in 2023 is equal to €450,000 (excluding the compensation of the Chairman of the Board of Directors). It is divided between the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations, Compensation and CSR Committee.

The rules on the distribution of directors' compensation are as follows:

		FIXED PORTION (PER YEAR PRORATA TO THE TERM OF OFFICE)	VARIABLE PORTION (PER MEETING AND CAPPED*)
Board of Directors	Members	€8,000	€3,000
Audit and Accounts Committee	Chairman	€17,000	€3,000
	Members	€5,000	€2,000
Risk Committee	Chairman	€17,000	€3,000
	Members	€5,000	€2,000
Nominations, Compensation and CSR Committee	Chairman	€8,000	€3,000
	Members	€3,000	€2,000

** Capped:*
- at six meetings for the Board of Directors, the Audit and Accounts Committee and the Risk Committee;
- at five meetings for the Nominations, Compensation and CSR Committee.

ON THE BASIS OF SIX BOARD MEETINGS PER YEAR; SIX AUDIT AND ACCOUNTS COMMITTEE MEETINGS; SIX RISK COMMITTEE MEETINGS; FIVE NOMINATIONS, COMPENSATION AND CSR COMMITTEE MEETINGS	FINANCIAL YEAR 2023 – MAXIMUM GROSS COMPENSATION AMOUNTS		
	AMOUNT OF COMPENSATION	FIXED PORTION (IN %)	VARIABLE PORTION (IN %)
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + Member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + Member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations, Compensation and CSR Committee	€49,000	33	67
Member of the Board of Directors + Member of the Nominations, Compensation and CSR Committee	€39,000	28	72

2.3.3 Summary of the compensation of each executive director for financial years 2022 and 2023

In compliance with the regulations, the tables below present a summary of compensation and stock options and shares awarded during the fiscal years ended December 31, 2022 and December 31, 2023 to Bernardo Sanchez Incera, Chairman of the Board of Directors since February 10, 2021, and Xavier Durand, Chief Executive Officer.

/ SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER (TABLE 1 - AMF/AFEP-MEDEF)

	FINANCIAL YEAR 2023 (1)	FINANCIAL YEAR 2022 (1)
Bernardo Sanchez Incera, Chairman of the Board of COFACE SA since February 10, 2021		
Compensation due for the financial year	180,000	180,000
Value of multi-year variable compensation allocated during the financial year		
Value of stock options granted during the financial year		
Value of performance shares granted during the financial year	N/A	N/A
TOTAL	**180,000**	**180,000**
Xavier Durand, Chief Executive Officer		
Compensation due for the financial year (2) (presented in detail in Section 2.3.4 below)	2,169,662	2,331,550
Value of multi-year variable compensation allocated during the financial year		-
Value of stock options granted during the financial year		-
Value of performance shares awarded during the financial year (presented in detail in Section 2.3.8 below) (3)	779,250	737,700
TOTAL	**2,948,912**	**3,069,250**

(1) In euros.
(2) Before social security contributions and income tax.
(3) IFRS fair value (corresponding to a value on the award date of €880,350 for the 2022 LTIP and €964,838 for the 2023 LTIP).

2.3.4 Compensation of executive directors for financial years 2022 and 2023

In compliance with the regulations, the tables present the breakdown of fixed and variable compensation and other benefits granted during the fiscal years ended December 31, 2022 and 2023 to Bernardo Sanchez Incera, Chairman of the Board of Directors since February 10, 2021.

Summary of the compensation paid to each Executive Director (Table 2 - AMF/ AFEP-MEDEF)

/ COMPENSATION DUE OR AWARDED FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023, TO BERNARDO SANCHEZ INCERA, CHAIRMAN OF THE COFACE SA BOARD OF DIRECTORS SINCE FEBRUARY 10, 2021

	2023 (1)	
	AMOUNTS DUE	AMOUNTS PAID
Bernardo Sanchez Incera, Chairman of the Board of COFACE SA		
Fixed compensation for corporate office (2)	180,000	180,000
Annual variable compensation	-	-
Extraordinary compensation	-	-
Compensation for attending COFACE SA Board meetings	-	-
Benefits in kind	-	-
TOTAL	**180,000**	**180,000**

(1) In euros.
(2) On a gross basis before social security contributions and income tax.

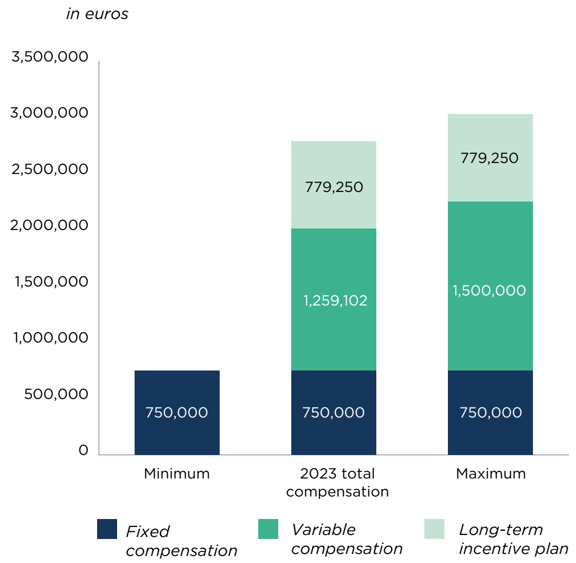
/ COMPENSATION DUE OR AWARDED FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023, TO XAVIER DURAND, CHIEF EXECUTIVE OFFICER OF COFACE SA

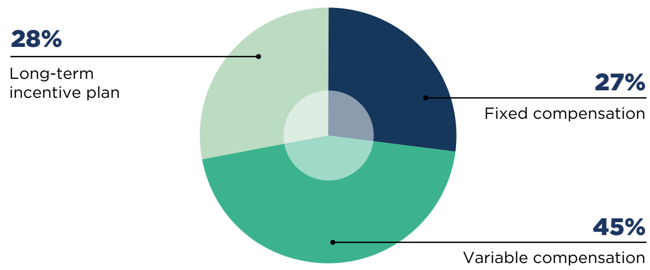
	2023 (1)		2022 (1)	
	AMOUNTS DUE (2)	AMOUNTS PAID (2)	AMOUNTS DUE (2)	AMOUNTS PAID (3)
Xavier Durand, Chief Executive Officer				
Fixed compensation	750,000	750,000	750,000	750,000
Annual variable compensation	1,259,102 (5)	990,889 (4)	1,415,555 (5)	872,278 (4)
Deferred variable compensation (6)	-	261,726	-	205,418
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind (7)	160,560	160,560	165,995	15,995
TOTAL (8)	**2,169,662**	**2,163,175**	**2,331,550**	**1,843,691**

(1) Amount in euros, on a gross basis before social security contributions and income tax.
(2) The amounts due correspond to the sums allocated for the financial year excluding long-term variable compensation and deferred variable compensation.
(3) The amounts paid correspond to the sums effectively paid during the financial year and include amounts that were due for the previous financial year.
(4) Variable compensation paid in performance year N (portion due for N-1).
(5) Variable compensation for performance year N.
(6) Deferred variable compensation paid in year N for performance years N-2 and N-3.
(7) Xavier Durand is entitled to the payment by the Company of 62.5% of the contributions payable to the social security regime for Company managers and corporate officers(GSC), a Company car, and the retirement scheme for members of the Executive Committee (maximum 20% contribution of annual fixed compensation). The contribution to the supplementary pension plan is subject to a performance condition that must be approved by the 2024 Shareholders' Meeting.
(8) For the history of free share awards, see Section 2.3.12.

Details of the components of the compensation of Xavier Durand, Chief Executive Officer of COFACE SA due for the year ended December 31, 2023 (1)

73% OF TOTAL GROSS ANNUAL COMPENSATION IS LINKED TO GROUP PERFORMANCE





1) *See also Section 8.1.3 on the principles and components of the Chief Executive Officer's compensation*

COMPONENTS OF COMPENSATION	AMOUNT	COMMENTS
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of the term of office of Xavier Durand and effective from the Shareholders' Meeting closing financial year 2019, held in May 2020.
Annual variable compensation ("bonus") €1,259,102		Target variable compensation is set at **100% of fixed compensation.**

The maximum achievement rate for variable compensation is 200%, broken down as follows:
- 150% for financial objectives (*i.e.*, a maximum achievement rate of 250%);
- 50% for strategic and managerial objectives (*i.e.*, a maximum achievement rate of 125%).

The achievement rate for financial objectives is defined in the scope of variation limits, as follows:
- the lower end of the variation limit corresponds to the trigger level, *i.e.* 0% achieved;
- the objective corresponds to 100% achievement;
- between the lower end of the variation limit and the objective, the achievement rate is calculated on a straight-line basis between 0% and 100% of achievement;
- between the objective and the upper end of the variation limit, the achievement rate is calculated on a straight-line basis between 100% and 250% of achievement.

Thus, if the achievement rate for one of the financial objectives is at or below the lower end of the variation limit for this objective, no compensation will be paid for it.

The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. A penalty system is introduced in the event of dismissal for gross negligence or serious misconduct or observed losses prior to the payment date.

The achievement rate of the 2023 objectives, proposed by the Nominations, Compensation and CSR Committee meeting of January 23, 2024, approved by the Board of Directors at the meeting of February 27, 2024, and submitted for approval of the Shareholders' Meeting that approves the 2023 financial statements is 167.88%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMIT	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION
Net income	-/+20%	20%	250.00%	€375,000
Turnover	-/+10%	10%	119.36%	€89,517
Cost ratio after reinsurance	+/-3 pts	10%	250.00%	€187,500
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	250.00%	€187,500
Turnover of business information & debt collection	-/+20%	5%	96.95%	€72,710
TOTAL (A)			**121.63%**	**€912,227**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMIT	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION
Strategic plan: - Results of the 2020-2023 Plan - Elaboratin the Plan 2024-2027	0/125%	15%	125.00%	€140,625
CSR strategy (implementation of the action plan to reduce emissions according to the planned trajectory)	0/125%	10%	100.00%	€75,000
Maintaining employee engagement and client satisfaction	0/125%	10%	125.00%	€93,750
Executive Committee succession plan	0/125%	5%	100.00%	€37,500
TOTAL (B)			**46.25%**	**€346,875**
TOTAL (A+B)			**167.88%**	**€1,259,102**

The bonus due for financial year 2023 is therefore €1,259,102 and will be paid as follows:
- **70% of the total amount paid in 2024, *i.e.* €881,371;**
- 15% of the total amount deferred to 2025, *i.e.* €188,866;
- 15% of the total amount deferred to 2026, i.e. €188,865.

Payment of the 2023 bonus is conditional on the approval of the Ordinary Shareholders' Meeting that follows the closing of financial year 2023.

A malus clause continues to apply to deferred compensation: therefore, in case of losses observed prior to the payment dates of the deferred amounts or dismissal for gross negligence or serious misconduct before the payment date, no payment of these deferred amounts will be made.

COMPONENTS OF COMPENSATION	AMOUNT	COMMENTS
Multi-year variable compensation	€0.00	N/A
Extraordinary compensation	€0.00	N/A

Long-term variable compensation (Allocation of stock options/ performance shares and any other component of long-term compensation)	(see Section 2.3.8)	75,000 free shares are awarded under the 2023 Long-Term Incentive Plan (2023 LTIP), representing an IFRS fair value of €779,250 (€964,838 on attribution, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting).
		Free shares will be definitively vested on February 16, 2026, subject to presence and performance conditions measured over the term of the plan until December 31, 2025, as follows:
		• 35% of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2023 to December 31, 2025;
		• 35% of the shares awarded will be vested subject to achievement of net earnings per share at December 31, 2025;
		• 30% of the shares awarded will be vested subject to the achievement of two CSR criteria:
		  • Increase in the proportion of women in senior management (Top 200) at December 31, 2025,
		  • Reduction in the CO_2 emissions of the investment portfolio as at December 31, 2025.
		
		The trigger level is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The achievement rate may vary between 80% and 120%, and the achievement rates can offset each other. However, this offsetting cannot be applied if the rate of achievement for one of the criteria is less than 80% of the target and cannot result in the vesting of more than 100% of the attributed shares in total.
		The share vesting period is set at three years starting from February 16, 2023. The plan does not include a minimum holding period.
		The Board decided that 30% of the CEO's shares vested under the 2023 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface.

No hedging	€0.00	To the Company's knowledge, no hedging instrument has been set up.
Supplementary retirement scheme	€144,650	In 2022, the Board approved the implementation of a supplementary pension plan for the members of the Executive Committee. It is also available to Xavier Durand, subject to a performance condition. The plan provides for an employer contribution of 10% of fixed salary, and compensation of the additional personal income and social charges of up to 10% of the amount of fixed salary.
Directors' fees	€0.00	Xavier Durand did not receive any directors' fees in connection with their duties within the Company.
Benefits in kind	€15,910	Xavier Durand is entitled to a Company vehicle and the payment of 62.5% of the contributions payable to social security regime for Company managers and corporate officers.
TOTAL AMOUNTS DUE*	**€2,169,662**	

** The amounts due correspond to the sums allocated for the financial year excluding long-term variable compensation.*

Equity ratio between the level of compensation of the Chief Executive Officer and the average and median compensation of the Company's employees

In accordance with the terms of Article L.22-10-9 of the French Commercial Code, the Company provides here the ratio between the level of compensation of the Chief Executive Officer to the average and median full-time equivalent compensation of the Company's employees.

This analysis was conducted taking into account the "Guidelines on compensation ratios" issued by the AFEP (the French Association of Private Enterprises) on September 27, 2019 and updated in February 2021. The scope used for the analysis is the France scope (all employees established in France and continuously present during the reference year), which is the Chief Executive Officer's market and is the most relevant for this comparison. It takes into account the gross components of compensation paid or awarded for financial year N (fixed pay, variable compensation paid during financial year N for year N-1, deferred variable portion paid during financial year N for previous financial years, free shares awarded for financial year N valued at IFRS fair value, and benefits in kind).

It concerns only the Chief Executive Officer, as the Chairman of the Board of Directors receives only an annual fixed compensation set at €180,000 for their term of office.

FINANCIAL YEAR	2019	2020	2021	2022	2023	SBF 120 BENCHMARK*
Ratio to average employee compensation	24.1	29.1	24.2	28.0	29.8	53
Ratio to median employee compensation	29.0	35.2	29.4	34.6	37.1	68

** Average of ratios, source Willis Towers Watson*

/ EXPLANATIONS FOR THE CHANGE IN THE RATIO OVER THE REFERENCE PERIOD

- **Financial year 2019:** Xavier Durand's compensation includes a performance bonus for 2018 (157.83% achievement of the objectives set over the period), comparable to 2017, and the second deferred variable compensation amount paid in respect of the 2016 bonus and the first for the 2017 bonus; the ratios are relatively stable between 2018 and 2019;
- **Financial year 2020:** Xavier Durand's compensation includes a performance bonus for 2019 (151.43% achievement of the objectives set over the period), comparable to 2017 and 2018, the second deferred variable compensation amount paid in respect of the 2017 bonus and the first for the 2018 bonus. In addition, Xavier Durand's fixed compensation was revised from €575,000 to €750,000 on his reappointment in 2020, in order to take into account:
  - individual performance: Xavier Durand objectives for the previous three financial years;
  - market practice: Xavier Durand's fixed compensation was voluntarily set below the market median at the time he took office in 2016 (-17% below the market median [1] in base salary and -21% overall in 2019) and was not reviewed in his first four years in office, in accordance with the Company's policy and the recommendations of the AFEP-MEDEF code. This review allowed the Xavier Durand's compensation to be positioned at a competitive level, slightly above the market median. The fairness ratio therefore changed over the period but remains well below the benchmarks made up of SBF 120 companies.
- **Financial year 2021:** the compensation paid or awarded to Xavier Durand in 2021 mainly includes:
  - gross annual compensation set at €750,000 on the renewal of his term of office in 2020, maintained for 2021,
  - the upfront portion of the bonus due in respect of 2020, with 72.11% of targets for the period met, down significantly compared to previous years,
  - the second instalment of deferred variable compensation paid in respect of the 2018 bonus and the first in respect of the 2019 bonus, the amounts of which were stable compared to the previous financial year,
  - the amount awarded under the 2021 LTIP, or 75,000 shares valued at €533,850 (IFRS value). This amount was lower than the 2020 LTIP, which was valued at €717,900 (IFRS value) for the same number of shares.
- **Financial year 2022:** the compensation paid or awarded to Xavier Durand in 2022 mainly includes:
  - gross annual compensation set at €750,000 on the renewal of his term of office in 2020, maintained for 2022,
  - the upfront portion of the bonus due in respect of 2021, with 166.148% of targets for the period met, higher than in previous years, and significantly higher than in 2020,
  - the second instalment of the deferred variable compensation paid in respect of the 2019 bonus was unchanged compared to the previous financial year; the first payment of deferred compensation in respect of the 2020 bonus was lower than historical references,
  - the amount awarded under the 2022 LTIP, or 75,000 shares valued at €737,700 (IFRS value). This amount was higher than the 2021 LTIP, which was valued at €533,850 (IFRS value) for the same number of shares.

Financial year 2023: the compensation paid or awarded to Xavier Durand in 2023 mainly includes:

- gross annual compensation set at €750,000 on the renewal of his term of office in 2020, maintained for 2023;
- the upfront portion of the bonus due in respect of 2022, with 188.74% of targets for the period met, higher than in previous years;
- the second instalment of the deferred variable compensation paid in respect of the 2020 bonus was lower than historical references; the first payment of deferred compensation in respect of the 2021 bonus was significantly higher than historical references;
- the amount awarded under the 2023 LTIP, or 75,000 shares valued at €779,250 (IFRS value). This amount was higher than the 2022 LTIP, which was valued at €737,700 (IFRS value) for the same number of shares.

1) *Benchmark performed by Willis Towers Watson on a panel of 30 SBF 80 companies comparable with Coface in terms of headcount, turnover and/or geographic scope.*

/ ANNUAL CHANGES IN COMPENSATION, THE COMPANY'S PERFORMANCE, AVERAGE FULL-TIME EQUIVALENT COMPENSATION FOR THE COMPANY'S EMPLOYEES AND THE AFOREMENTIONED RATIOS DURING THE FIVE MOST RECENT FINANCIAL YEARS

	2019	2020	2021	2022	2023
Change in the compensation of the Chief Executive Officer	9%	22%	(17%)	35%	14%
Change in the average compensation of employees	7%	1%	0%	17%	7%
Ratio to average employee compensation	24.1	29.1	24.2	28.0	29.8
Change in ratio *vs.* average employee compensation compared to the previous year	2%	21%	(17%)	15%	7%
Ratio to median employee compensation	29.0	35.2	29.4	34.6	37.1
Change in ratio *vs.* median compensation of employees compared to the previous financial year	(1%)	21%	(16%)	18%	7%
Change in net income	20%	(44%)	170%	26%	0%
Change in turnover	7%	(2%)	8%	16%	4%

Note: the Chief Executive Officer's compensation fell in 2021 then increased in 2022 following an increase in the upfront portion of the bonus for 2021 paid in 2022.

With regard to long-term variable compensation in the form of free shares, for the same number of shares awarded in 2021 and 2022, the IFRS fair value of the shares awarded in 2022 was significantly higher than in 2021.

These changes demonstrate the close link between the Company's results and the amount of annual variable compensation (bonus) and therefore the effectiveness of the CEO compensation system.

The structure and principles of the Chief Executive Officer's compensation will be reviewed on the appointment following the term of Mr. Xavier Durand's office at the Ordinary Shareholders' Meeting called to approve in 2024 the financial statements for the financial year ended December 31, 2023 (see Chapter 8 of this document, presenting the 2024 compensation policy for corporate officers).

2.3.5 Compensation of members of the Board of Directors for financial years 2022 and 2023

The table below shows the compensation received by members of the Company's Board of Directors for the financial year ended December 31, 2022 as well as compensation payable to them for the financial year ended December 31, 2023.

/ TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS (TABLE 3 - AMF/ AFEP-MEDEF) (1)

	DIRECTORS' COMPENSATION		OTHER COMPENSATION AND BENEFITS		TOTAL	
(in €)	2023 (2)	2022 (3)	2023 (2)	2022 (3)	2023 (2)	2022 (3)
Janice Englesbe	41,000	41,000	-	-	41,000	41,000
David Gansberg	41,000	41,000	-	-	41,000	41,000
Éric Hémar	-	21,375	-	--	-	21,375
Chris Hovey	26,000	26,000	-	-	26,000	26,000
Isabelle Laforgue	56,000	56,000	-	-	56,000	56,000
Laetitia Léonard–Reuter (4)	58,000	41,208	-	-	58,000	41,208
Nathalie Lomon	58,000	58,000	-	-	58,000	58,000
Sharon MacBeath	49,000	42,708	-	-	49,000	42,708
Laurent Musy (4)	41,000	31,708	-	-	41,000	31,708
Nicolas Papadopoulo	39,000	39,000	-	-	39,000	39,000
Olivier Zarrouati	-	27,000	-	-		27,000
TOTAL	**409,000**	**425,000**	**-**	**-**	**409,000**	**425,000**

(1) The dates of appointment and ends of terms of office for the Board of Directors are available in Section 2.1.1 "Details of the members of the Board of Directors for financial year 2023".
(2) Amount awarded in respect of 2023 in euros, on a gross basis (before social security contributions and income tax).
(3) Amount awarded in respect of 2022 in euros, on a gross basis (before social security contributions and income tax).
(4) Laetitia Léonard-Reuter and Laurent Musy were appointed as directors following the Combined General Meeting of May 17, 2022. These appointments follow the expiry of the directorships of Olivier Zarrouati and Eric Hémar, respectively.

/ TABLE OF DIRECTORS' COMPENSATION RECEIVED FOR FINANCIAL YEAR 2023

Directors' compensation is divided between the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations, Compensation and CSR Committee.

The Chairman of the Board of Directors receives compensation of €180,000 for his corporate office within COFACE SA.

			Specialised committees						
	BOARD OF DIRECTORS		AUDIT AND ACCOUNTS COMMITTEE*		RISK COMMITTEE*		NOMINATIONS, COMPENSATION AND CSR COMMITTEE*		
(In euros)	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	**TOTAL**
Janice Englesbe	8,000	18,000	-	-	5,000	10,000	-	-	41,000
David Gansberg	8,000	18,000	5,000	10,000	-		-	-	41,000
Chris Hovey	8,000	18,000	-	-	-	-	-	-	26,000
Isabelle Laforgue	8,000	18,000	5,000	10,000	5,000	10,000	-	-	56,000
Laetitia Léonard-Reuter	8,000	18,000	17,000	15,000	-	-	-	-	58,000
Nathalie Lomon	8,000	18,000	-	-	17,000	15,000	-	-	58,000
Sharon MacBeath	8,000	18,000	-	-	-	-	8,000	15,000	49,000
Laurent Musy	8,000	18,000	-	-	5,000	10,000	-	-	41,000
Nicolas Papadopoulo	8,000	18,000	-	-			3,000	10,000	39,000
TOTAL	**72,000**	**162,000**	**27,000**	**35,000**	**32,000**	**45,000**	**11,000**	**25,000**	**409,000**

** In 2023, each committee met five times.*

2.3.6 Stock options or warrants awarded in financial year 2023 to each executive director by the Company or by any company in the Group

/ TABLE 4 - AMF/AFEP-MEDEF

None. No stock options or warrants were awarded to executive directors during the financial year ended December 31, 2023.

2.3.7 Stock options or warrants exercised in financial year 2023 by each executive director

/ TABLE 5 - AMF/AFEP-MEDEF

None. No stock options or warrants were exercised by an executive director during the financial year ended December 31, 2023.

2.3.8 Free shares awarded during financial year 2023 to each corporate officer

The conditions for the free share allocation are described in Section 2.3.4.

The table below provides a description of the free performance shares awarded to Xavier Durand under the 2023 Long-Term Incentive Plan.

/ SHARES AWARDED TO EACH CORPORATE OFFICER (TABLE 6 - AMF/AFEP-MEDEF)

	PLAN DATE	NUMBER OF SHARES AWARDED DURING THE FINANCIAL YEAR	VALUATION OF SHARES IN EUROS ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS (1)	VESTING DATE	AVAILABILITY DATE (2)	PERFORMANCE CONDITIONS
Xavier Durand **Chief Executive Officer**	2023 Long-Term Incentive Plan Feb. 16, 2023	75,000	€779,250	Feb. 16, 2026	Feb. 16, 2026	See table in Section 2.3.4
TOTAL		**75,000**	**€779,250**			

(1) *The value on the award date was €964,838 based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting.*

(2) *Xavier Durand must retain 30% of the shares acquired under the 2023 LTIP until the end of his term of office or of any other role that he might hold within Coface.*

2.3.9 Shares which have vested in financial year 2023 for each corporate officer

/ TABLE 7 - AMF/AFEP-MEDEF

	PLAN NO. AND DATE	NUMBER OF SHARES VESTED DURING THE FINANCIAL YEAR
Xavier Durand **Chief Executive Officer**	2020 Long-Term Incentive Plan Feb. 5, 2020	75,000

As the performance condition was met in full, all of the shares awarded to Xavier Durand under the 2020 LTIP, i.e., 75,000 shares, were fully vested and delivered on February 16, 2023. As agreed under the Plan's regulations, Xavier Durand must retain 30% of the shares acquired under the 2020 LTIP until the end of his corporate term of office or of any other role that he might hold within Coface, which corresponds to 22,500 shares under this Plan.

2.3.10 History of stock option or warrant awards - information on subscription or purchase options

/ TABLE 8 - AMF/AFEP-MEDEF

None. No stock options or warrants were awarded during the financial years ended December 31, 2023, 2022, 2021, 2020 and 2019.

No plan to award stock options or warrants is pending at the date of this Universal Registration Document.

2.3.11 Stock options or warrants granted to the top ten employees who are not corporate officers

/ TABLE 9 - AMF/AFEP-MEDEF

No stock options or warrants were awarded during the financial years ended December 31, 2023, 2022, 2021, 2020 and 2019 to the top ten employees who are not corporate officers.

No plan to award stock options or warrants is pending at the date of this Universal Registration Document.

2.3.12 History of free share awards

312,200 performance shares were awarded under the **2020 LTIP**, out of the 347,841 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €862,463 on the award date (IFRS fair value of €717,900). The remaining 237,200 performance shares were awarded to members of the Executive Committee, to the Solvency II "regulated" category of employees and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "Performance units" (equivalent shares) solution was implemented for some beneficiaries (28,109 Performance units). As the performance condition was fully met, all of the instruments awarded under this plan were delivered in February 2023, subject to beneficiaries' continued presence on the vesting date, i.e. 299,391 free shares and 26,409 Perfomances units.

408,403 performance shares were awarded under the **2021 LTIP**, out of the 467,754 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €641,363 on the award date (IFRS fair value of €533,850). The remaining 333,403 performance shares were awarded to members of the Executive Committee, to the Solvency II "regulated" population and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "Perfomances units" (equivalent shares) solution was implemented for some beneficiaries (46,700 Perfomances units). As the performance condition was fully met, all of the instruments awarded under this plan were delivered in February 2024, subject to beneficiaries' continued presence on the vesting date, i.e. 391,403 free shares and 37,000 Perfomances units.

320,849 performance shares were awarded under the **2022 LTIP**, out of the 425,966 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €880,350 on the award date (IFRS fair value of €737,500). The remaining 245,849 performance shares were awarded to members of the Executive Committee, to the Solvency II "regulated" population and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares is too complicated or impossible, a "Perfomances units" solution was implemented for some beneficiaries (84,256 Perfomances units).

336,513 performance shares were awarded under the **2023 LTIP**, out of the 427,533 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €964,838 on the award date (IFRS fair value of €779,250). The remaining 261,513 performance shares were awarded to members of the Executive Committee, to the Solvency II "regulated" population and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "Perfomances units" solution was implemented for some beneficiaries (85,200 Perfomances units) – see Section 7.2.3 "Own shares and the acquisition of treasury shares by the Company".

/ HISTORY OF FREE SHARE AWARDS (TABLE 10 - AMF/AFEP-MEDEF)

	LONG-TERM INCENTIVE PLAN*			
	2023	2022	2021	2020
Meeting date	May 16, 2023	May 12, 2021	May 16, 2018	May 16, 2018
Date of the Board of Directors' meeting	Feb. 16, 2023	Feb. 15, 2022	Feb. 10, 2021	Feb. 5, 2020
Total number of free shares awarded	336,513	320,849	408,403	312,200
of which allocated to Xavier Durand	75,000	75,000	75,000	75,000
Share vesting date	Feb. 16, 2026	Feb. 15, 2025	Feb. 12, 2024	Feb. 6, 2023
End-date of the retention period	N/A	N/A	N/A	N/A
Number of shares subscribed	-	-	-	-
Cumulative number of cancelled or lapsed shares	-	-	-	-
Remaining free shares awarded at financial year-end	336,513	320,849	408,403	312,200

** The performance conditions are described in Section 2.3.4.*

/ TABLE SUMMARISING THE MULTI-YEAR VARIABLE COMPENSATION PAID TO EACH EXECUTIVE DIRECTOR

None.

2.3.13 Employment contracts, retirement indemnities and indemnities in the event of termination of the duties of the executive directors

/ EMPLOYMENT CONTRACTS, RETIREMENT INDEMNITIES AND INDEMNITIES IN THE EVENT OF TERMINATION OF THE DUTIES OF THE EXECUTIVE DIRECTORS (TABLE 11 - AMF/AFEP-MEDEF)

	EMPLOYMENT CONTRACT		SUPPLEMENTARY RETIREMENT SCHEME		COMPENSATION OR BENEFITS DUE OR WHICH COULD BE DUE AS A RESULT OF A TERMINATION OR CHANGE OF DUTIES		INDEMNITIES RELATED TO A NON-COMPETITOR CLAUSE	
EXECUTIVE CORPORATE OFFICERS	YES	NO	YES	NO	YES	NO	YES	NO
Bernardo Sanchez Incera Chairman of the Board of Directors(1)		X		X		X		X
Xavier Durand Chief Executive Officer(2)		X	√ (3)		√		√	

(1) *From February 10, 2021 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024*

(2) *From February 5, 2020 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2023*

(3) *The Chief Executive Officer benefits from health, retirement and personal protection plans under the conditions applicable to all employees within the Company, as well as the supplementary retirement scheme approved in 2022 for members of the Executive Committee.*

Severance compensation granted to Xavier Durand

Should his corporate term be terminated, Xavier Durand would be entitled to severance pay of an amount equal to two years' salary (fixed and variable). The reference used for the fixed portion will be the salary for the current financial year at the date his duties cease. The reference amount for the variable portion will be the average of the variable compensation received for the three financial years preceding the date his duties cease.

This severance pay shall be due if the following performance criteria have been met:

- achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and
- the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the departure date.

If only one of the two conditions above is met, 50% of the severance pay will be due. If neither of the conditions above is met, no severance pay will be due. No severance pay will be paid by the Company if the corporate term is ended at Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The compensation components and corporate benefits governed by the regulated agreements procedure in accordance with the provisions of the French Commercial Code are subject to approval by the Company's Shareholders' Meeting.

Xavier Durand does not have an employment contract.

Following the renewal of his term of office in 2020, given his responsibilities as Chief Executive Officer and in order to preserve the Company's interests, the Board of Directors resolved to introduce a non-competition clause.

It is understood that the total maximum amount paid to Xavier Durand in respect of the application of the severance compensation and the non-competition clause may under no circumstances exceed two years' salary (fixed and variable).

2.3.14 Amounts provisioned or otherwise recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits

Xavier Durand benefits from the company-wide scheme. No particular amount was reserved or recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits to its executive directors.

ENVIRONMENT
& OUTLOOK

€1,868M
TURNOVER IN 2023

64.3%
ANNUAL NET COMBINED RATIO

€240.5M
NET INCOME (GROUP SHARE)

PROPOSED DIVIDEND
€1.30 PER SHARE

3

COMMENT ON THE FINANCIAL YEAR

3.1 ECONOMIC ENVIRONMENT [1]

2024, a pivotal year

After a somewhat turbulent 2023, which ultimately turned out much better than expected, 2024 is shaping up to be as decisive as it is uncertain. As geopolitical tensions intensify internationally, against a backdrop of ever-worsening antagonisms and strategic rivalries, no fewer than 60 national elections - presidential and/or legislative - will shape the year, in a political and social environment that is unsettled to say the least.

In this context, the macroeconomic equation has clearly become a derivative of (geo)political balances. Consequently, our central scenario, which remains that of a prolonged but still soft landing for **the global economy (+2.2% after +2.6% in 2023)**, is more akin to a ridge than a boulevard. There are many associated risks, some of them vertiginously bearish. After ending the year with a bang, the financial markets, still convinced that disinflation can be completely immaculate, have gradually come to their senses. Without even mentioning the disruption of value chains, brought to the fore by the strikes in the Red Sea, or the ever-increasing risk of the Middle East conflict spreading, there is no guarantee at present that the battle against inflation has been won. Neither in the long-term, of course, nor even in the short-term, despite the ongoing slowdown in the global economy. With core inflation still twice the central bank target in most developed monetary areas, the challenge for 2024 will be to see whether the monetary tightening that has been underway for over 18 months is enough to go the "last mile" and bring inflation back to 2%. And to keep it there.

Regardless, and barring an accident of course, the interest rate environment to which all agents - households, businesses, and governments - have become accustomed over the last fifteen years is now firmly in the past. While the volume of debt to be refinanced will gradually increase, there is every reason to believe that the pivot of monetary policy will not be pivotal in terms of claims, and that the upward trend in insolvencies that we have witnessed for over a year will continue. This remains the main endogenous risk to our central scenario: that the virtuous circle that has hitherto combined low insolvencies, a resilient labour market and household dissaving will be replaced by a vicious circle combining accelerating insolvencies, rising unemployment, a marked slowdown in wages and, in this context, a rise in household savings. This ultimately would have an even greater impact on demand, despite the fall in inflation.

In the framework of our central scenario, we have adjusted 13 country assessments (12 upgrades and 1 downgrade) and 22 sector assessments (17 upgrades and 5 downgrades), reflecting a significant improvement in the outlook, albeit fragile, in an environment that remains highly unstable and therefore uncertain.

Global growth still stalling

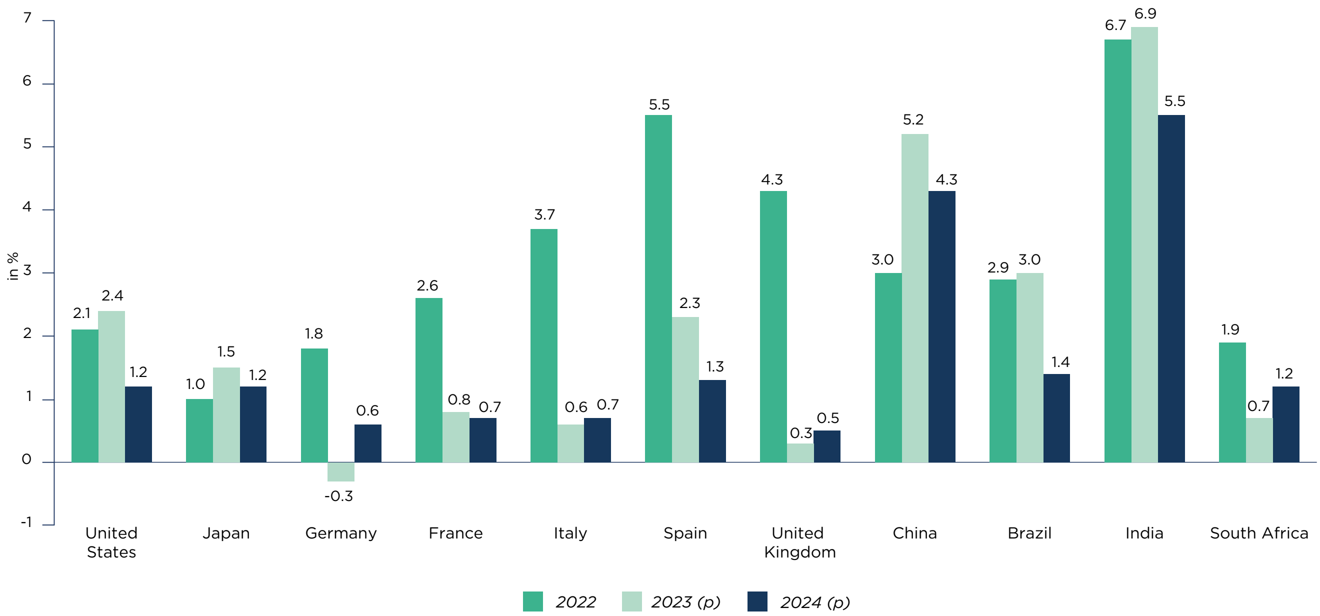
In line with the last quarter of 2023, the global economy will be decelerating in the first few weeks of 2024, but with most regions escaping recession. As we anticipated in our previous Barometer [2], the indicators point to a marked slowdown in the United States, stagnation in the eurozone and a still incomplete and disappointing recovery in China.

As a result, we are maintaining our growth forecast for the world economy in 2024 unchanged at 2.2% (**Chart 1**), confirming the forthcoming slowdown for the third consecutive year. Excluding the pandemic and the financial crisis of 2008-2009, one must go back to 2002 to trace such a slowdown in global activity. While we have kept our forecasts unchanged for the major eurozone economies, our (slight) upward revisions for the US and China are attributable rather to positive surprises in the past than to an improved outlook (**Chart 2**). Given the lacklustre performance of these three markets, global growth will be driven mainly by the emerging economies. This trend is reflected in our changes to country assessments this quarter, since 9 of the 12 upgrades concern emerging economies. Conversely, we downgraded a single country this quarter (Israel). The balance is also positive in terms of sectoral assessment changes, with 17 upgrades, mainly in the automotive and energy sectors, and only 5 downgrades.

1) *Group estimates*

2) *Coface Barometer: Macroeconomics put to the test by microeconomic deterioration, 17 October 2023.µµµURL: https://www.coface.com/news-economy-and-insights/country-and-sector-risk-barometer-q3-2023-macroeconomics-put-to-the-test-by-microeconomic-deterioration*

/ CHART 1 – WORLD REAL GDP GROWTH (ANNUAL AVERAGE, %)



Sources: IMF, National Statistical Institutes, Refinitiv Datastream, Coface forecasts

Emerging economies driving global growth, but still very heterogeneous

In 2024, the emerging countries will be the main drivers of the global economy, contributing 1.7 percentage points to the 2.2% growth in world GDP. Emerging economies will therefore account for three quarters of global growth, the highest since 2013.

South-East Asia will once again be one of the most dynamic regions, with growth of 4.6%, after 4% last year. The recovery in the global electronics sector will benefit Singapore, Vietnam, and Malaysia, which are important links in the regional supply chain. The continuing recovery in tourism will also benefit most of the countries in the region, particularly Thailand and the Philippines because of the sector's preponderance in their GDP. In Indonesia, where economic activity is based mainly on domestic demand, household consumption will remain solid. However, the slowdown in global growth will limit the dynamism of exports from the region's economies.

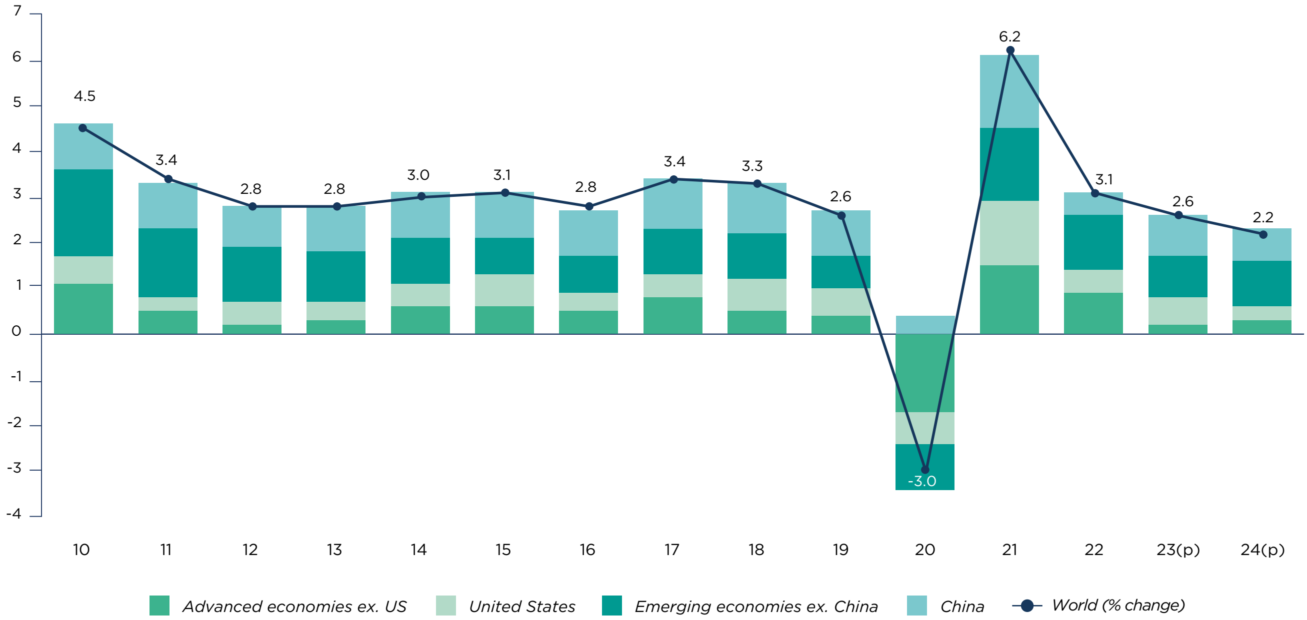
The poorest and most indebted countries will face greater difficulties. While the launch of the Fed's monetary easing cycle during the year will be welcome, interest rates will remain high throughout the year. With the dollar set to remain strong, there is every reason to fear a resurgence in sovereign defaults. This will be all the more the case given that the volume of debt reaching maturity in 2024 and 2025 has risen sharply, due to the increase in public debt over the last fifteen years, but also, more recently, to the issue of bonds with shorter maturities. Some countries are already in default or near default, such as Sri Lanka, Ghana, Ethiopia, Malawi, Pakistan, and Laos. In parallel, many countries are currently experiencing major difficulties in refinancing their debt or accessing foreign currency. On the African continent [(1)] this is particularly true of Egypt and Tunisia, which are restricting imports to limit the use of foreign currency. For its part, in a U-turn interpreted by the markets as an ominous sign, Kenya, after announcing that it would bring forward the repayment of part of the USD 2 billion in bonds maturing in 2024, has finally backtracked.

1) *Coface Focus, Debt sustainability in Africa under the spotlight again, 12 July 2023.µµµURL: https://www.coface.com/news-economy-and-insights/debt-sustainability-in-africa-under-the-spotlight-again*

In Latin America, despite the passing of a law authorising the sale of gold reserves to convert them into foreign currency in April, Bolivia's foreign currency reserves continued to plummet in 2023. While the country will face limited debt maturities in 2024, restrictions on imports are to be expected. Argentina, despite concluding an agreement with the IMF that will just about enable it to repay the latter in the coming months, is still facing one of the most precarious situations. Despite the recent 54% devaluation and drastic budget cuts, foreign exchange reserves, currently negative in net terms by USD 10 billion, should just about return to 0 by the end of the year, according to government forecasts. Thus, despite the abolition of import authorisation requirements, access to foreign currency remains staggered over time depending on the type of goods, effectively limiting imports. With inflation now over 200%, a deep recession is inevitable, for the second year running.

While the "Global South" will be the main driver of the world economy, it remains marked by profound heterogeneity.

CHART 2 - REAL GDP GROWTH (ANNUAL AVERAGE, %)



Sources: IMF, National Statistical Institutes, Refinitiv Datastream, Coface forecasts

3.2 SIGNIFICANT EVENTS OF 2023

3.2.1 Acquisition of North America data analytics boutique Rel8ed

On January 30, 2023, Coface announced the acquisition of North American data analytics boutique Rel8ed. The acquisition brings new, rich data sets and analytics capabilities, which will benefit Coface trade credit insurance as well as the Company's business information customers and teams.

3.2.2 Financial and non-financial rating agency

AM Best affirms Coface's main operating subsidiaries rating at A (Excellent) with a stable outlook

On May 19, 2023, the rating agency AM Best affirmed the A (Excellent) Insurer Financial Strength – IFS rating of *Compagnie française d'assurance pour le commerce extérieur (la Compagnie)*, Coface North America Insurance Company (CNAIC) and Coface Re. The outlook for these ratings remains "stable".

Moody's upgrades Coface's main operating Company to A1 IFSR, stable outlook

The rating agency Moody's, on September 28, 2023, has upgraded the financial strength rating (Insurance Financial Strength Rating – IFSR) for Coface to A1 from A2. The agency has also changed the outlook for Coface to stable from positive.

Fitch affirms Coface AA- rating, with "stable" outlook

On November 9, 2023, the rating agency Fitch affirmed Coface AA- Insurer Financial Strength (IFS) rating. The outlook remains stable.

3.2.3 Launch of ALYX, a new all-in-one credit management platform

On June 6, 2023, Coface announced the launch of a new digital trade credit risk management platform for its policyholders. Named Alyx, it allows Coface's customers to automate and centralize their credit risk management from lead to cash.

The platform was built and is proposed in partnership with CreditDevice, a Dutch software company specialized in commercial credit risk management. At first, Alyx will be proposed primarily to mid-market clients in France, Germany, Denmark, and in Norway.

3.2.4 Issuance tier 2 notes Success of its debt management exercise

On November 28, 2023, COFACE SA issued an €300,000,000 tier 2 notes bearing a fixed interest rate of 5.750 per cent., due on 28 November 2033.

3.3 COMMENTS ON THE RESULTS AS AT DECEMBER 31, 2023

3.3.1 Group performance

Coface applied IFRS 17 and IFRS 9 accounting standards from January 1, 2023. All comparisons are made with 2022 figures adjusted for the new accounting standard IFRS 17, as presented on April 27, 2023

Consolidated turnover amounted to €1,868.2 million, up 6.0% on 2022 at constant FX and perimeter. The net combined ratio stood at 64.3%, or 3.3 points above the level recorded in 2022 (67.6%). This breaks down into 2.0 points decrease in the loss ratio to 37.7% and a 1.3 point decline in the cost ratio to 26.6% in relation to 2022. The Group ended the year with net income (Group share) of €240.5 million (vs. €240.4 million in 2022) and return on equity of 13.4%.

The target solvency ratio range is between 155% and 175%. The solvency ratio is estimated at 198.54% [1] at December 31, 2023. Coface will propose the payment of a dividend [2] of €1.30 per share to shareholders, representing a payout ratio of 81%.

The changes at constant FX and perimeter, presented for comparison purposes in the tables below, take into account the integration of the following entities:

- In the third quarter of 2023: Coface Hungary Services and Coface Service Colombia;
- In the fourth quarter of 2023: Coface Services Japan and Coface Adriatics.

3.3.2 Turnover

The Group's consolidated turnover increased by 6.0% at constant FX and perimeter (+3.8% at current FX and perimeter), to €1,868.2 million at December 31, 2023, mainly due to a rebound in client activity in the insurance business.

The table below shows changes in the Group's consolidated turnover by business line as of December 31, 2022 and 2023:

Change in consolidated turnover by business line *(in millions of euros)*	AS AT DEC. 31		CHANGE		
	2023	**2022**	*(in €m)*	*(as a %)*	*as a %: at constant Fx and perimeter*
Insurance	1,795.5	1,728.6	66.9	3.9%	6.1%
*o/w Insurance revenues**	*1,559.1*	*1,515.7*	*43.4*	*2.9%*	*5.4%*
*o/w Services***	*236.5*	*213.0*	*23.5*	*11.0%*	*11.7%*
Factoring	72.7	70.4	2.3	3.2%	2.6%
CONSOLIDATED TURNOVER	**1,868.2**	**1,799.0**	**69.2**	**3.8%**	**6.0%**

** Gross earned premiums-credit, Single Risk and surety bond insurance.*

*** Sum of turnover from services related to credit insurance ("Fee and commission income" and "Other insurance-related services") and services provided to customers wi thout credit insurance (access to information on corporate solvency and marketing information – "Information and other services", and debt collection services – "Re ceivables management").*

Insurance

Turnover from the insurance business (including surety bonds and Single Risk insurance) was up 6.1% at constant FX and perimeter (+3.9% at current FX and perimeter), at €1,795.5 million in 2023, compared with €1,728.6 million in 2022.

Gross earned premiums increased by 5.4% at constant scope and exchange rates (+2.9% at current scope and exchange rates), to €1,559.1 million in 2023, compared with €1,515.7 million in 2022.

New policy origination totalled €117 million, up by €7 million on 2022 owing to stronger demand.

The contract retention rate (ratio between the annual value of renewed policies and the value of policies to be renewed during the year) reached a record level of 93.1% over the year for the Group (compared with 92.9% at December 31, 2022). All regions contributed to this high retention rate despite a strict underwriting policy and preventive measures.

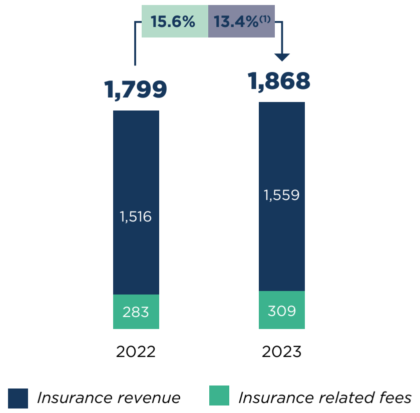
The price effect remained negative, coming in at -1.9% for FY-23 (compared to -3.0% for FY-22) and stabilised in Q4-23. This is largely due to very low past losses offset by the current normalisation environment.

Client activities continued to slow in line with the fall in inflation, at 2.3% (vs. 13.8% in 2022).

1) This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II Regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.

2) The proposed dividend is subject to the approval of the Annual General Shareholders' Meeting of May 16, 2024.

Turnover from the services business was up by 11.7% at constant FX and perimeter (up +11.0% at current FX and perimeter), rising from €213 million in 2022 to €236.5 million in 2023. The debt collection activity grew sharply (+42.1%) as the loss experience increased. Investments in the "information sales" business led to strong growth (+17.3% at constant FX and perimeter).



(1) At constant exchange rate

Factoring

Factoring turnover (only in Germany and Poland) increased by 2.6% at constant FX (+3.2% at current FX), from €70.4 million in 2022 to €72.7 million in 2023.

In Germany, turnover increased by 3.9%, boosted by an improvement in interest rates. In Poland, turnover was down 2.4% at constant FX due to lower volumes.

Change in turnover by region

The table below shows trends in Coface Group's consolidated turnover in its seven geographic regions for the financial years ended December 31, 2022 and 2023:

Change in consolidated turnover by invoicing region *(in millions of euros)*	**AS AT DEC. 31** 2023	2022	**CHANGE** *(in €m)*	*(as a %)*	*as a %: at constant x*	*as a %: at constant Fx and perimeter*
Western Europe	380.1	359.6	20.4	5.7%	5.9%	5.9%
Northern Europe	379.6	373.1	6.5	1.7%	2.0%	2.0%
Mediterranean and Africa	526.3	484.7	41.6	8.6%	12.4%	12.4%
North America	171.8	168.4	3.5	2.1%	5.6%	5.6%
Central Europe	177.1	182.0	(4.9)	(2.7)%	(3.7)%	(4.5)%
Asia-Pacific	133.1	130.5	2.6	2.0%	6.3%	5.2%
Latin America	100.3	100.8	(0.5)	(0.5)%	11.9%	11.1%
CONSOLIDATED TURNOVER	**1,868.2**	**1,799.0**	**69.2**	**3.8%**	**6.2%**	**6.0%**

In Northern Europe, turnover increased +2.0% at constant FX and +1.7% at current FX. The region saw a slump in client activity but adjacent activities were on the rise. Factoring turnover rose by +3.9%.

In Western Europe, turnover increased +5.9% at constant FX (+5.7% at current FX). Client activities were resilient and information sales increased.

In Central and Eastern Europe, turnover fell -4.5% at constant FX (-2.7% at current FX) due to the decline in business in Russia. Excluding Russia, growth would be +1.3%.

In the Mediterranean and Africa region, which is driven by Italy and Spain, turnover rose +12.4% at constant FX and +8.6% at current FX on the back of strong sales performance.

In North America, turnover increased +5.6% at constant FX and +2.1% as reported, driven by the return in client activity and rising commissions.

In Latin America, turnover increased +11.1% at constant FX and fell -0.5% at current FX. The region saw a slump in client activity, mainly in commodities and metals, and the consequences of the devaluation of the Argentine peso.

In Asia-Pacific, turnover increased +5.2% at constant FX and +2.0% at current FX. The boost in revenue was driven by past sales performances, which sustained the growth of the portfolio, and high retention rates.

3.3.3 Underwriting income

Underwriting income before reinsurance

Underwriting income before reinsurance amounted to €454.0 million at December 31, 2023, up 1.5% in relation to the end of 2022 (€447.3 million).

The 0.1 point increase in the combined ratio before reinsurance to 67.3% in 2023 (67.2% in 2022) is explained by a slight increase in the loss ratio (+0.3 points), which was offset by a 0.2 point decrease in the cost ratio.

Loss experience

The Group's loss ratio before reinsurance, including claims-handling expenses, increased slightly, by 0.3 points, from 35.5% for 2022 to 35.8% in 2023. This change reflects the major loss experience in Latin America and Western Europe, which were offset by positive previous years developments in the Mediterranean & Africa, Central Europe and Northern Europe regions.

	AS AT DEC. 31		CHANGE	
(in millions of euros and as a%)	**2023**	**2022**	*(in €m)*	*(as a %)*
Claims expenses incl. claims handling costs	558.0	537.7	20.4	3.8%
Loss ratio before reinsurance	35.8%	35.5%	-	0.3 pts
Earned premiums	1,559.1	1,515.7	43.4	2.9%

In Western Europe, the loss ratio increased by 4.9 points to 38.3%, compared with 33.4% at year-end 2022. This increase reflects the claims frequency and the major loss experience in the region.

Northern Europe recorded a loss ratio of 27.7% compared with 39.2% in 2022. This change in the loss experience is explained by recoveries on previous years.

The loss ratio in the Mediterranean & Africa region decreased by 5.0 points compared to 2022 and stood at 40.1%. The loss experience improved, resulting in recoveries.

In North America, the loss ratio rose by 8.5 points to 27.5%, vs. 19% in 2022. This increase is explained by an increase in the claims frequency.

The loss ratio in Central Europe improved by 13.9 points to 24.0%, vs. 37.9% in 2022. The trend remains positive thanks to recoveries despite expectations of claims related to the conflict between Russia and Ukraine.

The Asia-Pacific loss ratio increased by 11.7 points to 19.9%. Reserve levels reflect the volatile loss experience in the region. The region's loss ratio is in line with trends in the loss experience.

Latin America's loss ratio increased by 32.1 points to 82.6% compared with 50.5% in 2022. This region is suffering from the major loss experience.

Change in loss experience by invoicing region	AS AT DEC. 31		CHANGE IN POINTS
(as a%)	**2023**	**2022**	
Western Europe	38.3%	33.4%	4.9 pts
Northern Europe	27.7%	39.2%	(11.4 pts)
Mediterranean and Africa	40.1%	45.1%	(5.0 pts)
North America	27.5%	19.0%	8.5 pts
Central Europe	24.0%	37.9%	(13.9 pts)
Asia-Pacific	19.9%	8.2%	11.7 pts
Latin America	82.6%	50.5%	32.1 pts
LOSS RATIO BEFORE REINSURANCE	**35.8%**	**35.5%**	**0.3 PT**

/ OVERHEADS

Overheads	AS AT DEC. 31		CHANGE		
(in millions of euros)	**2023**	**2022**	*(in €m)*	*(as a %)*	*as a %: at constant FX and perimeter*
Internal overheads	662.1	623.2	39.0	6.3%	8.4%
o/w claims handling expenses	*39.0*	*36.1*	*3.0*	*8.2%*	*5.7%*
o/w internal investment management expenses	*9.8*	*8.8*	*1.0*	*11.4%*	*10.7%*
Commissions	196.7	196.0	0.6	0.3%	2.6%
TOTAL OVERHEADS	**858.8**	**819.2**	**39.6**	**4.8%**	**7.0%**

Total overheads, which include claims handling expenses and internal investment management expenses, increased by 7.0% at constant FX and perimeter (4.8% at current FX and perimeter), from €819.2 million at December 31, 2022 to €858.8 million at December 31, 2023.

Policy acquisition commissions rose by 2.6% at constant FX and perimeter (0.3% at current FX and perimeter), from €196 million in 2022 to €196.7 million in 2023.

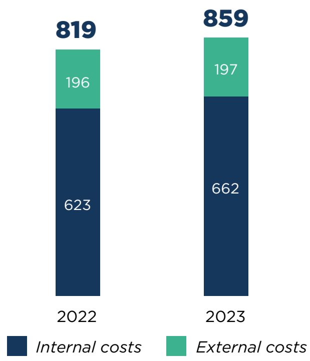
Internal overheads, which include claims handling and investment expenses, increased by 8.4% at constant FX and perimeter (6.3% at current FX and perimeter), from €623.2 million in 2022 to €662.1 million in 2023.

Payroll costs increased by 10.4% at constant FX and perimeter, from €364.8 million in 2022 to €402.7 million in 2023. This was mainly due to wage inflation and hiring in sales and operations management functions.

IT costs were up 3.5% at constant FX and perimeter, from €59.6 million in 2022 to €61.7 million in 2023.

Other expenses (taxes, information costs, rent) decreased by 0.5% at current FX and perimeter, from €198.8 million in 2022 to €197.7 million in 2023.

The cost ratio before reinsurance increased by 0.2 points, from 31.7% in 2022 to 31.5% in 2023.



Underwriting income after reinsurance

Underwriting income after reinsurance, other revenues and the cost of risk amounted to €395.4 million at December 31, 2023, up 13% in relation to the end of 2022 (€348.6 million).

The €34.4 million decrease in reinsurance costs to -€104.2 million at December 31, 2023 (-€138.6 million at December 31, 2022) can be attributed to the end of government reinsurance schemes (negative impact of €36.4 million in the first half of 2022).

	AS AT DECEMBER 31ST		CHANGE	
(in thousands of euros and %)	**2023**	**2022**	*(in €m)*	*(in %)*
Insurance Revenue	1,559,063	1,515,663	43,400	2.9%
Claims expenses	(558,644)	(540,425)	(18,219)	3.4%
Attributable costs	(546,999)	(530,692)	(16,307)	3.1%
Loss component & reversal of loss component	596	2,735	(2,140)	(78.2)%
Insurance Service Revenue, before reinsurance	**454,016**	**447,281**	**6,735**	**2%**
Income and expenses from ceded reinsurance	(104,240)	(138,640)	34,399	(25)%
Insurance Service Revenue, after reinsurance	**349,776**	**308,641**	**41,134**	**13%**
Other revenue	309,168	283,367	25,801	9%
Operating expenses	(263,003)	(243,684)	(19,320)	8%
Risk cost	(534)	308	(842)	(273)%
INCOME AFTER REINSURANCE, OTHER REVENUES AND COST OF RISK	**395,407**	**348,633**	**46,773**	**13%**
Net combined ratio	64.3%	67.6%		

3.3.4 Investment income, net of management expenses (excluding financing costs)

Trends in the financial markets

Inflation slowed in 2023, but it nevertheless remained above central bank targets. On the macroeconomic front, growth was surprisingly strong in the United States while Europe avoided the severe recession expected at the beginning of the year. Emerging economies enjoyed strong economic activity despite a disappointing recovery in China. Central banks in advanced economies continued to raise their interest rates, with the cycle widely perceived to be over at the end of the year. Meanwhile, some central banks in emerging economies were already starting to lower theirs. On the financial markets, bond yields reached new highs before falling sharply at the very end of the year, while equity markets rallied strongly. Global disinflation and the resilience of the US economy were the main catalysts for this rise.

In 2023, the US economy withstood the sharp rise in interest rates much better than expected. In the first three quarters of the year, GDP grew by 2.3% (with an acceleration in Q3). Job creations averaged more than 200,000 per month over the year, a very high figure, while the unemployment rate remained very low (3.7% in December). The abundant savings accumulated by households during the COVID crisis, companies' financing and cash reserves (which meant they were only gradually affected by higher interest rates) and fiscal measures to encourage investment explain these good figures. However, a slowdown was seen at the end of the year. Inflation fell sharply over the year: in December, the year-on-year increase in the consumer price index was 3.4% (vs. 6.5% in December 2022), while the core index stood at 3.9% (vs. 5.7%). The Federal Reserve raised interest rates four times between February and July, bringing the upper end of the target Fed Funds range to 5.5%. At the end of the year, it indicated that the pace of future rate cuts was now under discussion. Against this background, the US 10-year yield fell sharply, to stand at 3.87% at the end of the year. On the equity side, the S&P 500 gained 24.2% over the year.

In Europe, there were strong fears that economic activity would collapse due to natural gas supply difficulties at the beginning of the year. However, energy prices fell rapidly and the severe recession expected did not materialise. Nevertheless, activity failed to accelerate later in the year, mainly due to headwinds in the industrial sector and rising interest rates. As a result, eurozone GDP was virtually flat over the first three quarters of the year. Over the same period, France and Spain experienced slightly higher growth than Germany and Italy due to the composition of their economies (more services and less industry). Inflation fell sharply: in December 2023, the year-on-year increase in the general consumer price index was only 2.9% (vs. 9.2% in December 2022), while the core index stood at 3.4% (vs. 5.2%). The ECB raised its key interest rates six times from February to September, bringing its deposit rate to 4.0% (vs. 2.0% at end-December 2022). It then kept rates on hold, without committing to imminent rate cuts. The end of the year saw a sharp drop in sovereign yields and the German 10-year yield stood at around 2.0% at the end of December. On the equity markets, the Euro Stoxx 50 gained 19.2% over the year.

In 2023, annual growth in emerging economies was stable (GDP growth of around 4%). Overall, emerging countries were resilient in the face of the weak Chinese recovery (especially in Q2), higher global interest rates and geopolitical tensions. The slowdown in domestic demand and the easing of negative supply shocks led to a decline in inflation, which gradually spread from volatile sectors and goods to service prices, which are less flexible. This trend enabled emerging countries' central banks to begin to lower their key interest rates. Latin America led the way (all the major central banks except Mexico), followed by Central and Eastern Europe. On the equity markets, the MSCI Emerging Markets index ended the year higher (+7.1%) despite the poor performance of the Chinese market (-12.8%).

Financial income

In this environment of rising interest rates and economic uncertainty, Coface Group continued to reduce the risk in its portfolio in 2023 by lowering its exposure to assets the most at risk from the economic slowdown (credit, emerging markets and real estate) in favour of developed countries' sovereign bonds. Cash levels remained high throughout the year as a precautionary measure.

With regard to real assets, some real estate assets were reallocated from offices and retail to residential properties.

In 2023, the total value of the portfolio (excluding non-consolidated subsidiaries) increased by €356 million due to the reinvestment of the €300 million Coface bond (in money market mutual funds and sovereign bonds) and the rise in the infrastructure equity segment.

The listed equity portfolio was restructured into a long-term investment segment classified at fair value through other comprehensive income not reclassified to profit or loss (FV OCI NR). Bond investments will be recognised at fair value through other comprehensive income reclassified to profit or loss (FV OCI-R)

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

MARKET VALUE

(in millions of euros)	AT DEC. 31 2023	AT DEC. 31 2022
Listed shares	75	77
Unlisted shares	6	8
Bonds	2,269	2,265
Loans, deposits and money market mutual funds	764	367
Real estate	180	220
Total investment portfolio	**3,294**	**2,937**
Non-consolidated companies	47	85
TOTAL	**3,341**	**3,022**

INVESTMENT PORTFOLIO INCOME

Net financial income from the investment portfolio amounted to +€12.4 million in 2023, including adjustments to the market value of assets measured at fair value through profit or loss for -€21.9 million and -€38.7 million in foreign exchange income. This amount includes -€10.9 million in expenses related to IAS 29 – hyperinflation (Coface has activities in Argentina and Turkey).

Income from the investment portfolio came to €68.3 million. Against the backdrop of inflation and high interest rates, the decline in the value of real estate assets was largely offset by capital gains and the rise in recurring income. These transactions allowed the Group to continue de-risking the investment portfolio by reducing the exposure to corporate bonds and equities in favour of developed country sovereign bonds.

(in millions of euros)	AT DEC. 31 2023
Investment income	68.3
Change in the fair value of financial instruments recognised at fair value through profit or loss	(21.9)
Net gains on disposals	18.2
Additions to and reversals of provisions for impairment	(0.1)
Foreign exchange gains and losses	(38.7)
Investment management fees	(13.4)
NET INCOME FROM INVESTMENTS	**12.4**

3.3.5 Operating income

(in millions of euros)	AS AT DEC. 31 2023	AS AT DEC. 31 2022	CHANGE *(in €m)*	CHANGE *(as a%)*	CHANGE *(as a%: at constant Fx and perimeter)*
Consolidated operating income	**362.9**	**357.2**	**5.7**	**1.6%**	**(3.8)%**
Operating income including finance costs	**328.7**	**327.6**	**1.0**	**0.3%**	**(5.6)%**
Other operating income and expenses	**(5.0)**	**(9.5)**	**4.6**	**(48)%**	**(42)%**
OPERATING INCOME INCLUDING FINANCE COSTS AND EXCLUDING OTHER OPERATING INCOME AND EXPENSES	**333.6**	**337.2**	**(3.6)**	**(1.1)%**	**(6.6)%**

Consolidated operating income decreased by -3.8% at constant FX and perimeter, from €357.2 million for the year ended December 31, 2022 to €362.9 million for the year ended December 31, 2023.

Current operating income, including financing costs and excluding non-recurring items (other operating income and expenses), declined by 6.6% at constant FX and perimeter, from €337.2 million in 2022 to €333.6 million in 2023.

The net combined ratio improved by 3.3 percentage points, from 67.6% in 2022 to 64.3% in 2023, including a -2.0 points improvement in the net loss ratio and a -1.3 point decline in the cost ratio.

Other operating income and expenses amounted to -€5.0 million, comprising mainly the following:

- Expenses related to the entry of four service entities into the scope of consolidation for €2.0 million;
- Provisions for restructuring costs of €1.7 million.

Change in operating income by invoicing region *(in millions of euros)*	AS AT DEC. 31 2023	2022	CHANGE	SHARE OF ANNUAL TOTAL AT DEC. 31
Western Europe	119.2	73.1	46.1	33%
Northern Europe	90.3	72.4	17.9	25%
Mediterranean and Africa	86.7	85.1	1.6	24%
North America	14.6	23.0	(8.4)	4%
Central Europe	36.2	46.6	(10.4)	10%
Asia-Pacific	18.3	36.0	(17.7)	5%
Latin America	(2.3)	21.1	(23.4)	(1%)
TOTAL	**362.9**	**357.2**	**5.7**	**100%**

3.3.6 Net income (Group share)

Coface Group's effective tax rate rose from 26.5% in 2022 to 26.8% in 2023.

Net income (Group share) amounted to €240.5 million, stable against the year ended December 31, 2022 (€240.4 million).

3.4 GROUP CASH AND CAPITAL RESOURCES

Information in this section is derived from the statement of cash flows in the consolidated financial statements and from Note 8 "Cash and cash equivalents" in the Company's consolidated financial statements.

(in millions of euros)	AS AT DEC. 31 2023	2022
Net cash flows generated from operating activities	290.7	455.9
Net cash flows generated from investment activities	(327.8)	(119.8)
Net cash flows generated from financing activities	17.5	(139.9)
Effect of exchange rate changes on cash and cash equivalents	(38.6)	(4.9)

(in millions of euros)	AS AT DEC. 31 2023	2022
Cash and cash equivalents at beginning of period	553.8	362.4
Cash and cash equivalents at end of period	495.6	553.8
Net change in cash and cash equivalents	(58.2)	191.3

3.4.1 Coface Group debt and sources of financing

The Group's debt comprises financial debt (financing liabilities) and operating debt linked to its factoring activities (composed of "Amounts due to banking sector companies" and "Debt securities").

	AT DEC. 31	
(in millions of euros)	**2023**	**2022**
Subordinated borrowings	831.7	534.3
Sub-total financial debt	**831.7**	**534.3**
Amounts due to banking sector companies	762.9	743.2
Debt securities	1,655.7	1,794.9
SUB-TOTAL OPERATING DEBT	**2,418.6**	**2,538.1**

Financial debt

For the year ended December 31, 2023, the Group's financing liabilities, totalling €831.7 million, comprised two subordinated borrowings.

- A fixed-rate issue (4.125%) of subordinated notes carried out by COFACE SA on March 27, 2014 for a nominal amount of €380 million, maturing on March 27, 2024.

  The securities are irrevocably and unconditionally guaranteed on a subordinated basis by *Compagnie française d'assurance pour le commerce extérieur*, the Group's main operating entity.

  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, still maturing on March 27, 2024;
- A fixed-rate issue (at 6.000%) of subordinated notes by COFACE SA on September 22, 2022, for a nominal amount of €300 million, maturing on September 22, 2032;
- A fixed-rate issue (at 5.750%) of subordinated notes by COFACE on November 28, 2023, for a nominal amount of €300 million, maturing on November 28, 2033.

The amounts raised through this issue will mainly be used to refinance the subordinated notes maturing on March 27, 2024.

Operating debt linked to the factoring business

The Group's operating debt is mainly linked to financing for its factoring activities.

This debt, which includes the "Amounts due to banking sector companies" and "Debt securities" items, provides refinancing for the Group's factoring companies (Coface Finanz in Germany and Coface Poland Factoring in Poland).

Amounts due to banking sector companies, which correspond to drawdowns on the bilateral credit lines set up with various banking partners of Coface Finanz and Coface Poland Factoring and the Group's local banks (see "Bilateral credit lines" below), amounted to €762.9 million for the financial year ended on December 31, 2023.

Debt securities amounted to €1,655.7 million for the financial year ended on December 31, 2023, including:

- senior units issued by the VEGA securitisation fund under the Coface Finanz factoring receivables securitisation programme (see "Securitisation programme" below), in the amount of €1,015.2 million; and
- commercial paper issued by COFACE SA (see "Commercial paper programme" below) to finance the activity of Coface Finanz in the amount of €640.5 million.

Coface Group's main sources of operational financing

To date, the Coface Group's main sources of operational financing are:

- A securitisation programme to refinance its factoring receivables for a maximum amount of €1,300 million;
- A commercial paper programme for a maximum amount of €700 million; and
- Bilateral credit lines for a maximum total amount of €1,787.3 million.

In 2023, the securitisation programme was increased to €1,300 million and the senior 1-year and senior 3-year units were renewed in December. The first option to extend Coface Poland Factoring's multi-currency syndicated loan was exercised in August. This €310 million loan has an initial maturity of two years with two options for a one-year extension, at the lenders' discretion. In May, the option to extend the fifth year of the syndicated loan serving as a back-up to COFACE SA's €700 million commercial paper programme was exercised.

At December 31, 2023, Coface Group's debt linked to its factoring activities amounted to €2,419 million.

a) Securitisation programme

To refinance its factoring activities, in February 2012 the Group set up a securitisation programme for its factoring trade receivables, guaranteed by *Compagnie française d'assurance pour le commerce extérieur*. In December 2023, the securitisation programme was renewed and its maximum amount was increased to €1,300 million.

At December 31, 2023, €1,015.2 million had been used under this programme.

This securitisation programme includes a number of standard acceleration clauses associated with such a programme, concerning the financial position of Coface Finanz (the ceding company) and other Group entities (including certain indicators regarding the quality of the ceded receivables), and linked to the occurrence of various events, such as:

- payment default of Coface Finanz or of *Compagnie française d'assurance pour le commerce extérieur* for any sum due under the securitisation fund;
- the cross default of any Group entity pertaining to debt above €100 million;
- closure of the asset-backed commercial paper market for a consecutive period of 180 days;
- winding-up proceedings concerning Coface Finanz, Coface Poland Factoring, the Company or *Compagnie française d'assurance pour le commerce extérieur*;
- the discontinuance of or substantial change to the activities practised by Coface Finanz or by *Compagnie française d'assurance pour le commerce extérieur*;
- a downgrading of the financial rating of *Compagnie française d'assurance pour le commerce extérieur* to below BBB- for the main funding line (maximum amount of €1,300 million);
- non-compliance with one of the covenants linked to the quality of the portfolio of ceded factoring receivables.

The securitisation programme does not contain a change of control clause for the Company, but contains restrictions regarding a change of control in *Compagnie française d'assurance pour le commerce extérieur* and the factoring companies resulting in their exit from the Group.

The three covenants set by the securitisation programme include:

COVENANT	DEFINITION	TRIGGER THRESHOLD
Default ratio	Three-month moving average of the rate of unpaid receivables beyond 60 days after their due date	> 2.24%
Delinquency ratio	Three-month moving average of the rate of unpaid receivables beyond 30 days after their due date	> 5.21%
Dilution ratio	Three-month moving average of the dilution ratio	> 9.71%

At December 31, 2023, the Group complied with all of these covenants.

b) Bilateral credit lines

To refinance its factoring business, the Group also set up a number of bilateral credit lines and overdraft facilities, mainly through its subsidiaries, for a total maximum amount of €1,787.3 million:

- bilateral credit lines and overdraft facilities with local banks for a maximum of €745.1 million, of which €56.6 million had been drawn in Germany and €14.5 million in Poland at December 31, 2023;
- bilateral credit lines concluded with banks:
  - six lines for a maximum total amount of €475 million for Coface Finanz (with maturities ranging between one and three years), of which €241.3 million had been drawn down as of December 31, 2023,
  - five lines (including a syndicated loan) for a maximum total amount of €667.2 million for Coface Poland Factoring (with maturities ranging between one and three years), of which €463.8 million had been drawn down as of December 31, 2023.

c) Commercial paper programme

The Group has a €700 million commercial paper issuance programme under which the Company regularly issues securities with due dates ranging generally between one and six months. At December 31, 2023, securities issued under the commercial paper programme totalled €640.5 million. The programme was rated P-2 by Moody's and F1 by Fitch.

Should the commercial paper market shut down, since July 28, 2017 the Group has had a currently unused syndicated loan covering the maximum amount of the commercial paper issue programme (€700 million since August 2021). The agreement regulating this syndicated loan contains the usual restrictive clauses (such as a negative pledge clause, prohibition from assigning the assets outside the Group above a specified threshold or restrictions related to the discontinuance or any substantial change in the Group's business activities) and early repayment clauses (payment default, cross default, non-compliance with representations, warranties and commitments, significant adverse change affecting the Company and its capacity to meet its obligations under these bilateral credit lines, insolvency and winding-up proceedings), in line with market practices. This syndicated loan was renewed in August 2021 for three years with two possibilities for an extension of one year each, which were exercised in 2022 and 2023.

3.4.2 Solvency of the Coface Group [1]

The Group measures its financial strength based on the capital requirement (amount of equity required to cover its managed risks) according to the Solvency II Regulation for its insurance business and according to banking regulations for the Group's financing companies. The change in capital requirement depends on numerous factors and parameters linked to changes in the loss ratio, underwriting volumes, risk volatility, the sequencing of loss settlement and the asset types invested in the Company's balance sheet.

For insurance activities, pursuant to the Solvency II Regulation which became effective on January 1, 2016, the Group proceeded with the calculation of the solvency capital requirement (SCR) on December 31, 2023, using the partial internal model introduced by European directive No. 2009/138/EC. The Group's SCR evaluates the risks linked to pricing, underwriting, establishment of provisions, as well as market risks and operational risks. It takes account of frequency risks and major risks. This calculation is calibrated to cover the risk of loss corresponding to a 99.5% quantile at a one-year horizon. At December 31, 2023, the estimated capital required for the two Group businesses amounted to €1,302 million, compared with €1,199 million at the end of 2022.

At December 31, 2023, the required capital for the factoring business was estimated at €239 million by applying a rate of 10.5% to the risk-weighted assets, or RWA. The Group has reported its capital requirements using the standard approach 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.

The sum of the capital requirement for the insurance business and the capital requirement for the factoring business is compared with the estimated available capital, which totalled €2,586 million as of December 31, 2023.

At this date, the solvency ratio (ratio between the Group's available capital and its capital requirement for insurance and factoring) was estimated at 199% [2], compared to 201% at the end of 2022.

The table below presents the items for calculating the Group's capital requirement:

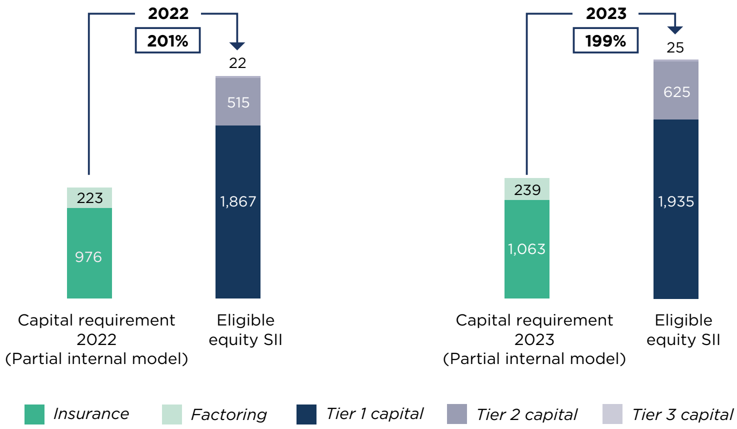
(in millions of euros)	AT DEC. 31, 2023	AT DEC. 31, 2022
Total equity	2,053	1,962
- Goodwill and other intangible assets (net of deferred taxes)	(218)	(217)
+ Revaluation of provisions using the best estimate method (net of deferred tax assets)	428	424
+/- Other adjustments	(111)	(53)
- Dividend payments	(192)	(226)
+ Subordinated debt (valued at market value)	626 [3]	515
= Solvency II available own funds (A)	**2,586**	**2,404**
Capital requirement - Insurance (B)	1,063	976
Capital requirement - Factoring [4] (C)	239	223
Capital requirement (D) = (B)+(C)	1,302	1,199
SOLVENCY RATIO (E) = (A)/(D)	**199%**	**201%**

1) *The estimated solvency ratio is not audited.*

2) *This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II Regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.*

3) *Amount after capping of subordinated debt not available pursuant to Article 82 of Delegated Regulation no. 2015/35.*

4) *Banking activity*



3.4.3 Return on equity

The return on equity ratio is used to measure the return on the Group's invested capital. Return on average tangible equity (or RoATE) is the ratio between net income (Group share) and average accounting equity (Group share) restated for intangible items (intangible asset values).

The table below presents the elements used to calculate the Group's RoATE over the 2022-2023 period:

	AT DEC. 31	
(in millions of euros)	**2023**	**2022**
Accounting equity (Group share) – A	2,051	2,019
Intangible assets – B	240	239
Equity, net of intangible assets – C (A - B)	1,811	1,780
Average equity, net of intangible assets – D ([Cn+Cn-1]/2)	1,795	1,890
Net income (Group share) – E	240.5	240.4
ROATE – E/D	**13.4%**	**12.7%**

3.4.4 Off-balance sheet commitments

Most of the Group's off-balance sheet commitments concern certain credit lines, guarantees received (pledged securities received from reinsurers corresponding to deposits made by reinsurers under commitments binding them to the Coface Group) and transactions on financial markets.

The table below presents the details of the Group's off-balance sheet commitments for the 2022-2023 period:

	DEC. 31, 2023		
(in thousands of euros)	TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,416,648**	**1,387,348**	**29,300**
Endorsements and letters of credit	1,387,348	1,387,348	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity interests	25,800	0	25,800
Commitments received	**2,225,153**	**1,535,317**	**689,836**
Endorsements and letters of credit	143,308,	0	143,308
Guarantees	546,527	0	546,527
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	835,317	835,317	0
Financial commitments in respect of equity interests			
Guarantees received	**430,681**	**0.01**	**430,681**
Securities lodged as collateral by reinsurers	430,681	0.10	430,681
Financial market transactions	88,061	0.10	88,061

	DEC. 31, 2022		
(in thousands of euros)	TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,447,127**	**1,360,427**	**86,700**
Endorsements and letters of credit	1,360,427	1,360,427	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity interests	83,200	0	83,200
Commitments received	**1,890,984**	**1,295,563**	**595,421**
Endorsements and letters of credit	146,290	0	146,290
Guarantees	449,131	0	449,131
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	595,563	595,563	0
Financial commitments in respect of equity interests	0	0	0
Guarantees received	**320,478**	**-**	**320,478**
Securities lodged as collateral by reinsurers	320,478	-	320,478
Financial market transactions	**105,965**	**-**	**105,965**

Endorsements and letters of credit totalling €1,387,348 thousand for the financial year ended December 31, 2023 correspond mainly to:

- A joint surety bond for investors in COFACE SA's subordinated bonds for €226,600 thousand, maturing on March 27, 2024. Following the redemption of subordinated bonds on September 21, 2022 for €153,400 thousand, the initial joint surety bond of €380,000 thousand was adjusted by an amendment.

  The two subordinated notes issued on September 22, 2022, for an amount of €300,000 thousand, and on November 28, 2023, also for €300,000 thousand, were not the subject of a joint surety bond;
- Various joint surety bonds totalling €1,054,000 thousand given by the Group, in particular to banks financing the factoring business.

Collateral concerns Coface Re for €412,501 thousand and *Compagnie française pour le commerce extérieur* for €42,595 thousand.

The syndicated loan for a maximum amount of €700 million for the financial year ended December 31, 2023 includes coverage of the Group's commercial paper issuance programme for €700 million (see Section 1.4.1 "Group debt and sources of financing").

3.5 POST-CLOSING EVENTS AT DECEMBER 31, 2023

None

3.6 OUTLOOK FOR THE GROUP

The most pessimistic scenarios for 2023 did not materialise. While the Chinese economy continued to disappoint, the United States continued to surprise on the upside. The economic impact of higher interest rates was delayed in an environment of full employment and still strong corporate balance sheets.

The most notable point of the year was the generalised decline in inflation through the second half of the year due to proactive coordinated actions of central banks and the fall of energy prices despite an increasingly tense geopolitical environment.

For 2024, Coface anticipates a drawn-out soft landing for the global economy, with growth expected at +2.2% after +2.6% in 2023. Downside risks are real, in particular due to the unprecedented number of political elections in the world, culminating with the US presidential election at the end of the year.

As expected, business failures continued to rise, sometimes above pre-pandemic levels. However, the many preventive measures taken by Coface so far avoided a spike in recorded claims. While the number of claims has not yet reached 2019 levels, the total claims amount is now equivalent.

In 2023, Coface's IFRS 17 results were stable against the previous year, once again demonstrating Coface's resilience in a challenging environment. This year marks the end of the Build to Lead strategic plan, with all its objectives having been met or exceeded. Coface will present its new strategic plan Power the Core (2024 - 2027), which will build on the success of the Build to Lead plan, on 5 March 2024.

3.7 APPENDIX - KEY FINANCIAL PERFORMANCE INDICATORS

3.7.1. Financial indicators

Consolidated turnover

The composition of the Group's consolidated turnover (premiums, other revenue) is described under "Accounting principles and methods" in the notes to the consolidated financial statements.

Claims expenses

"Claims expenses" correspond to claims paid under credit insurance contracts, Single Risk policies and bonding, less changes in recoveries following recourse (amounts recovered from the debtor after paying the policyholder for the claim) during the financial year, and to the change in claims provisions during the financial year, and the handling expenses for these claims, which cover the costs of processing and managing policyholders' claims declarations, and those generated by monitoring recovery procedures (charges and provisions for internal and external debt collection fees).

Claims paid correspond to compensation paid under the policies during the financial year, net of collections received, plus costs incurred to ensure their management, regardless of the financial year during which the claim was declared or during which the event producing the claim took place, less amounts recovered during the financial year for claims previously indemnified, regardless of the year the indemnification was paid.

Claims provisions are established for claims reported but not yet settled at financial year end, as well as for claims that have not yet been reported, but which have been deemed probable by the Group, given the events that have arisen during the financial year (incurred but not reported (IBNR) provisions). The amounts thus provisioned also take into consideration a forecast of the amount to be collected for these claims. These provisions are decreased each year by reversals made following the payment of compensation or the estimate of potential losses for reported or potential claims. The difference between the amount of provisions in a given financial year (established during the first year of underwriting a policy) and the amounts revalued the following years is either a liquidation profit (revaluation downward) or loss (upwards revaluation) (see Note 23 to the consolidated financial statements).

Operating expenses

"Operating expenses" correspond to the sum of the following items:

- "Contract acquisition costs", consisting of:
  - external acquisition costs, namely commissions paid to business contributors (brokers or other intermediaries) and which are based on the turnover contributed by such intermediaries,
  - and internal acquisition costs, which are essentially fixed costs related to payroll expenses for contract acquisition and the costs of the Group's sales network;
- "Administration costs" (including Group operating costs, payroll costs, IT costs, etc., excluding employee profit sharing and incentive schemes). Contract acquisition costs as well as administration costs primarily include costs linked to the credit insurance business. However, due to pooling, costs related to the Group's other businesses are also included in these items;
- "Other current operating expenses" (expenses that cannot be allocated to any of the functions defined by the chart of accounts, including in particular general management expenses);
- "Expenses from banking activities" (general operating expenses, such as payroll costs, IT costs, etc. relating to factoring activities); and
- "Expenses from other activities" (overheads related exclusively to information and debt collection for customers without credit insurance).

As such, "Operating expenses" consist of all overheads, with the exception of internal investment management expenses for insurance - which are recognised in the "Investment income, net of management expenses (excluding financing costs)" aggregate - and claims handling expenses, with the latter included in the "Claims expenses" aggregate.

Total internal overheads (i.e. overheads excluding external acquisition costs (commissions)), are analysed by function, regardless of the accounting method applied to them, in all of the Group's countries. This presentation enables a better understanding of the Group's savings and differs on certain points from the presentation of the income statement, which meets the presentation requirements of the accounting standards.

Cost of risk

"Cost of risk" corresponds to expenses and provisions linked to covering the ceding company risk (inherent to the factoring business) and credit risk, net of credit insurance coverage.

Underwriting income

Underwriting income is an intermediate balance of the income statement which reflects the operational performance of the Group's activities, excluding the management of business investments. It is calculated before and after recognition of the income or loss from ceded reinsurance:

- "Underwriting income before reinsurance" (or underwriting income gross of reinsurance) corresponds to the balance between consolidated turnover and the total sum of claims expenses, operating expenses and cost of risk;
- "Underwriting income after reinsurance" (or underwriting income net of reinsurance) includes, in addition to the underwriting income before reinsurance, the income or loss from ceded reinsurance, as defined below.

Income (loss) from ceded reinsurance (expenses or income net of ceded reinsurance)

"Reinsurance income" (or income and expenses net of ceded reinsurance) corresponds to the sum of income from ceded reinsurance (claims ceded to reinsurers during the financial year under the Group's reinsurance treaties, net of the change in provisions for claims net of recourse that was also ceded, plus the reinsurance commissions paid by reinsurers to the Group for proportional reinsurance), and charges from ceded reinsurance (premiums ceded to reinsurers during the financial year for the Group's reinsurance treaties, net of the change in provisions for premiums also ceded to reinsurers).

Investment income, net of management expenses (excluding finance costs)

"Investment income, net of management expenses (excluding financing costs)" combines the result of the Group's investment portfolio (investment income, net gains on disposals and addition to/reversals of provisions for impairment), exchange rate differences and investment management expenses.

Operating income

"Current operating income (loss)" corresponds to the sum of "Underwriting income after reinsurance", "Net investment income excluding financing costs" and non-current items, namely "Other operating income and expenses".

In the presentation of operating income by region, the amounts are represented before turnover from interregional flows and holding costs not charged back to the regions have been eliminated.

Income tax expense

Tax expenses include tax payable and deferred tax that results from consolidation restatements and temporary tax differences, insofar as the tax position of the companies concerned so justifies (as more extensively described under "Accounting principles and methods" and in Note 29 to the consolidated financial statements).

Net income (Group share)

Net income (Group share) corresponds to the amount of "net income from continuing operations" (corresponding to "Operating income", net of "Financing costs", "Share in net income of associates" and "Income tax"), "net income from discontinued operations" and "Non-controlling interests".

3.7.2. Operating indicators

As part of its business operations, in addition to the financial aggregates published in accordance with the International Financial Reporting Standards (IFRS), the Group uses four operational indicators to track its commercial performance. They are described below:

Production of new contracts

The production of new contracts corresponds to the annual value of credit insurance policies taken out by new customers during the period. The Group generally records a higher production of new contracts during the first quarter of a given financial year.

Retention rate

The retention rate corresponds to the ratio between the annual value of the policies actually renewed and that of the policies that were due to be renewed at the end of the preceding period. The annual value of the policies corresponds to the value of the credit insurance policies over a 12-month period according to an estimate of the volume of related sales and the level of the rate conditions in effect at the time the policy is taken out.

Price effect of credit insurance policies

The price effect of the credit insurance policies corresponds to the difference between the annual value of the policies, calculated based on the tariffs in effect at the time the policy is taken out, and the annual value of the policies for the preceding period (calculated based on the rate conditions of the preceding period and excluding any volume effect related to policyholders' actual revenue).

Volume effect

The method for calculating premiums on the Group's turnover produces its effects throughout the life of the policies, and not for a single financial year. When the volume of a policyholder's actual sales is higher than what was taken into consideration to determine the amount of premiums billed during the period covered by the policy, this difference produces a positive effect on the earned premiums recorded by the Group with a one-year lag. Conversely, when the volume of the policyholder's sales is less than what was used as the basis for calculating the flat rate, this difference does not produce any effect on the Group's turnover for the following financial year.

3.7.3. Breakdown of the calculation of ratios as of December 31, 2023

EARNED PREMIUMS *(In €k)*	**FY-2023**	**FY-2022**
Insurance revenue [A]	**1,559,063**	**1,515,663**
Ceded premiums	(424,015)	(408,812)
NET EARNED PREMIUMS [D]	**1,135,048**	**1,106,850**

CLAIMS EXPENSES *(In €k)*	**FY-2023**	**FY-2022**
Claims expenses [B]	**(558,048)**	**(537,689)**
Loss component	596	2,735
Ceded claims	130,559	99,313
Ceded loss component	(275)	(608)
NET CLAIMS EXPENSES [E]	**(427,764)**	**(438,985)**

TECHNICAL EXPENSES *(In €k)*	**FY-2023**	**FY-2022**
Operating expenses	**(810,002)**	**(774,376)**
Employee profit sharing sharing and incentive plans	9,193	10,120
Other revenue	309,168	283,367
Operating expenses, net of revenues from other services before reinsurance [C]	**(491,641)**	**(480,888)**
Commissions received from reinsurers	189,490	171,469
OPERATING EXPENSES, NET OF REVENUES FROM OTHER SERVICES AFTER REINSURANCE [F]	**(302,151)**	**(309,420)**

Gross combined ratio = gross loss ratio $\frac{B}{A}$ **+ gross cost ratio** $\frac{C}{A}$

Net combined ratio = net loss ratio $\frac{E}{D}$ **+ net cost ratio** $\frac{F}{D}$

RATIOS	**FY-2023**	**FY-2022**
Loss ratio before reinsurance	35.8%	35.5%
Loss ratio after reinsurance	**37.7%**	**39.7%**
Cost ratio before reinsurance	31.5%	31.7%
Cost ratio after reinsurance	**26.6%**	**28.0%**
Combined ratio before reinsurance	67.3%	67.2%
Combined ratio after reinsurance	**64.3%**	**67.6%**

3.7.4. Alternative Performance Measures (APM)

This section takes a look at KPIs not defined by accounting standards but used by the Company for its financial communications.

This section is a follow-up to the AMF's position – IAP DOC 2015-12.

The indicators below represent indicators listed as belonging to the category of alternative performance measures.

a) Alternative performance measures related to turnover and its constituent items:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Turnover with restated items				
[1] Two types of restatements on turnover: **i.** Calculation of turnover growth percentages, like-for-like: • Year N recalculated at the exchange rate of year N-1; • Year N-1 at the Group structure of year N	**i.** Historic method used by Coface to calculate pro forma %.	**i.** (Current turnover N - FX Impact N-1)/(Current turnover N-1 + Perimeter impact N) -1	**i. +6.0%** = (1,868.2 – (- 42.3))/(1,799.0 + 3.2 scope impact) - 1	**i. N/A**
ii. Removal or addition of turnover in value (€) considered as extraordinary in the current year. The term "extraordinary" refers to impacts on turnover which do not occur every year.	**ii.** Item considered as extraordinary, i.e. which will only occur in the current financial year (year N).	**ii.** Current turnover N +/- Restatements/Additions of extraordinary items N	**ii.** 1,868.2 +/- 0.0	**ii.** 1,799.0 +/- 0.0
Fee and commission income/Gross earned premiums – (current – like-for-like)				
Weight of fee and commission income over earned premiums on like-for-like basis: • Year N at the exchange rate of year N-1 • Year N-1 at the Group structure of year N Fee and commission income corresponds to the turnover invoiced on additional services.	Indicator used to monitor changes in fee and commission income compared with the main turnover item at constant scope.	Fee and commission income/ Earned premiums – Like-for-like	**Current: 11.0%** = 171.4/1559.1 **Like-for-like: 10.9%** = 173.4/1,596.9	**Current: 10.5%** = 158.6/1,515.7 **Like-for-like: 10.5%** = 159.4/1,515.7
Internal overheads excluding extraordinary items				
[2] Restatement or Addition of items considered as extraordinary with respect to internal overheads. The term "extraordinary" refers to impacts on expenses which do not occur every year.	Indicator used to compare changes in internal overheads by excluding extraordinary items.	Current internal overheads +/- Restatements +/- Additions of extraordinary items	**€662.1m** = 662.1 +/- 0.0	**€623.2m** = 623.2 +/- 0.0

b) Alternative performance measures related to operating income:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Operating income excluding restated extraordinary items (including financing costs and excluding other operating income and expenses)				
Restatement or Addition of items considered as extraordinary to operating income: these include extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in operating income by excluding extraordinary items.	Operating income +/- Financing expenses +/- Addition of extraordinary items	**€333.6m** = 362.9 + (-34.3) – (-5.0 Non-recurring items)	**€337.2m** = 357.2 + (-29.6) – (-9.5 Non-recurring items)

c) Alternative performance measures related to net income:

DEFINITION	DEFINITION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Net income excluding extraordinary items				
Restatement or Addition of items considered as extraordinary with respect to net income. This includes extraordinary income and expenses likely to impact either turnover (see definition above **[1]**) or overheads (see definition above **[2]**). This aggregate is also restated for "current operating income and expenses", which are recorded after operating income in the management income statement.	Indicator used to compare changes in net income by excluding extraordinary items.	Current operating income +/- Restatements +/- Additions of extraordinary items net of tax	Not applicable for this reporting date	Not applicable for this reporting date

d) Alternative performance measures related to the combined ratio:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Loss ratio gross of reinsurance (loss ratio before reinsurance) and gross loss ratio with claims handling expenses refer to the same indicator				
Ratio of claims expenses to gross earned premiums (the sum of gross earned premiums and unearned premium provisions), net of premium refunds.	Indicator for monitoring the level of loss borne by the Group with respect to premiums, after ceded reinsurance.	- Claims expenses/Gross earned premiums	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31
Loss ratio net of reinsurance (loss ratio after reinsurance)				
Ratio between claims expenses net of claims expenses ceded to reinsurers under reinsurance treaties entered into by the Group, and total earned premiums net of premiums ceded to reinsurers.	Indicator for monitoring the level of loss borne by the Group with respect to premiums, after ceded reinsurance.	- (Claims expenses + Ceded claims + Change in provisions for claims net of recourse)/(Gross earned premiums + Expenses from ceded reinsurance)	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Cost ratio before reinsurance				
Ratio between operating expenses (net of employee profit sharing) less other income* and earned premiums.	Indicator for monitoring the level of operating expenses (insurance contracts portfolio acquisition and management) borne by the Group with respect to premiums.	- (Operating expenses - Employee profit sharing - Other income)/Gross earned premiums	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31
Cost ratio after reinsurance				
Ratio between operating expenses (net of employee profit sharing) less other income* net of commissions received from reinsurers under reinsurance treaties entered into by the Group, and the total of earned premiums net of premiums ceded to reinsurers.	Indicator for monitoring the level of operating expenses (insurance contracts portfolio acquisition and management) borne by the Group with respect to premiums after ceded reinsurance.	- (Operating expenses - Employee profit sharing - Other income - Commissions received from reinsurers)/(Gross earned premiums + Expenses from ceded reinsurance)	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31
Combined ratio before/after reinsurance				
The combined ratio is the sum of the loss ratios (before/after reinsurance) and cost ratios (before/after reinsurance) as defined above.	Overall profitability indicator of the Group's activities and of its technical margin before and after ceded reinsurance.	Loss ratio (before/after reinsurance) + Cost ratio (before/after reinsurance)	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31	See 4.3 Appendix - Breakdown of the calculation of ratios at December 31
Net combined ratio excluding restated and extraordinary items [A]				
Restatement or Addition of items considered as extraordinary with respect to combined ratio after reinsurance. This includes extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in combined ratios after reinsurance by excluding extraordinary items.	Combined ratio after reinsurance +/- Restatements +/- Additions of extraordinary items	Not applicable for this reporting date	Not applicable for this reporting date
Loss ratio excluding extraordinary items [B]				
Restatement or Addition of items considered as extraordinary with respect to loss ratio net of reinsurance.	Indicator used to compare changes in loss ratios after reinsurance by excluding extraordinary items.	Loss ratio after reinsurance +/- Restatements/Additions of extraordinary items	Not applicable for this reporting date	Not applicable for this reporting date
Net cost ratio excluding restated and extraordinary items [C]				
Restatement or Addition of items considered as extraordinary to cost ratio after reinsurance: these include extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in cost ratios after reinsurance by excluding extraordinary items.	Cost ratio after reinsurance +/- Restatements/Additions of extraordinary items	Not applicable for this reporting date	Not applicable for this reporting date
Current year gross loss ratio - before reinsurance excluding claims handling expenses [D]				
Ultimate claims expense (after recourse) over earned premiums (after premium refunds) for the current year. The insurance period is exclusively the current year N.	Indicator used to calculate the loss ratio before reinsurance excluding claims handling expenses.	Claims for the current year/ Earned premiums for the current year see ultimate loss ratios development triangle	**80.4%**	**77.3%**

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Prior year gross loss ratio - before reinsurance excluding claims handling expenses [E]				
Corresponds to gains/losses for insurance periods prior to current year N excluded. A gain or loss corresponds to an excess or deficit of claims provisions compared with the loss ratio actually recorded.	Indicator used to calculate the loss ratio before reinsurance excluding claims handling expenses.	[E] = [F-D]	**-47.1%** = 33.3% - 80.4%	**-44.2%** = 33.1% - 77.3%
Comprehensive gross loss ratio - before reinsurance excluding claims handling expenses [F]				
Corresponds to the accounting loss ratio for all insurance periods (current year N and its prior years). This concerns the loss ratio before reinsurance excluding claims handling expenses.	Key indicator in loss monitoring.	- (Claims paid after recourse including change in claims reserves + change in provision for onerous contracts)/Earned premiums	**33.3%** = - (-519.6 + 0.6)/1,559.1	**33.1%** = - (-504.3 + 2.7)/1,515.7

** Operating expenses include overheads linked to the execution of additional services (business information and debt collection) inherent to the credit insurance business. These also include overheads for service businesses carried out by the Group, such as factoring. In order for the cost ratio calculated by the Group to be comparable to the cost ratio calculated by other main market players, "Other revenue", namely the revenue generated by the additional businesses (non-insurance), is deducted from overheads.*

e) Alternative performance measures related to equity:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
RoATE - Return on average tangible equity				
Net income (Group share) over average tangible equity (average equity (Group share) for the period restated for intangible assets)	The RoATE is used to measure the return on the Coface Group's invested capital.	Net income (Group share) for year N/[(Equity (Group share) N-1, restated for intangible assets N-1 + Equity (Group share) restated for intangible assets N)/2]	**13.4%** = 240.5/[(1,811 + 1,780)/2]	**12.7%** = 240.4/[(1,780 + 2,000)/2]
RoATE excluding non-recurring extraordinary items				
The calculation of RoATE (see definition of RoATE above) is based on net income excluding extraordinary items and average tangible equity (see RoATE definition above) excluding extraordinary items. For this calculation, interest or commissions linked to capital management instruments (such as hybrid debt, contingent capital) are not considered as extraordinary items.	RoATE excluding extraordinary items is used to monitor the Group's profitability between two reporting periods.	Net income (Group share) for year N excluding extraordinary items/[(Equity (Group share) excluding extraordinary items N-1, restated for intangible assets N-1 + Equity (Group share) excluding extraordinary items N restated for intangible assets N)/2]	Not applicable for this reporting date	Not applicable for this reporting date

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f) Alternative performance measures related to the investment portfolio:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Accounting rate of return of financial assets				
Investment income after income from equity and interest rate derivatives and before income from equity securities, currencies and currency derivatives and financial expenses divided by the balance sheet total of financial assets excluding equity securities.	Indicator used to monitor the accounting performance of the financial assets portfolio.	Investment portfolio income/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**2.0%** = 61.2/(((3,341 - 47) + (3,022 - 85))/2)	**2.1%** = 62.3/(((3,022 - 85) + (3,220 - 152))/2)
Accounting rate of return of financial assets excluding income from disposals				
Investment income before net gains on disposals, impairment and reversals, income from equity and interest rate derivatives, equity securities, currencies, currency derivatives and financial expenses, divided by the balance sheet total of financial assets excluding equity securities.	Indicator used to monitor the recurring accounting performance of the financial assets portfolio.	Investment portfolio income excluding net gains on disposals/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**2.1%** = (61.2 --3.7)/(((3,341 - 47) + (3,022 - 85))/2)	**1.5%** = (62.3 - 17.7)/(((3,022 - 85) + (3,220 - 152))/2)
Economic rate of return of financial assets				
Economic performance of the asset portfolio. This measures the change in revaluation reserves for the year over the balance sheet total of financial assets plus the accounting rate of return.	Indicator used to monitor the economic performance of the financial assets portfolio.	Accounting rate of return on financial assets + (revaluation reserves of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N - revaluation reserves of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**4.0%** = (61.2 + -98.2 - -159.8)/(((3,341 - 47) + (3,022 - 85))/2)	**-6.5%** = (62.3 + -151.5 -106.0)/(((3,022 - 85) + (3,220 - 152))/2)
Investment portfolio income				
Investment portfolio income (shares/fixed income instruments and real estate).	Used to monitor income from the investment portfolio only.	Income from shares excluding equity securities + income from fixed income instruments + real estate income + income from equity and interest rate derivatives	**€61.2m** = 3.7 + 81.6 + -24.7 + 0.7	**€62.3m** = 34.6 + -6.4 + 25.1 + 9.1
Other				
Foreign exchange income, income from equity securities and investment fees	Used to monitor income from equity securities, foreign exchange income and fees relating to investments	Foreign exchange income + income from equity securities + investment fees	**-€48.8m** = -38.7 + 3.3 + -13.4	**-€22.1m** = -15.8 + 2.7 + -9.0

g) Alternative performance measures linked to reinsurance:

DEFINITION	EXPLANATION	RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON - €M 2023	2022
Ceded premiums/Gross earned premiums (rate of ceded premiums)				
Weight of ceded premiums compared with earned premiums. Ceded premiums correspond to the share of earned premiums that Coface cedes to its reinsurers under reinsurance treaties signed with them. Earned premiums correspond to the sum of written premiums and provisions on earned premiums not written.	Indicator used to monitor changes in reinsurance income.	- (Ceded premiums (including change in premiums provisions)/ Earned premiums)	**27.2%** = -(-424.0/1,559.1)	**27.0%** = -(-408.8/1,515.7)
Ceded claims/Total claims (rate of ceded claims)				
Weight of ceded claims compared with total claims. Ceded claims correspond to the share of claims that Coface cedes to its reinsurers under reinsurance treaties signed with them.	Indicator used to monitor changes in reinsurance income.	- Ceded claims (including change in provisions for claims net of recourse + change in provision for onerous contracts)/Total claims (including claims handling expenses)	**23.3%** = -(130.6-0.3)/ [(-519.6+0.6) + (-39.0)]	**18.4%** = -(99.3-0.6)/ [(-504.3+2.7) + (-36.1)]
Underwriting income before/after reinsurance (underwriting income gross/net of reinsurance)				

See definition above (Financial indicators)

Underwriting income before and after reinsurance is now reported directly in the income statement following changes in its presentation.

3.8 INVESTMENTS OUTSIDE THE INVESTMENT PORTFOLIO

Information can be found in Note 5 “Operating building and other tangible assets” of the Group’s consolidated financial statements.

CONSOLIDATED BALANCE SHEET
& INCOME STATEMENT

SIGNIFICANT EVENTS
& SCOPE OF CONSOLIDATION

NOTES AND APPENDICES
CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

4

FINANCIAL ITEMS

4.1 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 Consolidated balance sheet

ASSET

(in thousands euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022*	JAN. 1ST, 2022*
Intangible assets		**239,715**	**238,835**	**229,951**
Goodwill	1	155,309	155,960	155,529
Other intangible assets	2	84,405	82,876	74,423
Financial assets	**3**	**3,341,112**	**3,015,136**	**3,213,422**
Real estate investments	3	288	288	288
Investments at amortized cost	3	143,211	102,088	87,507
Investments at FV/OCI	3	2,367,309	2,902,405	3,115,154
Investments at FV P&L	3	827,903	26	15
Derivatives and separate embedded derivatives	3	2,402	10,330	10,458
Receivables from bank and other activities	**4**	**2,903,980**	**2,906,639**	**2,690,125**
Assets - Ceded insurance contracts	**15**	**384,810**	**356,217**	**288,647**
Other assets	**6**	**533,107**	**515,650**	**484,238**
Operating building and other tangible assets	5	85,488	94,613	105,809
Deferred tax assets	17	89,899	90,693	64,078
Net clients	6	54,319	50,062	59,489
Current tax receivable	6	73,447	66,612	75,682
Other receivables	6	229,954	213,670	179,180
Cash and equivalents	**7**	**495,558**	**553,786**	**362,441**
TOTAL ASSETS		**7,898,282**	**7,586,265**	**7,268,824**

** IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative columns December 31, 2022 and January 1, 2022 are reclassifications without IFRS 9 application.*

LIABILITY

(in thousands euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022*	01/01/2022*
Capital and reserves - Group share		**2,050,765**	**2,018,606**	**2,229,547**
Capital and assimilated	8	300,360	300,360	300,360
Share capital premiums		723,501	723,501	810,420
Retained earnings		899,233	835,265	738,244
Other comprehensive income		(112,832)	(80,968)	156,708
Net income - Group share		240,500	240,446	223,817
Capital - minority interests excluding unrealized and deferred gains or losses		**2,173**	**2,266**	**362**
Total equity		**2,052,938**	**2,020,871**	**2,229,909**
Contingency reserve	**11**	**73,942**	**68,662**	**85,748**
Financial debts	**13**	**831,743**	**534,280**	**390,553**
Lease liabLities - Leasing	**14**	**67,621**	**74,622**	**81,930**
Liabilities - Issued insurance contracts	**15**	**1,468,406**	**1,432,580**	**1,250,493**
Ressources des activités du secteur bancaire	**16**	**2,893,072**	**2,927,389**	**2,698,525**
Amounts due to banking sector companies	16	762,907	743,230	822,950
Amounts due to customers ok banking sector companies	16	474,446	389,300	376,800
Debt securities	16	1,655,719	1,794,858	1,498,775
Other liabilities	**18**	**510,560**	**527,861**	**531,666**
Deferred tax liabLity	17	143,886	125,441	153,422
Current tax liabLity	18	51,917	61,681	80,712
Derivatives and related payables	18	27	222	3,480
Other payables	18	314,730	340,516	294,052
TOTAL LIABILITIES		**7,898,282**	**7,586,265**	**7,268,824**

** IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative columns December 31, 2022 and January 1, 2022 are reclassifications without IFRS 9 application.*

4.1.2 Consolidated income statement

(in thousands euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022*
Gross written premiums		1,694,189	1,666,489
Premium refunds		(129,073)	(139,102)
Net change in unearned premium provisions		(6,053)	(11,725)
Insurance Revenue	**19**	**1,559,063**	**1,515,663**
Claims expenses	20	(558,644)	(540,425)
Attribuable costs	21	(546,999)	(531,463)
Loss component & reversal of loss component		596	2,735
Insurance Service Expenses		**(1,105,047)**	**(1,069,153)**
INSURANCE SERVICE REVENUE, BEFORE REINSURANCE		**454,016**	**446,510**
Income and expenses from ceded reinsurance	23	(104,240)	(138,640)
INSURANCE SERVICE REVENUE		**349,776**	**307,870**
Fee and commission income		171,374	158,574
Net income from banking activites		72,686	70,414
Income from services activites		65,109	54,380
Other revenue	**19**	**309,168**	**283,367**
Non attribuable expenses from insurance activity	21	(106,515)	(98,815)
G&A - Investigation expenses - Services	22	(14,018)	(14,331)
G&A – Overheads Services	21	(142,470)	(129,766)
Operating expenses		**(263,003)**	**(242,913)**
Risk cost	**22**	**(534)**	**308**
INCOME AFTER REINSURANCE, OTHER REVENUES AND COST OF RISK		**395,407**	**348,633**
Investment income, net of management expenses	24	12,427	35,699
Insurance finance income or expenses	24	(52,642)	(8,432)
Insurance finance income or expenses from ceded reinsurance	23	12,683	(9,119)
Net Financial income	**24**	**(27,533)**	**18,148**
CURRENT OPERATING INCOME		**367,874**	**366,782**
Other operating income and expenses	25	(4,952)	(9,537)
OPERATING INCOME		**362,922**	**357,245**
Financial costs		(34,269)	(29,605)
Income tax expenses	26	(88,033)	(86,923)
CONSOLIDATION NET INCOME BEFORE NON-CONTROLLING INTERESTS		**240,620**	**240,717**
Net income - minority interests		(120)	(273)
NET INCOME FOR THE YEAR		**240,500**	**240,444**

** IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative column December 31, 2022 are reclassifications without IFRS 9 application.*

4.1.3 Consolidated statement of comprehensive income

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022*
Net income of the period	240,500	240,444
Non-controlling interests	120	273
Other comprehensive income		
Currency translation differences reclassifiable to income	**(14,222)**	**594**
Reclassified to income		
Recognised in equity	(14,222)	594
Fair value adjustments on financial assets through OCI - Recycling	**51,583**	**(264,948)**
Recognised in equity – reclassifiable to income – gross	66,820	(310,341)
Recognised in equity – reclassifiable to income – tax effect	(13,498)	54,626
Reclassified to income – gross	(3,618)	(12,861)
Reclassified to income – tax effect	1,879	3,629
Fair value adjustments on financial assets through OCI - Not Recycling	**(26,597)**	**0**
Recognised in equity – not reclassifiable to income – gross	(24,445)	0
Recognised in equity – not reclassifiable to income – tax effect	(2,152)	0
Financial result linked to insurance and reinsurance contracts	**(3,271)**	**17,374**
Recognised in equity – reclassifiable to income – gross	(4,587)	22,469
Recognised in equity – reclassifiable to income – tax effect	1,316	(5,095)
Fair value adjustments on employee benefit obligations	**(2,140)**	**9,310**
Recognised in equity – not reclassifiable to income – gross	(2,794)	13,015
Recognised in equity – not reclassifiable to income – tax effect	655	(3,705)
Other comprehensive income of the period, net of tax	**5,354**	**(237,669)**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**245,974**	**3,047**
• attributable to owners of the parent	246,074	2,778
• attributable to non-controlling interests	(100)	270

** Restated from IFRS 17, without application of IFRS 9. The changes to the wording of the comparative column December 31, 2022 constitute reclassifications without application of the provisions of IFRS 9.*

4.1.4 Statement of changes in equity

(in thousands of euros)	SHARE CAPITAL	PREMIUMS	CONSOLIDATED RESERVES	TREASURY SHARES
EQUITY AS AT DEC. 31, 2021	**300,360**	**810,420**	**660,526**	**(15,719)**
Insurance contracts first application of impact IFRS 17			95,711	
Other impacts			(2,274)	
Equity as at JAN. 1, 2022 restated IFRS 17	**300,360**	**810,420**	**753,963**	**(15,719)**
2021 net income to be appropriated			223,817	
Payment of 2021 dividends in 2022		(86,868)	(137,161)	
Total transactions with owners	0	(86,868)	86,656	0
DEC. 31, 2022 net income restated IFRS 17				
Fair value adjustments on available-for-sale financial assets recognized in equity				
Fair value adjustments on available-for-sale financial assets reclassified to income statement				
Insurance financial result in equity according to IFRS 17				
Change in actuarial gains and losses (IAS 19R)				
Currency translation differences				
Treasury shares elimination				(3,430)
Free share plans expenses			2,203	
Hyperinflation impacts			16,172	
Transactions with shareholders and others		(51)	(4,580)	
Equity as at DEC. 31, 2022 restated IFRS 17	**300,360**	**723,501**	**854,414**	**(19,149)**
Financial instruments first application of impact IFRS 9			37,662	
IFRS 17 Equity as at JAN. 1, 2023 restated IFRS 17 & IFRS 9	**300,360**	**723,501**	**892,076**	**(19,149)**
2022 net income to be appropriated			240,448	
Payment of 2022 dividends in 2023			(226,953)	
Total transactions with owners			13,495	
DEC. 31, 2023 net income				
Fair value adjustments on financial assets recognized in equity				
Fair value adjustments on financial assets reclassified to income statement				
Insurance financial result in equity according to IFRS 17				
Change in actuarial gains and losses (IAS 19R)				
Currency translation differences				
Treasury shares elimination				(4,465)
Free share plans expenses			2,218	
Hyperinflation impacts			13,120	
Transactions with shareholders and others		0	1,938	
EQUITY AS AT DEC. 31, 2023	**300,360**	**723,501**	**922,847**	**(23,614)**

OTHER COMPREHENSIVE INCOME						
FOREIGN CURRENCY TRANSLATION RESERVE	**RECYCABLES REVALUATION RESERVES**	**NOT RECYCLABLES REVALUATION RESERVES**	**NET INCOME FOR THE PERIOD**	**EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
(28,602)	**212,733**	**(22,493)**	**223,817**	**2,141,041**	**309**	**2,141,351**
	(4,931)			90,781	53	90,834
				(2,274)		(2,274)
(28,602)	**207,803**	**(22,493)**	**223,817**	**2,229,548**	**362**	**2,229,911**
			(223,817)	0		0
				(224,029)	(14)	(224,043)
0	0	0	(223,817)	(224,029)	(14)	(224,043)
			240,448	240,448	273	240,721
	(255,684)			(255,684)	(32)	(255,715)
	(9,232)			(9,232)		(9,232)
	17,315			17,315	59	17,374
		9,310		9,310		9,310
615				615	(21)	594
				(3,430)		(3,430)
				2,203		2,203
				16,172		16,172
				(4,631)	1,639	(2,992)
(27,987)	**(39,798)**	**(13,183)**	**240,448**	**2,018,606**	**2,266**	**2,020,872**
	(56,379)	18,879		161	(2)	159
(27,987)	**(96,177)**	**5,696**	**240,448**	**2,018,767**	**2,264**	**2,021,031**
			(240,448)			
				(226,953)	(6)	(226,959)
			(240,448)	(226,953)	(6)	(226,959)
			240,500	240,500	120	240,620
	53,349	(26,597)		26,752	6	26,758
	(1,739)			(1,739)		(1,739)
	(3,249)			(3,249)	8	(3,241)
		(2,140)		(2,140)		(2,140)
(13,988)				(13,988)	(233)	(14,222)
				(4,465)	0	(4,465)
				2,218	0	2,218
				13,120		13,120
	0			1,938	16	1,954
(41,975)	**(47,816)**	**(23,041)**	**240,500**	**2,050,765**	**2,173**	**2,052,938**

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4.1.5 Consolidated statement of cash flows

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022*
Net income for the period	**240,500**	**240,444**
Non-controlling interests	120	273
Income tax expense	88,033	86,923
Finance costs	34,269	29,605
Operating income (A)	**362,922**	**357,245**
+/- Depreciation, amortization and impairment losses	40,672	40,712
+/- Net additions to/reversals from technical provisions	42,097	208,485
+/- Fair value adjustments on financial instruments recognized at fair value through income	21,677	(0)
+/- Unrealized foreign exchange income/loss	27,172	2,469
+/- Non-cash items	(28,664)	(11,888)
Total non-cash items (B)	***102,955***	***239,778***
Gross cash flows from operations (C) = (A) + (B)	***465,877***	***597,023***
Change in operating receivables and payables	(41,691)	(57,931)
Net taxes paid	(98,852)	(95,454)
Net cash related to operating activities (D)	***(140,542)***	***(153,385)***
Increase (decrease) in receivables arising from factoring operations	36,082	(224,891)
Increase (decrease) in payables arising from factoring operations	(53,993)	308,595
Increase (decrease) in factoring liabilities	(13,156)	(71,397)
Net cash generated from banking and factoring operations (E)	***(31,068)***	***12,307***
Net cash generated from operating activities (F) = (C+D+E)	**294,267**	**455,945**
Acquisitions of investments	(318,038)	(1,602,794)
Disposals of investments	11,123	1,510,520
Net cash used in movements in investments (G)	***(306,915)***	***(92,273)***
Acquisitions of consolidated subsidiaries, net of cash acquired	4,055	3,592
Disposals of consolidated companies, net of cash transferred	(0)	(0)
Net cash used in changes in scope of consolidation (H)	***4,055***	***3,592***
Acquisitions of property, plant and equipment and intangible assets	(25,443)	(32,751)
Disposals of property, plant and equipment and intangible assets	481	1,617
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)	***(24,962)***	***(31,134)***
Net cash used in investing activities (J) = (G+H+I)	**(327,822)**	**(119,816)**
Proceeds from the issue of equity instruments	(0)	(0)
Treasury share transactions	(4,464)	(3,430)
Dividends paid to owners of the parent	(226,953)	(224,029)
Dividends paid to non-controlling interests	(6)	(15)
Cash flows related to transactions with owners	***(231,424)***	***(227,473)***
Proceeds from the issue of debt instruments	296,037	410,095
Cash used in the redemption of debt instruments	(0)	(273,338)
Lease liabilities variations	(18,678)	(16,674)
Interests paid	(32,009)	(32,478)
Cash flows related to the financing of Group operations	***245,351***	***87,605***
Net cash generated from (used in) financing activities (K)	**13,927**	**(139,868)**
Impact of changes in exchange rates on cash and cash equivalents (L)	**(38,601)**	**(4,917)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)	**(58,228)**	**191,345**
Net cash generated from operating activities (F)	294,267	455,945
Net cash used in investing activities (J)	(327,822)	(119,816)
Net cash generated from (used in) financing activities (K)	13,927	(139,868)
Impact of changes in exchange rates on cash and cash equivalents (L)	(38,601)	(4,917)
Cash and cash equivalents at beginning of period	**553,786**	**362,441**
Cash and cash equivalents at end of period	**495,558**	**553,786**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(58,228)**	**191,345**

** IFRS 17 restated, without application of IFRS 9.*

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

BASIS OF PREPARATION

These IFRS consolidated financial statements of the Coface Group as at December 31, 2023 are established in accordance with the International Financial reporting Standards (IFRS) as published by the IASB and as adopted by the European Union [1]. They are detailed in the Note "Accounting principles".

The balance sheet and income statement are presented with comparative financial information as of December 31, 2022 restated for the new IFRS 17 standard.

These IFRS consolidated financial statements for the year ended December 31, 2023 were reviewed by the Coface Group's Board of Directors on February 27, 2024 and previously reviewed by the Audit Committee on February 26, 2024.

SIGNIFICANT EVENTS

Acquisition of North America data analytics boutique Rel8ed

On January 30, 2023, Coface announced the acquisition of North American data analytics boutique Rel8ed. The acquisition brings new, rich data sets and analytics capabilities, which will benefit Coface trade credit insurance as well as the company's business information customers and teams.

Financial and non-financial rating agency

AM Best affirms Coface's main operating subsidiaries rating at A (Excellent) with a stable outlook

On May 19, 2023, the rating agency AM Best affirmed the A (Excellent) Insurer Financial Strength – IFS rating of Compagnie française d'assurance pour le commerce extérieur (la Compagnie), Coface North America Insurance Company (CNAIC) and Coface Re. The outlook for these ratings remain "stable".

Moody's upgrades Coface's main operating company to A1 IFSR, stable outlook

The rating agency Moody's, on September 28, 2023, has upgraded the financial strength rating (Insurance Financial Strength Rating – IFSR) for Coface to A1 from A2. The agency has also changed the outlook for Coface to stable from positive.

Fitch affirms Coface AA- rating, with 'stable' outlook

On November 9, 2023, the rating agency Fitch affirmed Coface AA- Insurer Financial Strength (IFS) rating. The outlook remains stable.

Launch of ALYX, a new all-in-one credit management platform

On June 6, 2023, Coface announced the launch of a new digital trade credit risk management platform for its policyholders. Named Alyx, it allows Coface's customers to automate and centralize their credit risk management from lead to cash.

The platform was built and is proposed in partnership with CreditDevice, a Dutch software company specialized in commercial credit risk management. At first, Alyx will be proposed primarily to mid-market clients in France, Germany, Denmark, and in Norway.

Issuance tier 2 Notes

On November 27, 2023, COFACE SA announced the issuance of €300,000,000 tier 2 Notes bearing a fixed interest rate of 5.750 percent., due on November 28, 2033.

SCOPE OF CONSOLIDATION

Change in the scope of consolidation in 2023

First-time consolidation

During the year 2023, four entities that have been exclusively owned for several years were consolidated. These are Coface Hungary Insurance services, Coface Service Colombia Ltda., Coface Services Japan and Coface Adriatics.

Other changes in consolidation scope: exit from consolidation scope, merger, change in interest percentage

Coface Austria Kreditversicherung Service GmbH was absorbed by Coface Central Europe Holding AG.

Special purpose entities (SPE)

SPEs used for the credit insurance business

Coface's credit enhancement operations consist of insuring, *via* a special purpose entity (SPE), receivables securitised by a third party through investors, for losses in excess of a predefined amount. In this type of operation, Coface has no

1) *The standards adopted by the European Union can be consulted on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements*

role whatsoever in determining the SPE's activity or its operational management. The premium received on the insurance policy represents a small sum compared to all the benefits generated by the SPE, the bulk of which flow to the investors.

Coface does not sponsor securitisation arrangements. It plays the role of mere service provider to the special purpose entity by signing a contract with the SPE. In fact, Coface holds no power over the relevant activities of the SPEs involved in these arrangements (selection of receivables in the portfolio, receivables management, etc.). No credit insurance SPEs were consolidated within the financial statements.

SPEs used for financing operations

Since 2012, Coface has put in place an alternative refinancing solution to the liquidity line granted by Natixis for the Group's factoring business in Germany and Poland (SPEs used for financing operations).

Under this solution, every month, Coface Finanz – a Group factoring company – sells its factored receivables to a French SPV (special purpose vehicle), the FCT Vega securitisation fund. The sold receivables are covered by credit insurance.

The securitisation fund acquires the receivables at their nominal value less a discount (determined on the basis of the portfolio's past losses and refinancing costs). To obtain refinancing, the fund issues (i) senior units to the conduits (one conduit per bank) which in turn issue ABCP (asset-backed commercial paper) on the market, and (ii) subordinated units to Coface Factoring Poland. The Coface Group holds control over the relevant activities of the FCT.

The FCT Vega securitisation fund is consolidated in the Group financial statements.

SPEs used for investing operations

The "Colombes" mutual funds were set up in 2013 to centralise the management of the Coface Group's investments. The administrative management of these funds has been entrusted to Amundi, and Caceis has been selected as custodian and asset servicing provider.

The European branches of Compagnie Française d'Assurance pour le commerce extérieur, which do not have any specific local regulatory requirements, participate in the centralized management of their assets, set up by the Compagnie française d'assurance pour le commerce extérieur. They receive a share of the global income resulting from the application of an allocation key representing the risks subscribed by each branch and determined by the technical accruals.

Fonds Lausanne was created in 2015 in order to allow Coface Ré to subcribe for parts in investment funds, the management is delegated to Amundi, the custodian is Caceis Switzerland and the asset servicing provider is Caceis.

The three criteria established by IFRS 10 for consolidation of the FCP Colombes and FCP Lausanne funds are met. Units in dedicated mutual funds (UCITS) have been included in the scope of consolidation and are fully consolidated. They are fully controlled by the Group.

All of Coface entities are consolidated by full integration method.

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
COUNTRY	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2023	DEC. 31, 2023	DEC. 31, 2022	DEC. 31, 2022
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 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%

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
COUNTRY	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2023	DEC. 31, 2023	DEC. 31, 2022	DEC. 31, 2022
France	Fonds Colombes 6	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgium Services	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface 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	-	0,00%	0,00%	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*	
Hungary	Coface Hungary Insurance services	Full	100,00%	100,00%	Non consolidated	
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 Bucuresti	-	Branch*		Branch*	
Romania	Coface Technologie - Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného členského štátu	-	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%
Croatia	Coface Adriatics	Full	100,00%	100,00%	Non consolidated	
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	BDI – Coface (business data Israel)	Full	100,00%	100,00%	100,00%	100,00%
South Africa	Coface South Africa	Full	75,00%	75,00%	75,00%	75,00%
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%	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%

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
COUNTRY	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2023	DEC. 31, 2023	DEC. 31, 2022	DEC. 31, 2022
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%	100,00%	100,00%
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Colombia	Coface Service Colombia Ltda.	Full	94,98%	100,00%	Non consolidated	
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Japan	Coface Services Japan	Full	100,00%	100,00%	Non consolidated	
Singapore	Coface Singapour	-	Branch*		Branch*	
New Zealand	Coface New Zealand Branch	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	

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

ACCOUNTING POLICIES

1. Applicable standards

Pursuant to European regulation 1606/2002 of July 19, 2002, Coface's consolidated financial statements for the period ended December 31, 2023 were prepared in accordance with IAS/IFRS and IFRIC interpretations as adopted by the European Union and applicable at that date.

Texts applicable from January 1, 2023

The amendments to IAS 1 "Disclosure of Accounting Policies" and IAS 8 "Definition of an Accounting Estimate" were published in the Official Journal of the European Union on March 3, 2022 and are applicable to periods beginning on or after January 1, 2023, with the option of early application. These amendments have no impact on Coface's financial statements.

The amendment to IAS 12 "Deferred tax on assets and liabilities arising from the same transaction" was published in the Official Journal of the European Union on August 12, 2022 and is applicable to periods beginning on or after January 1, 2023, with the option of early application. This amendment has already been applied in Coface's financial statements.

The amendment to IAS 12 "International Tax Reform – Pillar 2" was published in the Official Journal of the European Union on November 9, 2023 and is applicable to periods beginning on or after January 1, 2023. This amendment relates to the mandatory temporary exemption from deferred tax recognition associated with the new "Global rules to combat erosion of the tax base" (commonly referred to as the "GloBE Rules" or "Pillar 2") (see Accounting principles and methods, 4.12.iii).

The Group first adopted IFRS 17 and IFRS 9 on January 1, 2023.

2. First-time adoption of IFRS 17 Insurance Contracts

IFRS 17, published on May 18, 2017 and endorsed by the European Union on November 23, 2021, replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted.

2.1 Transition methods

As required by the standard, the date of transition to IFRS 17 is January 1, 2022 and comparative information at the time of adoption of IFRS 17 has been restated in accordance with IAS 8.

2.2 Impact as at January 1, 2022

The total adjustment (after tax) to Group shareholders' equity is an increase of €91 million as at January 1, 2022, as summarised below:

In millions of euros	JANUARY 1, 2022
Adjustment before deferred tax	**119**
Deferred tax adjustment	(28)
Impact of adopting IFRS 17	**91**

The detail of the adjustment on the balance sheet as at January 1, 2022 is disclosed bellow:

ASSETS AS AT 1 JANUARY 2022 *(in millions euros)*	IFRS 4 PUBLISHED	IFRS 4 DERECOGNITION	IFRS 17 RECOGNITION OF INSURANCE CONTRACTS	IFRS 17 RESTATED
Goodwill and other intangible assets	230.0			230.0
Financial assets	3,213.4			3,213.4
Factoring receivables	2,690.1			2,690.1
Reinsurers' share of insurance liabilities	512.2	(512.2)	289.0	289.0
Receivables arising from insurance and reinsurance operations	517.0	(517.0)		-
Deferred acquisition costs	38.9	(38.9)		-
Deferred tax assets	58.3	137.1	(131.1)	63.9
Other assets	779.0		2.5	781.5
TOTAL ASSETS	**8,039.0**	**(931.0)**	**160.4**	**7,267.9**

LIABILITY AS AT 1 JANUARY 2022 *(in millions euros)*	IFRS 4 PUBLISHED	IFRS 4 DERECOGNITION	IFRS 17 RECOGNITION OF INSURANCE CONTRACTS	IFRS 17 RESTATED
Group shareholder's net equity	**2,141.0**	**1,029.0**	**(937.9)**	**2,232.0**
Factoring debts	2,698.5			2,698.5
Liabilities related to insurance contracts	1,859.1	(1,858.5)	1,250.3	1,250.5
Payables arising from insurance and reinsurance operations	286.6	(286.6)		-
Deferred tax liabilities	120.3	185.1	(152.0)	153.4
Other liabilities	933.5			933.5
TOTAL LIABILITIES	**8,039.0**	**(931.0)**	**160.4**	**7,267.9**

2.3 Impact on 2022 income statement

The reconciliation between the 2022 income statement published in IFRS 4 and the one restated in IFRS 17 is the following:

31/12/2022 *(in millions of euros)*	IFRS 4 PUBLISHED*	IFRS 4 DERECOGNITION	IFRS 17 RECOGNITION OF INSURANCE CONTRACTS	IFRS 17 RESTATED
Gross written premiums	**1,698.3**	(16.5)	(15.3)	**1,666.5**
Premium refunds	**(142.1)**	29.0	(25.9)	**(139.1)**
Net change in unearned premium provisions	**(28.7)**	28.7	(11.7)	**(11.7)**
Insurance Revenue	**1,527.5**	41.2	(53.0)	**1,515.7**
Claims expenses	**(476.8)**	128.0	(191.7)	**(540.4)**
Attribuable costs	**-**	-	(531.5)	**(531.5)**
Loss component & reversal of loss component	**-**	-	2.7	**2.735**
Insurance Service Expenses	**(476.8)**	128.0	(720.4)	**(1,069.2)**
Insurance Service Revenue, before reinsurance	**1,050.7**	169.2	(773.4)	**446.5**
Income and expenses from ceded reinsurance	**(146.61)**	12.0	(4.0)	**(138.6)**
Insurance Service Revenue	**904.1**	181.2	(777.4)	**307.9**
Other revenue	**284.5**	-	(1.1)	**283.4**
Operating expenses	**(806.4)**	(6.7)	570.1	**(242.9)**
Risk cost	**0.3**	-	-	**0.3**
Income after reinsurance, other revenues and cost of risk	**382.5**	174.6	(208.5)	**348.6**
Investment income, net of management expenses	**40.1**	-	(4.4)	**35.7**
Insurance finance income or expenses	**-**	-	(8.4)	**(8.4)**
Insurance finance income or expenses from ceded reinsurance	**-**	-	(9.1)	**(9.1)**
Net Financial income	**40.1**		(22.0)	**18.1**
Current operating income	**422.6**	174.6	(230.4)	**366.8**

31/12/2022 *(in millions of euros)*	IFRS 4 PUBLISHED*	IFRS 4 DERECOGNITION	IFRS 17 RECOGNITION OF INSURANCE CONTRACTS	IFRS 17 RESTATED
Other operating income and expenses	**(9.1)**		(0.4)	**(9.5)**
Operating income	**413.6**	174.6	(230.9)	**357.2**
Financial costs	**(29.6)**	-	-	**(29.6)**
Income tax expenses	**(100.6)**	(44.5)	58.2	**(86.9)**
Consolidation net income before non-controlling interests	**283.4**	130.1	(172.7)	**240.7**
Net income - minority interests	**(0.3)**	-	-	**(0.3)**
NET INCOME FOR THE YEAR	**283.1**	**130.1**	**(172.7)**	**240.4**

** Published IFRS 4 with IFRS 17 format: The wording changes constitue reclassifications without IFRS 17 application.*
Due to the reconciliation table, the whole overheads are presented under IFRS 4 in "Operaring expenses". Under IFRS 17, those overheads are allocated between attributable costs impacting the Insurance service revenue and the non attributable costs (Operating expenses).

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3. IFRS 9 Financial instruments first application

3.1 Transition methods

IFRS 9 Financial Instruments, replacing IAS 39, has been in force since January 1, 2018. However, the Group had applied the temporary exemption from IFRS 9 offered for its insurance entities and entities whose activities are related to insurance (service entities, consolidated funds). Consequently, the Group first adopted IFRS 9 on January 1, 2023, without comparative information for prior periods, in accordance with the option offered by the standard.

IFRS 9 has already been applied to factoring entities since 2018, as required by the standard.

3.2 Impacts as at January 1, 2023

IFRS 9 affects the classification and measurement of financial assets held by the Group as at January 1, 2023 as follows:

- **derivative assets and liabilities,** which are classified as held for trading and measured at fair value in accordance with IAS 39, are also measured at fair value in accordance with IFRS 9;
- **under IFRS 9, debt instruments** classified as available-for-sale in accordance with IAS 39 may be measured at FVOCI or at FVPL, depending on the specific circumstances;
- **equity instruments** classified as available-for-sale under IAS 39 are measured at fair value under IFRS 9.

  However, the current portfolio of listed equity investments is held for long-term strategic purposes, and is designated at FVOCI on January 1, 2023. The same applies to investments in non-consolidated companies.

  Consequently, all fair value gains and losses on these two categories of shares are recognised in other comprehensive income, no impairment loss is recognised in the income statement, and no gain or loss will be reclassified to the income statement on disposal of these investments;
- **held-to-maturity investments** measured at amortised cost under IAS 39 are measured at fair value or amortised cost under IFRS 9;
- **loans and receivables** measured at amortised cost under IAS 39 are also measured at amortised cost under IFRS 9.

As the majority of the Group's financial assets are measured at fair value before and after the transition to IFRS 9, the new classification requirements do not have a material impact on the Group's total shareholders' equity as at January 1, 2023. The Group's total shareholders' equity is therefore only affected by reclassifications between the amortised cost and fair value measurement categories.

The new impairment requirements result in additional loss provisions for the Group, mainly on debt instruments valued at FVOCI. However, this has no impact on the Group's total shareholders' equity, as the loss recognised is offset by a change in fair value revaluation in the opposite direction; indeed, the recognition of provisions for losses does not reduce the carrying amount of these investments, which remains at fair value.

Summary of reclassifications by category

The following tables summarise the reclassifications between IAS 39 and IFRS 9 by instrument category.

Net of provisions

	(in thousands of euros)	IFRS 9 BALANCE SHEET VALUE	TRANSFER TO FVR	TRANSFER TO ASSETS AT FV OCI RECYCLABLE	TRANSFER TO ASSETS AT FV OCI NO RECYCLABLE	TRANSFER TO ASSETS AT AMOR-TIZED COST	TRANS-FER TO DERIVA-TIVES	CANCEL-LATION OF IAS 39 REVALUA-TION BY OCI RESERVES	OCI REVALUATION UNDER IFRS 9	CARRYING AMOUNT RESTA-TEMENT UNDER IFRS 9 VIA THE FTA RESERVE	IFRS 9 BALANCE SHEET VALUE
IAS 39	Assets to FVR	26	(26)								
	AFS	2,902,405	(499,766)	(2,236,992)	(162,592)	(3,054)					
	Loans and receivables	100,246				(100,246)					
	HTM	1,842		(1,842)							
	Derivatives	10,108					(10,108)				
	TOTAL IAS 39 AT 31/12/2022	**3,014,627**									
IFRS 9	FVR - Debt instruments - no SPPI		23,079					3,388		(3,388)	23,079
	FVR - Equity instrument		476,714					(11,727)		11,727	476,714
	FV OCI R -Debt instruments			2,238,834				154,830	(154,193)	(422)	2,239,050
	FV OCI NR - Equity instrument				162,592			(63,055)	30,460	32,596	162,592
	Amortized cost-Debt instruments					3,054					3,054
	Amortized cost - Loans and receivables					100,246					100,246
	Derivatives						10,108				10,108
	TOTAL IFRS 9 AT 01/01/2023										**3,014,842**

The difference of €216k between IAS 39 and IFRS 9 corresponds to bonds which were previously (under IAS 39) classified as held to maturity (HTM) and which, under IFRS 9, are classified and therefore revalued at FVOCI.

Gross of provisions

	(in thousands of euros)	IFRS 9 BALANCE SHEET VALUE	TRANSFER TO FVR	TRANSFER TO ASSETS AT FV OCI RECYCLABLE	TRANSFER TO ASSETS AT FV OCI NO RECYCLABLE	TRANSFER TO ASSETS AT AMOR-TIZED COST	TRANS-FER TO DERIVA-TIVES	CANCEL-LATION OF IAS 39 REVALUATION BY OCI RESERVES	OCI REVALUATION UNDER IFRS 9	CARRYING AMOUNT RESTA-TEMENT UNDER IFRS 9 VIA THE FTA RESERVE	IFRS 9 BALANCE SHEET VALUE
IAS 39	Assets to FVR	26	(26)								
	AFS	2,940,981	(505,747)	(2,236,992)	(195,188)	(3,054)					
	Loans and receivables	100,246				(100,246)					
	HTM	1,842		(1,842)							
	Derivatives	10,108					(10,108)				
	TOTAL IAS 39 AT 31/12/2022	**3,053,203**									
IFRS 9	FVR - Debt instruments - no SPPI		23,079					3,388		(3,388)	23,079
	FVR - Equity instrument		482,695					(11,727)		5,746	476,714
	FV OCI R -Debt instruments			2,238,834				154,830	(154,193)		2,239,471
	FV OCI NR - Equity instrument				195,188			(63,055)	30,460		162,592
	Amortized cost-Debt instruments					3,054					3,054
	Amortized cost - Loans and receivables					100,246					100,246
	Derivatives						10,108				10,108
	TOTAL IFRS 9 AT 01/01/2023										**3,015,264**

Reconciliation between IAS 39 and IAS 37 impairment provisions and the expected credit loss under IFRS 9

This table presents details of the effects of the change related to the adoption of the new impairment methodology implemented under IFRS 9.

	(in thousands of euros)	IFRS 9 BALANCE SHEET VALUE	TRANSFER TO FVR	TRANSFER TO ASSETS AT FV OCI RECYCLABLE	TRANSFER TO ASSETS AT FV OCI NON RECYCLABLE	TRANS-FER TO ASSETS AT AMOR-TIZED COST	TRANS-FER TO ASSETS AT AMOR-TIZED COST	IMPAIRMENT RESTATEMENT UNDER IFRS 9	IFRS 9 BALANCE SHEET VALUE
IAS 39	AFS	(38,576)	5,981		32,596				
	Loans and receivables	0							
	HTM	0							
	TOTAL IAS 39 AU 31/12/2022	**(38,576)**							
IFRS 9	FVR - Debt instruments - no SPPI								0
	FVR - Equity instrument		(5,981)					5,981	0
	FV OCI R -Debt instruments							(422)	(422)
	FV OCI NR - Equity instrument				(32,596)			32,596	0
	Amortized cost- Debt instruments								0
	Amortized cost - Loans and receivables								0
	Consolidated equity shares impairment								0
	TOTAL IFRS 9 AT 01/01/2023								**(422)**

Financial instruments at fair value through equity under IAS 39 reclassified to amortised cost under IFRS 9

The Group has not reclassified any financial instruments from fair value through equity under IAS 39 to amortised cost under IFRS 9, and is therefore not concerned by these Notes.

Classification of financial instruments and impairment provisions by Bucket

In order to distinguish between the securities concerned by one or other ECL calculation methodology, IFRS 9 defines three different Buckets:

- Bucket 1, corresponding to “healthy” assets, for which the 12-month ECL method will be used;
- Bucket 2, corresponding to “deteriorated” assets that have undergone a significant deterioration in risk, for which the ECL at maturity calculation will be applied;
- Bucket 3 for “doubtful” assets, to which we will apply an ECL equal to the amortised cost of the securities.

An asset is considered doubtful if an objective indicator of issuer default is detected. For example, the Group considers coupon non-payment on any of the issuer’s issues to be an objective indicator.

The Bucket is not fixed in time, so a financial asset may change Bucket according to its sensitivity and evolution to credit risk. Bucket changes can therefore be made for any significant improvement or deterioration in credit risk.

GROSS OF PROVISION *(in thousands of euros)*	**IFRS 9 BALANCE SHEET VALUE**	**BUCKET 1**	**BUCKET 2**	**BUCKET 3**
FV OCI R - Debt instruments	2,239,471	2,200,687	38,784	0
Amortized cost - Debt instruments	3,054	3,054	0	0
Amortized cost - Loans and receivables	100,246	100,246	0	0
TOTAL AT 01/01/23	**2,342,771**	**2,303,987**	**38,784**	**0**

PROVISION *(in thousands of euros)*	**IFRS 9 BALANCE SHEET VALUE**	**BUCKET 1**	**BUCKET 2**	**BUCKET 3**
FV OCI R - Debt instruments	(422)	(318)	(103)	0
Amortized cost - Debt instruments	(0)	(0)	0	0
Amortized cost - Loans and receivables	0	0	0	0
TOTAL AT 01/01/23	**(422)**	**(318)**	**(103)**	**0**

NET OF PROVISION *(in thousands of euros)*	**IFRS 9 BALANCE SHEET VALUE**	**BUCKET 1**	**BUCKET 2**	**BUCKET 3**
FV OCI R - Debt instruments	2,239,050	2,200,369	38,681	0
Amortized cost - Debt instruments	3,054	3,054	0	0
Amortized cost - Loans and receivables	100,246	100,246	0	0
TOTAL AT 01/01/23	**2,342,349**	**2,303,669**	**38,681**	**0**

4. Significant accounting policies

4.1 Basis for consolidation

Consolidation methods

In accordance with IAS 1 "Presentation of Financial Statements", IFRS 10 "Consolidated Financial Statements" and IFRS 3 "Business Combinations", certain interests that are not material in relation to the Coface Group's consolidated financial statements are excluded from the scope of consolidation.

The notion of materiality results from the application of thresholds and a qualitative assessment of the relevance of the contribution of entities to Coface's consolidated financial statements. The main thresholds applicable are as follows:

Balance sheet total: €40 million;

Underwriting income: €5 million;

Net income: ±€2 million.

In addition, it is Group policy for all non-consolidated entities to distribute their entire distributable income, barring regulatory constraints and/or exceptional items.

Interests are consolidated as follows:

- fully consolidated, when Coface exercises control over these companies;
- by the equity method, when they are subject to significant influence.

All Coface Group entities are fully consolidated.

Under IFRS 10, control of an entity is assessed using three cumulative criteria: power over the entity's relevant activities, exposure to the entity's variable returns and power to influence the variable returns obtained from the entity. An analysis of the Coface Group's special-purpose entities is presented in the "Scope of consolidation" Note.

Intercompany transactions

Material intercompany transactions are eliminated from the balance sheet and income statement.

Accounting period balance sheet date and duration

The accounts are closed on December 31 of each year, and the accounting period runs for 12 months.

4.2 Foreign currencies

Translation of foreign currency transactions

In accordance with IAS 21, on initial recognition, transactions denominated in foreign currencies are translated into the functional currency of the entity concerned at the exchange rate prevailing on the transaction date; entities generally use the closing rate for the month preceding the transaction date, which is considered to be an approximation of the rate on the transaction date in the absence of significant fluctuations.

At each balance sheet date:

- monetary items are translated at the closing rate; groups of insurance and reinsurance contracts generating cash flows in foreign currencies are treated as monetary items;
- non-monetary items measured at historical cost are translated at the exchange rate prevailing on the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate at the date on which the fair value was determined.

Foreign exchange gains and losses are generally recognised in the income statement under net financial income/expense. However, those relating to the following items are recognised in other comprehensive income (OCI):

- The impact of the unwinding of discount on liabilities for claims incurred for which IFRS 17 offers the option of recognising them in OCI (difference between the unwinding of discount at the original rate and the unwinding of discount at the current rate) (E);

- equity investments designated at fair value through equity (FVOCI) under IFRS 9;
- financial investments classified as available-for-sale (AFS) under IAS 39 and derecognised as at January 1, 2023; and
- long-term receivables and payables relating to a consolidated company whose settlement is neither planned nor likely to occur in the foreseeable future.

Translation of financial statements of foreign subsidiaries and branches

Coface's consolidated financial statements are prepared in euros. The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the period-end rate, with the exception of capital and reserves, which are translated at the historical rate. The resulting translation differences are taken to other comprehensive income.

Income statement items are translated at the average exchange rate for the period, which is an approximation of the rate on the transaction date in the absence of significant fluctuations (IAS 21.40). The difference between the average exchange rate and the closing rate applied to the balance sheet is also recognised in other comprehensive income.

Hyperinflationary economies

The Group applies IAS 29 "Financial reporting in Hyperinflationary Economies" to its operations in Argentina in Argentine pesos (required since 2018) and in Turkey in Turkish lira (required since 2022).

As its credit insurance business is mainly conducted in US dollars, the Argentine branch now uses this currency as its functional currency. Consequently, IAS 29 does not apply to this activity (representing 1% of the Group's turnover).

4.3 Segment reporting

The Coface Group applies IFRS 8, which requires the presentation of segment information based on the Group's organisation as used by management to allocate resources and measure performance.

Accordingly, the segment information used by management corresponds to the following regions:

- Northern Europe;
- Western Europe;
- Central Europe;
- Mediterranean and Africa;
- North America;
- Latin America;
- Asia-Pacific.

No operating segments have been aggregated for the purposes of published segment information.

Geographical segmentation corresponds to the country of invoicing.

4.4 Insurance and reinsurance technical reserves

Identification of contracts within the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts issued and held, and investment contracts with discretionary participation features, provided insurance contracts are also issued.

The Group covers risks under the following insurance policies: credit insurance (short-term), *Single-risk* [1] and surety bond (medium-term). Surety bonds do not constitute a credit insurance product, as they represent a different type of risk (in terms of underlying and duration of the risk), but they do meet the definition of an insurance contract set out in IFRS 17.

When identifying contracts falling within the scope of IFRS 17, the Group must, in certain cases, assess whether a set or series of contracts should be treated as a single contract and whether the goods and services components should be separated and accounted for under a different standard.

An analysis of all Coface's insurance contracts leads to the conclusion that they fall within the scope of IFRS 17 for revenues linked to insurance premiums.

Aggregation level

The standard requires a more detailed level of granularity in the calculations, since it calls for estimates by group of contracts, without classifying contracts issued more than one year apart in the same group – annual cohorts.

The optional carve-out introduced by the European Commission, which waives the annual cohort requirement for life insurance contracts, does not apply to the Group, as no activity is eligible.

Contract groups are determined by first identifying contract portfolios, each comprising contracts subject to similar risks and managed together. Coface has defined three portfolios: the credit insurance business line, the Single Risk business line and the surety business line.

Each portfolio is then divided into annual cohorts (*i.e.* by underwriting year) and each annual cohort into two groups:

- a group of onerous contracts on initial recognition (for which a loss component will, where appropriate, be recognised immediately through the income statement);
- a group of contracts which, at initial recognition, have the potential to become onerous at a later date.

In addition, IFRS 17 specifies that an entity is allowed to subdivide groups in order to assess their profitability. Coface has defined 15 groups of credit insurance contracts, mainly based on geographical regions, one group of Single Risk contracts and one group of surety contracts.

As for reinsurance contracts held, granularity is based on reinsurance treaties.

1) *Single Risk is a special type of insurance that covers both political risks and commercial risks (i.e. payment default). This type of policy is designed specifically for complex, long-term projects. The insurer defines a tailor-made contract with the customer.*

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts can be added.

Contract boundaries

Under IFRS 17, the valuation of a group of contracts includes all future cash flows within the scope of each contract in the group. The period covered by the premiums included in the contract boundaries is the "cover period".

The Group considers that the requirements relating to the boundaries of the insurance contract are linked to the substantial obligation to provide a service, to the practical ability to reassess policyholders' risks at the level of each contract, and that those relating to the boundaries of the reinsurance contract are linked to the practical ability of the reinsurer to terminate the reinsurance coverage. According to these requirements, IFRS 17 does not impact the nature of the Group's cash flows to be included in the measurement of existing contracts recognised compared with IFRS 4.

Onerous contracts are recognised as soon as the Group is committed at the measurement date, even if the premiums have not yet been received.

Cover period

The cover period is defined as the period during which the entity covers the insured events. IFRS 17 defines an insured event as "an uncertain future event covered by an insurance contract that creates an insurance risk". The Group has defined the cover period for the credit insurance business line as the period from the inception of the insurance policy to the potential date of default by the debtor to the insured. For this purpose, the default date has been defined as the maximum credit period specified in the contract.

An insurance contract issued by the Group is recognised at the earliest at:

- the start date of the contract group's cover period;
- the date on which the first payment by a group policyholder becomes due;
- in the case of a group of loss-making contracts, the date on which the group becomes loss-making.

An insurance contract acquired in a contract transfer or business combination is recognized at the acquisition date.

Accounting model

Under IFRS 17, contracts are measured using a current value measurement model based on the "building block approach" (BBA): [1]

- cash flow from operating activities, *i.e.*:
  - estimates of future cash flows weighted by their probability of occurrence,
  - an adjustment to reflect the time value of money (*i.e.* by discounting future cash flows) and the financial risks associated with future cash flows,
  - an adjustment for non-financial risk (see 4.18 Significant judgments and estimates);
- contractual service margin (CSM). The CSM represents unearned profit for a group of insurance contracts and will be recognised as the entity provides services in the future.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is revalued to match the sum of:

- the remaining cover liability, comprising the performance cash flows related to future services and the contractual service margin of this group;
- and the liability for claims incurred, the valuation of which corresponds to the performance cash flows relating to services already rendered and allocated to this group of contracts at that date.

In addition, a simplified valuation model known as the premium allocation approach (PAA) is permitted for the measurement of the remaining cover liability if it provides a measurement that is not materially different from the general model, or if the cover period is one year or less.

The Group applies PAA to all insurance and reinsurance portfolios, of which credit insurance represents the bulk of its business, as the resulting measurement of the remaining cover liability is not materially different from the result of applying the general model.

Under the simplified PAA, the remaining cover liability corresponds to the amount of premiums, if any, at the initial recognition date, less acquisition costs and amounts already recognised in income before the balance sheet date. Also, under the PAA, the remaining cover liability does not include any CSM. In addition, as permitted by the standard, premiums received have been approximated as written premiums less premium-related insurance and reinsurance receivables and payables.

The Group amortises cash flows relating to attributable insurance acquisition costs. These costs include acquisition commissions paid to intermediaries (brokers, agents, ceding companies) and other acquisition costs attributable to contracts, and are allocated over the period of cover according to the same rule as the provision for unearned premiums. They are amortised on a straight-line basis over the cover period.

As required by IFRS 17, the portion of deferred acquisition costs is now deducted from balance sheet liabilities under "Liabilities for remaining cover", included in "Liabilities arising from insurance contracts issued". The change in deferred acquisition costs for the period is included in acquisition costs attributable to the income statement.

1) or general model measurement (GMM)

Subsequently, the carrying amount of the remaining cover liability is increased by any further premiums received, and reduced by the amount recognised in income for the services rendered. If, at any time before and during the cover period, facts and circumstances, such as claims experience drift, indicate that a group of contracts is or becomes onerous, the Group will recognise a loss in income and increase the remaining cover liability by a loss component. At the same time, in respect of reinsurance contracts held, a loss component ceded to reinsurers will be recognised.

The carrying amount of the remaining cover liability is not adjusted to reflect the time value of money and the effect of the financial risk, as at initial recognition the Group expects that the time elapsing, for each cover party, between the time it provides the relevant portion of the cover and the due date of the related premium will not exceed one year.

The general model remains applicable for the measurement of incurred claims. Future cash flows are discounted at current rates.

The hypothesis used to value the Best Estimate related to reinsurance portfolios are consistent with the Best Estimate related to issued insurance portfolio. The Best Estimate must also include the effect of the risk of non-performance on the part of the issuer of the reinsurance treaty, which Coface considers to be immaterial.

Presentation

IFRS 17 significantly changes the way insurance and reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts are presented on a net basis; consequently, balances such as insurance receivables and payables and loans to policyholders are no longer presented separately. Any asset or liability recognised for cash flows arising before the recognition of the corresponding group of contracts (including any asset for insurance acquisition cash flows) is also presented in the same line item as the corresponding contract portfolios.

Following the option given by IFRIC to account for receivables from intermediaries under IFRS 17 or IFRS 9 (see IASB Finalisation agenda decision October 2023), Coface has maintained its accounting treatment under IFRS 17.

In terms of presentation, the various income and expenses from insurance and reinsurance contracts are broken down in the income statement between:

- a result from insurance activities comprising income from insurance activities (corresponding to the service of insurance contracts rendered in the year) and expenses relating to insurance activity (*i.e.* claims incurred and other expenses relating to the insurance service rendered); amounts from reinsurance contracts are presented separately;
- financial income from insurance and reinsurance.

The separate presentation of underwriting results and financial results in accordance with IFRS 17 and IFRS 9 (see 3 Adoption of IFRS 9 Financial Instruments) provides greater transparency on sources of earnings and the quality of revenues.

Income from insurance services

Income from insurance services comprises insurance income and insurance expenses.

Insurance income

Insurance income replaces the gross insurance premiums indicator previously presented.

For contracts valued using the PAA, insurance income is recognised on the basis of an allocation of expected premiums to each cover period, which is based on the passage of time. It comprises gross premiums written, net of premium refunds, and changes in unearned premium reserves.

GROSS PREMIUMS WRITTEN

Gross premiums written correspond to premiums invoiced, excluding taxes and net of cancellations. They include an estimate of premiums to be written for the portion earned during the period, and an estimate of premiums to be cancelled after the balance sheet date. This estimate of premiums to be written includes premiums negotiated but not yet invoiced, as well as premium adjustments corresponding to the difference between minimum premiums and final premiums. It also includes the uncertainties associated with year-end premium issues.

Premiums invoiced are mainly based on the revenue achieved by the Group's policyholders, or on their outstanding customer risk, which in turn depends on revenue. Premiums are therefore directly dependent on revenue volumes in the countries where the Group operates.

In accordance with the requirements of IFRS 17, commissions paid to ceding companies (external partners) are treated as negative premiums and are therefore now deducted from insurance income. They are amortised at the same rate as provisions for unearned premiums.

When commissions are scaled (variation according to the level of claims accepted), an estimate of these commissions is made at each balance sheet date. The latter are treated as claims flows and therefore remain presented under contract service charges as under the previous standard.

PREMIUM REFUNDS

Premium refunds include profit-sharing, bonuses and no-claims bonuses, which are mechanisms for returning part of a policyholder's premium based on the policy's profitability. They also include penalties, which take the form of an additional premium to be charged to policyholders whose policy is in deficit.

"Premium refunds" include provisions based on estimated refunds to be paid.

PROVISION FOR UNEARNED PREMIUMS

The provision for unearned premiums is calculated pro rata temporis for each insurance contract. It corresponds to the portion of the premium still to run between the period-end date and the date on which the premium cover expires.

The requirements of IFRS 17 to recognise insurance income over the cover period results in slower income recognition than with the Group's previous practice based on the term of the contract.

Insurance expenses

Expenses directly related to the performance of contracts are recognised in the income statement as insurance expenses, generally when incurred. Expenses that are not directly linked to the performance of contracts are presented outside the insurance result.

Insurance expenses include claims expenses, attributable overheads and the provision for onerous components.

CLAIMS EXPENSES

Claims expenses include claims paid, changes in estimated future cash flows (liability for incurred claims (LIC) excluding financial effects, and the adjustment for non-financial risk.

Claims paid: Claims paid correspond to indemnities paid net of recoveries received, as well as expenses incurred in handling them.

Estimates of future cash flows: see 4.18 Significant judgments and estimates.

Adjustment for non-financial risk: see 4.18 Significant judgments and estimates.

ATTRIBUTABLE OVERHEADS:

Attributable acquisition costs include acquisition commissions and other attributable overheads obtained by allocating costs by activity (see 4.18 Significant judgments and estimates).

PROVISION FOR ONEROUS COMPONENTS:

The change in the onerous component includes the new allocation, amortisation and reversal for the period.

(See 4.18. Significant judgments and estimates.)

Income and expenses from ceded reinsurance

All ceded reinsurance transactions are risk transfer transactions.

Ceded reinsurance is recognised in accordance with the terms of the various treaties. The reinsurers' share of technical reserves is determined on the basis of the technical reserves recorded in liabilities.

As required by IFRS 17, funds received from reinsurers are now included in assets under "Assets associated with reinsurance contracts held".

Commissions received from reinsurers are calculated on the basis of premiums written. They are then amortised at the same rate as provisions for unearned premiums ceded (unearned premiums ceded correspond to gross unearned premiums multiplied by the cession rate).

Insurance financial income or expenses

Under IFRS 17, changes in the carrying amount of groups of contracts resulting from the effects of the time value of money, financial risk and their variations are generally presented as insurance financial income or expenses.

The Group applies the option offered by IFRS 17 of disaggregating insurance or reinsurance financial expenses between the income statement and other comprehensive income (OCI). In particular, this option allows the reclassification to OCI of a portion of the estimated differences in cash flows arising from changes in financial assumptions.

If the Group derecognises a contract following a transfer to a third party or a modification of the contract, any remaining amount of accumulated OCI for the contract will be reclassified in the income statement.

4.5 Financial assets under IFRS 9, applicable on or after January 1, 2023 for the insurance portfolio

Classification of financial assets

The classification of financial assets under IFRS 9 that qualify as debt instruments is generally based on the way in which a financial asset is managed (business model) and the characteristics of its contractual cash flows.

IFRS 9 includes three main measurement categories for financial assets – measured at amortised cost, fair value through equity subsequently recyclable through profit or loss (FVOCI) and fair value through profit or loss (FVPL) – and eliminates the former IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions, and if it is not designated as measured at fair value:

- it is held as part of a model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specific dates, to cash flows representing solely principal repayments and interest payments on the principal outstanding.

A financial asset is measured at fair value if it meets both of the following conditions, and if it is not designated as measured at fair value:

- it is held as part of a business model whose objective is both the collection of contractual cash flows and the sale of financial assets; and
- its contractual terms give rise, on specific dates, to cash flows representing solely principal repayments and interest payments on the principal outstanding.

All financial assets not classified as measured at amortised cost or at FVOCI as described above are measured at FVPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements for measurement at amortised cost or at FVOCI as being measured at FVPL if this eliminates or significantly reduces any accounting mismatch that would otherwise arise.

Nevertheless, on initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This choice is made on an instrument-by-instrument basis, and means that changes in fair value recognised in OCI cannot be recycled to the income statement when the asset is derecognised, and that only dividends received are recognised separately in the income statement.

Impairment of financial assets

Methodology for calculating expected credit loss (ECL)

Under IFRS 9, provisions represent expected credit losses (ECLs). Given the credit risk inherent in each receivable, ECLs are measured and discounted on the basis of a probability of default.

The main data items used for ECL measurement are the forward structures of Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD). ECLs for financial assets for which the credit risk has not increased significantly since initial recognition are calculated by multiplying the 12-month PD by the respective LGD and EAD, and discounting the result to the balance sheet date. Maturity ECLs are calculated by summing all ECLs calculated at each annual step between one year and the security's final redemption date (obtained by multiplying each annual PD by the corresponding LGD and EAD, then discounting the result).

For calibration and modelling purposes, a segmentation has been defined on the basis of the counterparties' geographical area and economic sector.

To determine the PD on each segment, and at each annual maturity, the Group will use the PD tables derived from Coface's credit score (DRA).

LGD is the magnitude of the probable loss in the event of default, expressed as a percentage.

The Group estimates LGD parameters using the same segmentation as for PDs, based on historical indemnities and recovery rates for receivables from defaulting counterparties.

In the absence of robust statistical calibration results for a given segment (ratings/sector/geographical area), due to an insufficient number of observed defect occurrences, the Group systematically assigns to this segment the most unfavourable LGD rate among those of the other segments.

The EAD represents the expected exposure at default. The Group deducts the EAD from the current exposure to the counterparty and potential changes in the current amount authorised by the contract, including amortisation and prepayments. The EAD of a financial asset is its carrying amount net of amortisation ("amortised cost") at the time of default.

Derivative financial instruments and hedging transactions

Under IFRS 9, a derivative is a financial instrument:

- whose value fluctuates according to changes in the rate or price of a product called the underlying;
- which requires little or no initial net investment;
- for which settlement is due at a future date.

This is a contract between two parties, a buyer and a seller, which fixes future cash flows based on those of an underlying asset.

In accordance with IFRS 9, derivatives are recognised at fair value through profit or loss, except in the case of effective hedging instruments. In this case, the methods for recognising gains or losses will depend on the hedging relationship to which the derivative is attached.

Derivatives classified as hedges are those that comply, from the inception of the hedging relationship and throughout its term, with the conditions required by IFRS 9, in particular the formal documentation of the existence of an effective hedging relationship between the derivative instruments and the hedged items, on a prospective basis.

- for derivatives concluded as part of a fair value hedge, changes in fair value are systematically recognised in full in the income statement. These changes are partly offset by changes in the fair value of the hedged items (measured at fair value for the portion of risk hedged), which are also recognised in the income statement. The net impact on the income statement is therefore limited to the ineffective portion of the hedge;
- for derivatives designated as cash flow hedges, changes in fair value are recognised in shareholders' equity for the effective portion of the hedge, and in the income statement for the ineffective portion.

Derivative instruments are used for hedging purposes, more specifically foreign exchange hedging, interest rate hedging and fair value hedging of equities in mutual fund portfolios. The Company does not engage in hedging transactions within the meaning of IFRS 9. The instruments used are recognised at fair value through profit or loss.

Cash and cash equivalents

Cash includes all bank accounts and sight deposits. Cash equivalents include money market funds with maturities of less than three months.

4.6 Financial assets under IAS 39, applicable until December 31, 2022

Excluding factoring activities, the Group classifies its financial assets according to IAS 39 categories.

The Group classifies its financial assets into the following categories: available-for-sale assets, assets held for trading, held-to-maturity investments, assets at fair value through profit or loss, and loans and other receivables.

Coface recognises financial assets at the date on which they are traded.

Available-for-sale assets (AFS)

Available-for-sale assets are recognised at fair value plus transaction costs directly attributable to the acquisition (hereafter referred to as the purchase price). The difference between the fair value of the securities at the balance sheet date and their purchase price (less actuarial amortisation in the case of debt instruments) is recorded under "Available-for-sale assets", with a corresponding entry to the revaluation reserve with no impact on income. This item includes equity securities.

Assets held for trading

Assets held for trading are recognised at fair value at the balance sheet date. Changes in the fair value of securities held for trading during the period are recognised in the income statement.

Held-to-maturity assets (HTM)

Held-to-maturity assets are recognised at amortised cost. Premiums and discounts are included in the calculation of amortised cost and are recognised in the income statement on an actuarial basis over the life of the financial asset.

Assets recognised at fair value through profit or loss

The accounting treatment is identical to that for securities held for trading.

Loans and receivables

This category includes receivables relating to cash deposits held by ceding companies as collateral for underwriting commitments. They are shown in the balance sheet at the amounts paid.

This category also includes non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are recognised at amortised cost using the effective interest method.

Loans and receivables include short-term deposits with maturities of more than three months and less than 12 months from the date of purchase or deposit.

Fair value

Listed securities are measured at their market price on the balance sheet date. The fair value of unlisted securities is obtained by discounting future cash flows.

Impairment testing

Available-for-sale assets are tested for impairment at each balance sheet date. Where there is objective evidence that an available-for-sale asset is impaired, and a reduction in its fair value has previously been recognised directly in equity, the cumulative loss is removed from equity and recognised in the income statement under "Investment income net of management expenses".

The detection of an objective indication of impairment is the result of a multi-criteria analysis which, in the case of debt instruments in particular, calls for expert judgment.

Constituting an indication of impairment is:

- for debt instruments: a default in payment of interest or principal, the existence of a conciliation, warning or receivership procedure, the bankruptcy of the counterparty, and any other indicator testifying to a significant deterioration in the counterparty's financial situation, such as, for example, the identification of losses on completion through the application of a calculation model projecting discounted recoverable cash flows or following the performance of stress tests;
- for equity instruments (excluding unlisted investments): the existence of indications that the entity will not be able to recover all or part of its initial investment. In addition, an impairment test is systematically carried out for securities with an unrealised loss of more than 30%, or with an unrealised loss of more than six months. This test consists of a qualitative analysis based on various factors, such as an analysis of the share price over a given period, or on information relating to the issuer's situation. Where necessary, an impairment loss is recognised on the basis of the quoted market price at the balance sheet date. Irrespective of this analysis, an impairment loss is systematically recognised whenever the security shows an unrealised loss of more than 50% at the balance sheet date, or an unrealised loss of more than 24 months;
- for unlisted investments: an unrealised loss of more than 20% over a period of more than 18 months, or the occurrence of significant changes in the technological, market, economic or legal environment having an unfavourable effect on the issuer, indicating that the amount of the investment in the equity instrument cannot be recovered.

If the fair value of an instrument classified as available-for-sale increases in a subsequent period, and if this increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, reversals of impairment losses of:

- equity instruments are not recognised in the income statement but in equity;
- debt instruments are recognised in the income statement in the amount of the impairment loss previously recognised.

Impairment losses recognised on equity instruments at interim reporting dates are recognised in the income statement and cannot be reversed until the securities are sold, in accordance with IFRIC 10.

Derivative financial instruments and hedging transactions

A derivative is a financial instrument (IAS 39):

- whose value fluctuates according to changes in the rate or price of a product called the underlying;
- which requires little or no initial net investment;
- for which settlement is due at a future date.

This is a contract between two parties, a buyer and a seller, which fixes future cash flows based on those of an underlying asset.

In accordance with IAS 39, derivatives are recognised at fair value through profit or loss, except in the case of effective hedging instruments. In this case, the methods for recognising gains or losses will depend on the hedging relationship to which the derivative is attached.

Derivatives classified as hedges are those that comply, from the inception of the hedging relationship and throughout its term, with the conditions required by IAS 39, in particular the formal documentation of the existence of an effective hedging relationship between the derivative instruments and the hedged items, on both a prospective and a retrospective basis. In this respect, hedging relationships are deemed to be effective when the ratio between actual changes in the value of the hedging item and the hedged item is between 80% and 125%:

- for derivatives concluded as part of a fair value hedge, changes in fair value are systematically recognised in full in the income statement. These changes are partly offset by changes in the fair value of the hedged items (measured at fair value for the portion of risk hedged), which are also recognised in the income statement. The net impact on the income statement is therefore limited to the ineffective portion of the hedge;
- for derivatives designated as cash flow hedges, changes in fair value are recognised in shareholders' equity for the effective portion of the hedge, and in the income statement for the ineffective portion.

Derivative instruments are used for hedging purposes, more specifically foreign exchange hedging, interest rate hedging and fair value hedging of equities in the Colombes fund portfolios. The Company does not engage in hedging transactions within the meaning of IAS 39. The instruments used are recognised at fair value through profit or loss.

Cash and cash equivalents

Cash includes all bank accounts and sight deposits. Cash equivalents include money market funds with maturities of less than three months.

4.7 Financing liabilities

This item concerns subordinated debt. On initial recognition, financial debt was measured at fair value, to which transaction costs directly attributable to the issuance of the debt were charged.

Costs directly attributable to debt issuance include fees and commissions paid to agents, advisors, brokers and other intermediaries, costs levied by regulatory agencies and stock exchanges, and transfer taxes and duties. They do not include debt redemption or issuance premiums, financing costs, internal administrative costs or head office expenses.

After initial measurement, debt is valued at amortised cost, determined using the effective interest rate (EIR) method. This amortised cost corresponds to:

- the amount of the initial measurement of the financial liability;
- minus principal repayments;
- plus or minus accumulated amortisation (calculated using the EIR method) and any discount or premium between the initial amount and the maturity amount.

Premiums and discounts are not included in the initial cost of a financial liability. However, they are included in the calculation of amortised cost and will therefore be recognised in the income statement on an actuarial basis over the term of the financial liability. Premiums and discounts thus modify the amortised cost of the financial liability as and when they are amortised.

4.8 Other activities

Service activity

IFRS 15 "Revenue from Contracts with Customers" applies to companies engaged in information sales and debt collection.

Revenue is recognised when the company has transferred the significant risks and rewards of ownership to the buyer, it is probable that the economic benefits will flow to the buyer, and the amount of revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably.

Factoring activity

Factoring receivables

Companies engaged in a factoring activity apply IFRS 9 "Financial Instruments" for the classification and measurement of factoring receivables. A financial instrument is a contract that gives rise to both a financial asset for one company (the contractual right to receive cash or another financial asset from another entity) and a financial liability or equity instrument for another company (the contractual obligation to deliver cash or a financial asset to another entity).

Trade receivables are classified as "loans and receivables". After initial recognition at fair value, receivables are measured at amortised cost using the effective interest rate (EIR) method. The financing commission is spread over the term of the factoring operations, which is equivalent to including this commission in the EIR, given their short-term nature.

Factoring receivables are shown on the assets side of the balance sheet in the amount of all receivables outstanding at the balance sheet date. They are recognised at their face value, corresponding to the amount of invoices assigned, including all taxes, by members.

Two categories of provisions are recorded to reduce factoring receivables:

- impairment losses charged to the income statement ("cost of risk" item) when there is a probable risk of partial or total non-recovery;
- impairment losses calculated on the basis of expected credit losses, also charged to the income statement ("cost of risk" item).

The methodology for calculating impairment (expected credit loss (ECL)) is identical to that used for impairment of financial assets (see 4.5 Financial assets under IFRS 9) and has been applicable to factoring activity since January 1, 2018.

The net carrying amount of factoring receivables is shown on the assets side of the consolidated balance sheet under "Receivables from banking and other activities".

Banking resources

This item includes:

- payables to banking sector companies; this item includes bank credit lines. They represent the refinancing of the factor of loans granted to members;
- payables to customers of banking sector companies, *i.e.* factoring accounts payable. These include:
  - on the one hand, amounts credited to members' current accounts that have not been made available in advance by the factor, and
  - on the other hand, the holdbacks set up on each contract;
- financial debt represented by securities; this item includes subordinated loans and non-subordinated bonds. These borrowings are classified under "Resources from banking sector activities" as they are used to finance factoring activity.

All borrowings are initially recognised at fair value less direct transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method.

4.9 Other published information: Consolidated revenue and overheads

Consolidated revenue

Although not required by IFRS 17, the indicator of consolidated Group revenue including insurance, service and factoring revenue is maintained in the Notes to the Group's consolidated financial statements.

Consolidated revenue now comprises:

- insurance income (see "Insurance income" above);
- income from other activities, including:
  - remuneration for services related to credit insurance contracts ("premium-related services" and "other related services"), corresponding to debtor information services, credit limit monitoring, debt management and collection,
  - remuneration for sales of access to business solvency information and marketing information services, and the sale of debt collection services from customers without credit insurance,
  - net income from banking activities, corresponding to income from factoring activities. This consists mainly of

factoring commissions (received in respect of the management of factored receivables) and net financing commissions (financing margin, corresponding to the amount of financial interest received from factoring customers, less interest paid in respect of the refinancing of factoring debt). Premiums paid by factoring companies to insurance companies (to cover debtor and ceding company risk) are deducted from net banking income.

Consolidated revenue is tracked by country of invoicing (the country of invoicing being the country of the entity issuing the invoice for direct business, and the country of the ceding company for accepted business).

Consolidated overheads

The Group's consolidated overheads indicator is also maintained in the Notes to the consolidated financial statements.

Following the application of IFRS 17, they now consist of:

- overheads attributable to insurance contracts, mainly comprising acquisition commissions and other overheads attributable to insurance contracts;
- overheads not attributable to insurance policies;
- overheads relating to factoring activity, classified under "Banking operating expenses";
- other operating expenses of companies with neither insurance nor factoring activities, classified under "Other operating expenses".

4.10 Other operating income and expenses

In accordance with ANC recommendation No 2013-03, the "Other operating income" and "Other operating expenses" headings are added only when a major event occurring during the accounting period is such as to distort the reading of the company's performance. This concerns a very limited number of unusual, abnormal and infrequent items of income or expense – of particularly significant amount – which Coface wishes to present separately in the income statement to facilitate understanding of current operating performance and to enable better period-on-period comparability, in accordance with the Conceptual Framework principle of relevance of information.

Other operating income and other operating expenses are few in number, clearly identified, non-recurring and significant in terms of consolidated performance.

4.11 Intangible assets and goodwill

Intangible assets

Coface capitalises development costs when the following conditions are met:

- the technical feasibility of completing the intangible asset so that it can be used or sold;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell it;
- how the asset will generate probable future economic benefits;
- the current or future availability of the resources needed to carry out the project;
- its ability to reliably measure expenses related to this asset.

Development costs and internally generated software are amortised over their useful life, which may not exceed 15 years.

Goodwill

Under IFRS 3 (revised), the Group measures goodwill at the acquisition date as follows:

- the fair value of the consideration transferred;
- plus the amount recognised for any non-controlling interest in the acquired business;
- plus, if the business combination is achieved in stages, the fair value of any interest previously held in the acquired company;
- less the net amount recognised (generally at fair value) in respect of identifiable assets acquired and liabilities assumed.

Where the difference is negative, a gain on acquisition on advantageous terms is recognised immediately in the income statement.

If new information leads to a reassessment, within 12 months of entry into the scope of consolidation, of the values established at the time of entry into the consolidated balance sheet, these values are modified. This automatically results in a change in the gross value of goodwill.

Goodwill is allocated, at the acquisition date, to one or more groups of cash-generating units (CGUs) likely to derive benefits from the acquisition. Goodwill is not amortised, but is tested for impairment annually, or whenever events or circumstances indicate that it might be impaired (IAS 36.10). Impairment testing is carried out by comparing the net carrying value of the CGU group (including goodwill) with its recoverable amount, corresponding to the higher of fair value less costs to sell and value in use as determined by discounting future cash flows.

Testing on goodwill and intangible assets

In accordance with IAS 36, impairment tests are carried out by grouping strategic entities within the Coface Group's scope of consolidation into CGUs.

A CGU group is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows generated by other groups of assets (other CGUs). IAS 36.80 stipulates that goodwill arising on a business combination must be allocated, from the date of the combination, to the acquiring company's CGU groups, or to the CGU groups that are expected to benefit from the synergies arising from the transaction.

The Coface Group has identified CGU groups that reflect the breakdown used by management in its operational management.

The seven CGU groups are as follows:

- Northern Europe;
- Western Europe;
- Central Europe;
- Mediterranean and Africa;
- North America;
- Latin America;
- Asia-Pacific.

CGU group valuation method and goodwill impairment testing

Existing goodwill is allocated to each CGU group so that it can be tested. Impairment tests are performed whenever an objective indicator of impairment points to the existence of such a risk, and in any event at least once a year.

The goodwill impairment test is therefore performed by testing the CGU group to which the goodwill has been allocated.

If the carrying amount of the CGU group exceeds its recoverable amount, the corresponding impairment loss is recognised:

- primarily by writing down goodwill (with no possibility of subsequent reversal);
- then by reducing the value of the other assets in the CGU group in proportion to the respective value of each asset.

The recoverable amount is determined by discounting future cash flows.

Method used to value entities

VALUE IN USE: DISCOUNTED FREE CASH FLOWS

Expected cash flows are based on three-year business plans prepared by the operating entities as part of the budget process and validated by Coface Group management.

These forecasts are based on the past performance of each entity and take into account Coface's development assumptions in its various business lines. Coface establishes cash flow projections beyond the period covered by the budgets by extrapolating cash flows over two additional years.

The assumptions made in terms of growth rates, margins or cost and claims ratios take into account the entity's maturity, business history, market outlook and the country in which it operates.

Coface calculates a discount rate and a perpetual growth rate for the measurement of all companies.

FAIR VALUE

According to this approach, which is used for information purposes only, Coface values its companies by applying multiples based on net income, sales for service companies, and net asset value (NAV) for insurance and factoring companies. The reference multiples are derived from stock market comparables or recent transactions, so as to take full account of the market valuation of assets.

The multiple valuation is obtained by averaging the net income multiple, the sales multiple for service companies, and the NAV multiple for insurance and factoring companies.

4.12 Property, plant and equipment

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and any impairment losses. Operating property is made up of components with different useful lives; these components are recognised separately and depreciated on a straight-line basis according to their useful life.

Coface Group has identified the following components:

Land	Non-amortisable
Enclosed or covered structure	Amortised over 30 years
Technical equipment	Amortised over 15 years
Interior fittings	Amortised over 10 years

Real estate assets financed through finance leases are presented in the consolidated financial statements as if they had been acquired directly through financial debt.

If the market value of the property is lower than the net carrying value, an impairment loss is recognised.

4.13 Employee benefits

Provisions for pensions and other employee benefits

The employees of Coface 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 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. These are generally public pension schemes based on the same model as those in France;
- defined benefit schemes (or plans) for which the employer has an obligation towards its employees.

In accordance with IAS 19, Coface 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.

Stock options

Under IFRS 2 "share-based Payment", which notably defines the measurement and recognition of stock options, options are measured at the grant date. For this purpose, the Group applies the Black & Scholes valuation model. Changes in value subsequent to the grant date have no impact on this initial valuation.

The value of the options depends on their expected life, which the Group considers to correspond to their period of unavailability for tax purposes. This value is recognised in personnel costs on a straight-line basis from the grant date, over the vesting period, with a corresponding adjustment to shareholders' equity.

In connection with its IPO, the Coface Group granted certain beneficiaries (employees of COFACE SA subsidiaries) bonus shares (see Note 9).

In accordance with IFRS 2, only plans granted after November 7, 2002 and not yet vested as at January 1, 2005 have been measured and recognised in employee personnel expenses.

4.14 Taxes

The tax expense comprises current and deferred tax.

Current tax

Current tax is calculated in accordance with the tax laws in force in each country where the results are taxable.

The parent company COFACE SA and its French subsidiaries over 95% owned (Compagnie française d'assurance pour le commerce extérieur, Cofinpar, Cogeri and Fimipar) have been consolidating their tax results *via* a tax consolidation regime since 2015.

Deferred tax

Deferred tax is recognised for temporal differences between the values of assets and liabilities in the consolidated financial statements and those used to determine taxable income.

Deferred tax liabilities and receivables are calculated using the tax rate that will be in force on the probable date of reversal of the differences concerned; or, failing this, using the tax rate in force on the balance sheet date.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to absorb the temporary differences and tax loss carryforwards within a reasonable timeframe.

Current and deferred tax assets and liabilities are offset only if certain criteria are met.

New"GloBE Rules" or "Pillar 2"

The "Global rules to combat tax base erosion" (commonly referred to as "GloBE Rules" or "Pillar 2"), defined at international level by the OECD/G20 Inclusive Framework and whose implementation is required in France by Council directive (EU) 2022/2523 of December 15, 2022 and transposed into French law by the Finance Act of December 29, 2023 (2023-13-22), are intended to guarantee effective taxation of 15%, assessed by jurisdiction, for groups of companies with revenue of at least €750 million.

To this end, these groups must determine, in each jurisdiction in which they operate, their GloBE effective tax rate (which is calculated on the basis of a common definition of taxes covered and a tax base determined by reference to accounting income restated on a uniform international basis) and, if this turns out to be lower than the minimum rate, pay an additional tax.

The additional tax will be levied through the income inclusion rule (for periods beginning on or after December 31, 2023, in practice January 1, 2024). Consequently, these new GloBE Rules have no accounting impact on the Group's financial statements as at December 31, 2023.

Amendments to IAS 12 – International tax reform – Model Pillar rules

In the Group's financial statements as at December 31, 2023, no deferred tax relating to Pillar 2 is recorded following application of the mandatory temporary exemption introduced by the amendment to IAS 12. The amendment to IAS 12 was published by the IASB on May 23, 2023, adopted by the EU on November 8, 2023 and is applicable on or after January 1, 2023.

As at December 31, 2023, it is estimated that around 10 countries out of a total of 57 in which Coface operates will not benefit from the safeguard measures.

For these jurisdictions, the overall impact of the additional GloBE tax as at December 31, 2023 is not material for the Group.

4.15 Leases

Under IFRS 16, the definition of a lease requires both the identification of an asset and control by the lessee of the right to use that asset. Control is established when the lessee holds both of the following rights throughout the lease term:

- the right to obtain substantially all the economic benefits arising from the use of the asset;
- the right to decide on the use of the property.

Coface only operates as a lessee. For the latter, the standard requires all leases to be recognised on the balance sheet in the form of a right of use over the leased asset, recorded under fixed assets, and a financial liability to be recognised under liabilities in respect of lease payments and other payments to be made over the lease term. Coface makes use of the exemptions provided for in the standard, leaving unchanged the accounting treatment of leases of short duration (less than 12 months) or involving low-value underlying assets (less than US$5,000).

The right of use is amortised on a straight-line basis, and the financial liability is amortised on an actuarial basis over the lease term. The interest expense on the financial debt and the amortisation expense on the right of use are recorded separately in the income statement.

4.16 Provisions

Under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised at the balance sheet date when there is a present obligation as a result of a past event towards a third party at that date, and if it is probable or certain, at the balance sheet date, that it will result in an outflow of resources to third parties, representing the economic benefits required to settle the obligation and a reliable estimate of the amount of the obligation.

They are discounted if the impact is significant.

Provisions for liabilities and charges include provisions for tax risks (excluding income tax), for disputes with third parties and for vacant premises. These provisions are reviewed at each balance sheet date.

The provision for vacant premises is calculated by taking into account the future rents that the company is committed to paying until the end of the lease, less any future income expected from subletting.

4.17 Related parties

A related party is a person or entity that is related to the entity preparing its financial statements (referred to as the "reporting entity" in IAS 24).

4.18 Significant judgments and estimates

Summary of the main balance sheet items

The main balance sheet items for which estimates are provided by management are shown in the table below:

ESTIMATE	NOTE(S)	NATURE OF INFORMATION REQUESTED
Goodwill impairment	1	An impairment loss is recognised when the recoverable amount, determined as the higher of value in use and fair value, is less than the carrying amount. The value in use of cash-generating units is determined on the basis of assumptions concerning the cost of capital, long-term growth rates and the loss ratio.
Impairment of factoring receivables	4	Impairment losses on factoring receivables include a portion calculated on the basis of expected credit losses (IFRS 9)
Provision for earned premiums not written (component of provision for remaining LRC cover)	17	Established on the basis of an estimate of expected premiums for the period, less premiums recognised.
Provision for premium refunds (component of provision for remaining cover or LRC)	17; 22	Established on the basis of an estimate of the amount of premium refunds to be paid to policyholders under the terms of the contract taken out.
Estimate of future cash flows (component of the provision for claims incurred or LIC); see section below	15; 38	Calculated on a statistical basis corresponding to the best estimate of the final amount of claims that will be settled after extinction of the risk and after any recovery action.
Adjustment for non-financial risk (component of the provision for claims incurred or LIC); see section below	15; 38	Determined in order to reflect the compensation the Group would require to bear the non-financial risk and its degree of risk aversion. Determined using the confidence level technique.
Pension commitments	14	Under IAS 19, pension commitments are valued actuarially on the basis of the Group's assumptions.

Insurance technical provisions

The contracts managed by the Coface Group's insurance subsidiaries meet the definitions of insurance contracts set out in the new IFRS 17 standard, and are therefore measured and recognised in accordance with this standard and the Group accounting policies described above.

The establishment of insurance technical reserves requires the Coface Group to make estimates, essentially based on assumptions about changes in factors relating to the insured and its debtor as well as their economic, financial, social, regulatory or political environment, which may differ from subsequent observations, particularly if they affect the Coface Group's main portfolios simultaneously. The use of these assumptions implies a high degree of judgment on the part of the Coface Group, which could affect the level of provisioning and consequently have a material adverse effect on the Coface Group's financial position, results of operations or solvency margin.

Estimates of future cash flows

In estimating future cash flows, the Group impartially integrates all reasonable and justifiable information that is available without excessive cost or effort at the balance sheet date. This information includes internal and external historical data on claims and other experience, updated to reflect current expectations of future events.

Estimates of future cash flows, or best estimates, are calculated mainly on the basis of the granularity of the contract group, but the provisioning segment may be more precise if necessary. The usual actuarial methodologies are used (Bornhuetter-Ferguson method for the last two attachment years and Chain Ladder method for previous years). Details by entity are calculated using an allocation process.

Future best estimates reflect the Group's opinion of current conditions at the balance sheet date, insofar as estimates of any relevant market variables are consistent with observable market prices.

When making best estimates, the Group takes into account current expectations of future events that could affect these cash flows. However, expectations of future changes in legislation that would modify or release a current obligation, or create new obligations under existing contracts, are not taken into account until the change in legislation is actually enacted.

Cash flows within the boundaries of a contract are those directly linked to the execution of the contract, including those for which the Group has discretionary power over their amount or timing. They include payments to policyholders (or on their behalf), cash flows relating to the acquisition of insurance and other costs incurred in the performance of contracts. Cash flows linked to the acquisition of insurance and other costs incurred in the performance of contracts include both direct costs and the allocation of fixed and variable overheads.

Overheads are allocated to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using systematic and rational methods that are applied consistently to all costs with similar characteristics.

The Group applies the PAA to all reinsurance portfolios. As such, the best estimate of ceded reinsurance treaties is calculated by applying the terms and conditions of the reinsurance treaties to the best estimate of the insurance treaties issued. The best estimate must also include the effect of the risk of non-performance on the part of the issuer of the reinsurance treaty, which Coface considers to be immaterial.

Discount rate

The Group uses the bottom-up approach to determine discount curves. This approach consists of determining discount rates by adjusting a yield curve without adjusting for volatility, to reflect the differences between the liquidity characteristics of the financial instruments underlying the rates observed on the market and the liquidity characteristics of the insurance.

The Group uses the Eiopa risk-free yield curve: (1)

Maturity	1 YEAR		2 YEARS		5 YEARS		10 YEARS	
Year	**2023.12**	**2022.12**	**2023.12**	**2022.12**	**2023.12**	**2022.12**	**2023.12**	**2022.12**
EUR	3.357%	2.704%	2.69%	2.712%	2.323%	2.556%	2.393%	2.503%
USD	4.76%	5.073%	4.056%	4.605%	3.499%	3.708%	3.449%	3.491%
HKD	4.285%	5.269%	3.734%	4.865%	3.276%	4.129%	3.286%	3.887%
GBP	4.735%	4.37%	4.021%	4.368%	3.355%	3.826%	3.284%	3.329%

Adjustment for non-financial risk

The non-financial risk adjustment is determined to reflect the compensation the Group would require to bear the non-financial risk and its degree of risk aversion.

The adjustment for non-financial risk is determined using the confidence level technique. The Group applies this technique to the gross amount and calculates the amount of risk transferred to the reinsurer by applying the terms and conditions of the reinsurance treaties.

By applying the confidence level technique, the Group estimates the probability distribution of the expected present value of future cash flows of contracts at each reporting date and calculates the adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of future cash flows, taking into account the associated risks over all future years.

The adjustment for non-financial risk is based on a confidence level approach with a probability level between 90% and 95%.

The Group allocates the change in the non-financial risk adjustment between income from insurance activities and financial income or expense from insurance activities.

Financial assets

Similarly, for some of the Coface Group's financial assets for which there is no active market or where observable values are limited or unrepresentative, fair value is measured using valuation techniques based on methodologies or models using assumptions or assessments that involve a significant degree of judgment.

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.

1) *Eiopa: European Insurance and Occupational Pensions Authority. The discounting curve does not include illiquidity premiums, as the impact iS deemed insignificant for the Group. At 31 DeCember 2 22, the curvE used w s that at end-November 2022. At 31 Decem er 2023, the curve was that at end-December 2023.µµµ.*

Assessments and estimates are revised when conditions change or when new information becomes available.

In light of this information and in accordance with the accounting principles and methods described in the consolidated financial statements, the Coface Group's management regularly analyses, assesses and arbitrates, at its discretion, the causes of any decline in the estimated fair value of securities, the prospects for their recovery in the short term and the level of impairment provisions deemed appropriate.

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.

5. Standards and amendments published but not yet effective

The new standards are effective for annual periods beginning after January 1, 2023, and early adoption is permitted. However, the Group has not adopted the new standards early in preparing its consolidated financial statements.

NOTE 1 GOODWILL

The change in goodwill decreased by €651 thousand at December 31, 2023; This decrease is due to the change in exchange rates.

Breakdown of goodwill by region:

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,951	8,913
Mediterranean & Africa	22,389	22,868
North America & Latin America	6,298	6,508
TOTAL	**155,309**	**155,960**

Impairment testing methods

Goodwill and shares in subsidiaries were tested for impairment losses at December 31, 2023. Coface performed the tests by comparing the value in use of the groups of cash-generating units (CGU) to which goodwill was allocated with their carrying amounts.

The value in use corresponds to the present value of the future cash flows expected to be generated by an asset or a CGU. This value is determined using the *discounted cash flows* method, based on the three-year business plan drawn up by subsidiaries and validated by Management. Cash flows are extrapolated for an additional two years using target *loss* and *cost ratios*. Beyond this five-year period, the terminal value is calculated by projecting the final year cash flows to perpetuity.

The main assumptions used to estimate the value in use of the groups of CGUs are a long-term growth rate of 2.0% for all entities and the weighted average cost of capital.

The table below summarizes the key assumptions used for goodwill impairment testing at December 31, 2023:

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Cost of capital	9.4%	9.4%	9.4%	9.4%	9.4%
Perpetual growth rate	2.0%	2.0%	2.0%	2.0%	2.0%
Contribution to consolidated net assets	419.2	538.6	117.3	362.7	103.3

The assumptions used in December 2022 were:

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Cost of capital	10.2%	10.2%	10.2%	10.2%	10.2%
Perpetual growth rate	2.0%	2.0%	2.0%	2.0%	2.0%
Contribution to consolidated net assets	481.2	521.5	104.6	337.1	94.9

Sensitivity analysis on valuations

Sensitivity analysis were performed on the valuations established for impairment testing. The following factors have been used:

- long-term growth rate sensitivity: the impairment tests were stressed for a 0.5-point decrease in the perpetual growth rate applied. The analysis showed that such a 0.5-point decrease would not have any impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2023;
- cost of capital sensitivity: the impairment tests were stressed for a 0.5-point increase in the cost of capital applied. The analysis showed that such a 0.5-point increase would not have any impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2023;
- cost and loss ratios sensitivities for the last two years of the business plan (2027 and 2028): The analysis showed that such a 1 at 2-point decrease would not have any impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2023.

CGUs valuations sensitivity to selected assumptions is shown in the following table:

Outcome of impairment tests

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Contribution to consolidated net assets (1)	419.2	538.6	117.3	362.7	103.3
Value in use of CGU	1,010.5	1,117.7	388.5	934.0	204.2
Sensitivity: Long-term growth rate -0.5 point (2)	973.0	1,073.1	374.4	900.8	196.2
Sensitivity: WACC +0.5 point (2)	959.6	1,058.3	370.0	888.3	193.8
Sensitivity: Loss/Cost Ratio 2028 +1 point (2)	989.4	1,020.1	395.6	899.2	186.6
Sensitivity: Loss/Cost Ratio 2028 +2 points (2)	968.2	915.0	382.3	864.0	168.9

(1) The contribution to the consolidated Group's net assets corresponds to the book value.
(2) Sensitivity analysis were performed on the value in use of each CGU.

NOTE 2 OTHER INTANGIBLE ASSETS

	DEC. 31,2023	DEC. 31,2022
(in thousands of euros)	NET VALUE	NET VALUE
Development costs and software	81,740	79,998
Purchased goodwill	2,383	2,480
Other intangible assets	282	397
TOTAL	**84,405**	**82,876**

	DEC. 31,2023		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	262,961	(181,221)	81,740
Purchased goodwill	3,965	(1,582)	2,383
Other intangible assets	2,843	(2,561)	282
TOTAL	**269,769**	**(185,364)**	**84,405**

	DEC. 31,2022		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	260,160	(180,162)	79,998
Purchased goodwill	4,119	(1,639)	2,480
Other intangible assets	2,816	(2,419)	397
TOTAL	**267,095**	**(184,219)**	**82,876**

The Group's intangible assets consist mainly of development costs (on several IT projects).

These investments amounted to €20.5 million in 2023 financial year compared to €24.0 million in 2022 financial year.

Change in the gross amount of intangible assets

(in thousands of euros)	DEC. 31,2022	SCOPE ENTRY	INCREASES	DECREASES	CURENCY TRANSLATION VARIATION	DEC. 31,2023
Development costs and software	260,160	6	22,215	(17,745)	(1,676)	262,961
Purchased goodwill	4,119	0	0	0	(154)	3,965
Other intangible assets	2,816	0	132	(64)	(41)	2,843
TOTAL	**267,095**	**6**	**22,347**	**(17,809)**	**(1,871)**	**269,769**

(in thousands of euros)	DEC. 31, 2019	SCOPE ENTRY	INCREASES	DECREASES	CURENCY TRANSLATION VARIATION	DEC. 31,2022
Development costs and software	236,507	1	25,627	(233)	(1,742)	260,160
Purchased goodwill	4,072	0	0	0	47	4,119
Other intangible assets	2,930	0	50	(5)	(158)	2,816
TOTAL	**243,509**	**1**	**25,677**	**(238)**	**(1,858)**	**267,095**

Change in accumulated amortisation and impairment of intangible assets

(in thousands of euros)	DEC. 31,2022	SCOPE ENTRY	ADDITIONS	REVERSALS	CURENCY TRANSLATION VARIATION AND OTHER	DEC. 31,2023
Accumulated amortization - development costs and software	(180,017)	(4)	(19,976)	17,716	1,196	(181,085)
Accumulated impairment - development costs and software	(143)	0	0	0	9	(134)
Total amortisation and impairment - development costs and software	**(180,160)**	**(4)**	**(19,976)**	**17,716**	**1,205**	**(181,221)**
Accumulated amortization - purchased goodwill	(1,639)	-	0	0	57	(1,582)
Accumulated impairment - purchased goodwill	0	-	0	0	0	0
Total amortization and impairment - purchased goodwill	**(1,639)**	**0**	**0**	**0**	**57**	**(1,582)**
Accumulated amortization - other intangible assets	(2,419)	-	(234)	50	45	(2,558)
Accumulated impairment - other intangible assets	0	-	0	0	(2)	(2)
Total amortization and impairment - other intangible assets	**(2,419)**	**0**	**(234)**	**50**	**43**	**(2,561)**
TOTAL	**(184,218)**	**(4)**	**(20,210)**	**17,766**	**1,305**	**(185,365)**

NOTE 3 INSURANCE BUSINESS INVESTMENTS

At December 31, 2023, the carrying amount of Fair value through OCI (FVOCI) securities amounted to

€ 2,367 millions, securities Amortized cost securities (excluding loans and receivables) came to € 3 millions

and Fair value through Profit or loss (FVTPL) securities was € 828 millions.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments, guaranteeing it recurring and stable income.

The distribution of the bonds portfolio [1] by rating at December 31, 2023 was as follows:

- bonds rated "AAA": 10%;
- bonds rated "AA" and "A": 55%;
- bonds rated "BBB": 31%;
- bonds rated "BB" and lower: 4%.

1) *Source : Fitch, S&P & Moody's*

Analysis by category

(in thousands of euros)	DEC. 31, 2023						DEC. 31, 2022					
	AMORTIZED COST	IMPAIR-MENT	REVALU-ATION	NET VALUE	FAIR VALUE	UNREA-LIZED GAINS AND LOSSES	AMORTI-ZED COST	DEPRE-CIATION	REVALU-ATION	NET VALUE	FAIR VALUE	UNREA-LIZED GAINS AND LOSSES
Fair Value OCI*	**2,447,074**	**(391)**	**(79,375)**	**2,367,309**	**2,367,309**	**0**	**3,024,417**	**(38,576)**	**(83,436)**	**2,902,405**	**2,902,405**	**0**
Bonds and government securities	2,332,159	(391)	(86,436)	2,245,332	2,245,332	0	2,974,201	(38,576)	(151,105)	2,784,520	2,784,520	0
Equities and other variable-income securities	50,178	0	(2,795)	47,382	47,382	0	50,216	0	67,669	117,885	117,885	0
Equities at FV OCI not recyclable	64,737	0	9,857	74,594	74,594	0						
Shares in non-trading property companies	0	0	0	0	0	0	0	0	0	0	0	0
Amortized cost	**143,211**	**(0)**	**0**	**143,211**	**142,988**	**(223)**	**102,088**	**0**	**0**	**102,088**	**102,088**	**0**
Bonds and government securities	3,047	(0)	0	3,047	2,824	(223)	1,842	0	0	1,842	1,842	0
Loans and receivables	140,164	0	0	140,164	140,164	0	100,246	0	0	100,246	100,246	
Faire Value Profit or Loss	**851,555**	**0**	**(23,652)**	**827,903**	**827,903**	**0**	**26**	**0**	**0**	**26**	**26**	**0**
Debt	23,246		(2,101)	21,145	21,145	0	0		0	0	0	0
Equities and other variable-income securities	5,858		(7)	5,851	5,851	0	0		0	0	0	0
Shares in non-trading property companies	206,653		(26,721)	179,932	179,932	0	0		0	0	0	0
UCIT	615,799		5,176	620,975	620,975	0	26	2	0	26	26	0
Loans and receivables	0		0	0	0	0	0		0	0	0	0
Derivatives	**0**		**2,402**	**2,402**	**2,402**		**0**		**10,330**	**10,330**	**10,330**	**0**
Derivatives positive fair value	0		2,402	2,402	2,402	0	0		10,330	10,330	10,330	0
Investment property	**695**	**0**	**(407)**	**288**	**288**	**0**	**695**	**0**	**(407)**	**288**	**288**	**0**
TOTAL	**3,442,536**	**(391)**	**(101,033)**	**3,341,112**	**3,340,889**	**(223)**	**3,127,227**	**(38,576)**	**(73,514)**	**3,015,136**	**3,015,136**	**0**

** Other Comprehensive Income, equity.*

(in thousands of euros)	N	N-1
Derivatives positive fair value (Assets)	2,402	10,330
Derivatives negatif fair value (Liabilities)	27	222
TOTAL	**2,374**	**10,108**

Analysis by flows

	DEC. 31, 2022		DEC. 31, 2023						
(in thousands of euros)	CARRYING AMOUNT CLOSING	IMPACTS RELATED TO THE FIRST IFRS 9 APPLICATION	CARRYING AMOUNT OPENING	INCREASES	DECREASES	REVALUATION	IMPAIRMENT	OTHER MOVEMENTS	CARRYING AMOUNT CLOSING
Fair Value OCI	**2,902,405**	**(500,763)**	**2,401,642**	**216,037**	**(289,989)**	**39,558**	**24**	**36**	**2,367,309**
Bonds and government securities	2,784,520	(545,470)	2,239,050	214,828	(259,968)	63,196	24	(11,797)	2,245,332
Equities and other variable-income securities	117,885	(32,596)	85,289	1,209	(12,841)	(38,108)	0	11,834	47,382
Equities at FV OCI not recyclable	0	77,303	77,303	0	(17,179)	14,470	0	0	74,594
Shares in non-trading property companies	0	0	0	0	0	0	0	0	0
Amortized cost	**102,088**	**1,212**	**103,300**	**122,333**	**(82,336)**	**0**	**(0)**	**(85)**	**143,211**
Bonds and government securities	1,842	1,212	3,054	0	(7)	0	(0)	0	3,047
Loans and receivables	100,246	0	100,246	122,333	(82,329)	0	0	(85)	140,164
Fair Value Profit Loss	**26**	**499,766**	**499,793**	**417,733**	**(52,733)**	**(21,677)**	**0**	**(15,213)**	**827,903**
Bonds and government securities	0	23,079	23,079	712	(3,743)	1,287		(190)	21,145
Equities and other variable-income securities	0	5,851	5,851	0	0	0		0	5,851
Shares in non-trading property companies	0	219,742	219,742	0	(8,655)	(28,892)		(2,263)	179,932
UCIT	26	251,095	251,121	417,021	(40,335)	5,928		(12,760)	620,975
Loans and receivables	0	0	0	0	0	0		0	0
Derivatives (positive fair value)	**10,330**	**0**	**10,330**	**0**	**(8,134)**	**0**		**206**	**2,402**
Derivatives positive fair value	10,330	0	10,330	0	(8,134)	0		206	2,402
Investment property	**288**	**0**	**288**	**0**	**0**	**0**	**0**	**0**	**288**
TOTAL	**3,015,136**	**216**	**3,015,352**	**756,103**	**(433,191)**	**17,881**	**24**	**(15,057)**	**3,341,112**

The not recyclable shares at fair value by OCI in the Fonds Lausanne 6 portfolio were totally sold in January 2023. These shares were valued at the fair value by OCI non-recyclable because were not hold of a short term performance but for a Long-Term holding period. These are 26 shares valued for €16.8 million at the time of the sale and acquired for €16.1 million. A capital gain of €680k was realized. This fund was placed into dormancy because it was paying administrative and management fees that were too high to ensure the profitability of the envelope.

This sell remains exceptional; the other shares within the funds are still hold in long-term intention.

Financial investments and ECL by buckets

The table below shows the assets concerned by the buckets classification.

(in thousands of euros) **GROSS OF PROVISION**	BALANCE SHEET VALUE	BUCKET 1	BUCKET 2	BUCKET 3
FV OCI R - Debt instruments	2,245,723	2,224,000	21,723	0
Amortized cost - Debt instruments	3,047	3,047	0	0
Amortized cost - Loans and receivables	140,164	140,164	0	0
TOTAL AS AT DEC. 31, 2023	**2,388,934**	**2,367,211**	**21,723**	**0**

(in thousands of euros) **PROVISION**	BALANCE SHEET VALUE	BUCKET 1	BUCKET 2	BUCKET 3
FV OCI R - Debt instruments	(391)	(309)	(82)	0
Amortized cost - Debt instruments	0	0	0	0
Amortized cost - Loans and receivables	0	0	0	0
TOTAL AS AT DEC. 31, 2023	**(391)**	**(309)**	**(82)**	**0**

(in thousands of euros) **NET OF PROVISION**	BALANCE SHEET VALUE	BUCKET 1	BUCKET 2	BUCKET 3
FV OCI R - Debt instruments	2,245,332	2,223,691	21,641	0
Amortized cost - Debt instruments	3,047	3,047	0	0
Amortized cost - Loans and receivables	140,164	140,164	0	0
TOTAL AS AT DEC. 31, 2023	**2,388,543**	**2,366,902**	**21,641**	**0**

Transfer of buckets (Closing positions)

BUCKET 1	CARRYING AMOUNT Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B2	TRANSFER TOWARDS B3	SECURITIES SOLD/ REDEEMED DURING THE YEAR	REVALUA-TION	FX IMPACTS & OTHER VARIATIONS	CARRYING AMOUNT Y
Debt instruments at fair value by OCI R	**2,200,687**	**214,177**	**4,368**	**0**	**(246,833)**	**60,866**	**(9,264)**	**2,224,000**
- Bonds and government securities	2,200,687	214,177	4,368	0	(246,833)	60,866	(9,264)	2,224,000
Debt instruments at amortized cost	**103,300**	**122,333**	**0**	**0**	**(82,336)**	**0**	**(85)**	**143,211**
- Bonds and government securities	3,054	0	0	0	(7)	0	0	3,047
- Loans and receivables	100,246	122,333	0	0	(82,329)	0	(85)	140,164

BUCKET 2	CARRYING AMOUNT Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B1	TRANSFER TOWARDS B3	SECURITIES SOLD/ REDEEMED DURING THE YEAR	REVALUA-TION	FX IMPACTS & OTHER VARIATIONS	CARRYING AMOUNT Y
Debt instruments at fair value by OCI R	**38,784**	**651**	**(4,368)**	**0**	**(13,135)**	**2,330**	**(2,540)**	**21,723**
- Bonds and government securities	38,784	651	(4,368)	0	(13,135)	2,330	(2,540)	21,723
Debt instruments at amortized cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- Bonds and government securities	0	0	0	0	0	0	0	0
- Loans and receivables	0	0	0	0	0	0	0	0

BUCKET 3	CARRYING AMOUNT Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B1	TRANSFER TOWARDS B2	SECURITIES SOLD/ REDEEMED DURING THE YEAR	REVALUA-TION	FX IMPACTS & OTHER VARIATIONS	CARRYING AMOUNT Y
Debt instruments at fair value by OCI R	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- Bonds and government securities	0	0	0	0	0	0	0	0
Debt instruments at amortized cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- Bonds and government securities	0	0	0	0	0	0	0	0
- Loans and receivables	0	0	0	0	0	0	0	0

Transfer of buckets (ECL)

BUCKET 1	ECL Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B2	TRANSFER TOWARDS B3	SECURITIES SOLD/REDEEMED DURING THE YEAR	OTHER VARIATIONS	ECL Y
Debt instruments at fair value by OCI R	**(318)**	**(311)**	**4**	**0**	**312**	**8**	**(309)**
• Bonds and government securities	(318)	(311)	4	0	312	8	(309)
Debt instruments at amortized cost	**(0)**	**0**	**0**	**0**	**0**	**0**	**(0)**
• Bonds and government securities	(0)	0	0	0	0	0	(0)
• Loans and receivables	0	0	0	0	0	0	0

BUCKET 2	ECL Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B1	TRANSFER TOWARDS B3	SECURITIES SOLD/REDEEMED DURING THE YEAR	OTHER VARIATIONS	ECL Y
Debt instruments at fair value by OCI R	**(103)**	**(79)**	**(4)**	**0**	**102**	**(1)**	**(82)**
• Bonds and government securities	(103)	(79)	(4)	0	102	(1)	(82)
Debt instruments at amortized cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**
• Bonds and government securities	0	0	0	0	0	0	0
• Loans and receivables	0	0	0	0	0	0	0

BUCKET 3	ECL Y-1	SECURITIES ACQUIRED DURING THE PERIOD	TRANSFER TOWARDS B1	TRANSFER TOWARDS B2	SECURITIES SOLD/REDEEMED DURING THE YEAR	OTHER VARIATIONS	ECL Y
Debt instruments at fair value by OCI R	**0**	**1**	**0**	**0**	**0**	**(1)**	**0**
• Bonds and government securities	0	1	0	0	0	(1)	0
Debt instruments at amortized cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**
• Bonds and government securities	0	0	0	0	0	0	0
• Loans and receivables	0	0	0	0	0	0	0

Derivatives

The structural use of derivatives is strictly limited to hedging. The notional amounts of the hedges therefore do not exceed the amounts of the underlying assets in the portfolio.

During the 2023 year, the majority of the derivative transactions carried out by the Group concerned the systematic hedging of currency risk via swaps or currency futures for primarily USD-denominated bonds held in the investment portfolio.

Regarding the bond portfolio, one-off interest rate hedges were put in place by certain managers in order to hedge risk.

None of these transactions qualified for hedge accounting under IFRS, as they were mainly currency transactions and partial market hedges.

Financial instruments recognised at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorises the inputs used to measure fair value into three levels as follows:

Level 1: Quoted prices in active markets for an identical financial instrument.

Level 1 securities represent 92.0% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis;
- government bonds and bonds indexed to variable interest rates;
- French units in money-market funds, SICAV.

Level 2: Use of inputs, other than quoted prices for an identical instrument that are directly or indirectly observable in the market (inputs corroborated by the market such as yield curves, swap rates, multiples method, etc.).

Level 2 securities represent 6.6% of the Group's portfolio. This level is used for the following instruments:

- unlisted equities;
- loans and receivables due from banks or clients and whose fair value is determined using the historical cost method.

Level 3: Valuation techniques based on unobservable inputs such as projections or internal data.

Level 3 securities represent 1.4% of the Group's portfolio. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

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Breakdown of financial instrument fair value measurements as at December 31, 2023 by level

			LEVEL 1	LEVEL 2	LEVEL 3
(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	FAIR VALUE DETERMINED BASED ON QUOTED PRICES IN ACTIVE MARKETS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE OBSERVABLE INPUTS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE UNOBSERVABLE INPUTS
Fair Value OCI	**2,367,309**	**2,367,309**	**2,243,242**	**76,684**	**47,382**
Bonds and government securities	2,245,332	2,245,332	2,168,648	76,684	
Equities and other variable-income securities	47,382	47,382			47,382
Equities at FV OCI not recyclable	74,594	74,594	74,594		
Shares in non-trading property companies					
Amortized cost	**143,211**	**142,988**	**2,824**	**140,164**	**0**
Bonds and government securities	3,047	2,824	2,824		
Loans and receivables	140,164	140,164		140,164	
Faire Value Profit Loss	**827,903**	**827,903**	**826,027**	**1,876**	**0**
Bonds and government securities	21,145	21,145	21,145		
Equities and other variable-income securities	5,851	5,851	5,851		
Shares in non-trading property companies	179,932	179,932	179,932		
UCIT	620,975	620,975	619,099	1,876	
Loans and receivables					
Derivatives (positive fair value)	**2,402**	**2,402**	**2,402**	**0**	**0**
Derivatives positive fair value	2,402	2,402	2,402	0	
Investment property	**288**	**288**	**0**	**0**	**288**
TOTAL	**3,341,112**	**3,340,889**	**3,074,495**	**218,724**	**47,670**

Movements in Level 3 securities as at December 31, 2023

	DEC. 31, 2022		JAN. 1, 2023	GAINS AND LOSSES RECOGNIZED IN THE PERIOD		TRANSACTIONS FOR THE PERIOD					DEC. 31, 2023
(in thousands of euros)	FAIR VALUE	IMPACTS RELATED TO THE FIRST IFRS 9 APPLICATION		IN INCOME	DIRECTLY IN EQUITY	PURCHASES/ ISSUES	SALES/ REDEMPTIONS	OTHER MOVE-MENTS	CHANGES IN SCOPE OF CONSOLI-DATION	EXCHANGE RATE EFFECTS	
FAIR VALUE OCI	**117,885**	**(32,596)**	**85,289**	**0**	**(38,108)**	**(11,632)**	**0**	**1,041**	**10,049**	**743**	**47,382**
Equities and other variable-income securities	117,885	(32,596)	85,289		(38,108)	(11,632)		1,041	10,049	743	47,382
Investment property	**288**	**0**	**288**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**288**
TOTAL	**118,173**	**0**	**0**	**0**	**(38,108)**	**(11,632)**	**0**	**1,041**	**10,049**	**743**	**47,670**

NOTE 4 RECEIVABLES ARISING FROM BANKING ACTIVITIES

Breakdown by nature

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Receivables arising from banking sector	2,903,980	2,906,639
Non-performing receivables arising from banking sector	11,558	28,189
Allowances for receivables arising from banking sector	(11,558)	(28,189)
TOTAL	**2,903,980**	**2,906,639**

Breakdown by age

Receivables arising from banking and other activities represent receivables acquired within the scope of factoring agreements.

They are recognised at cost within assets in the balance sheet and they are classified as level 1. Factoring receivables include both receivables whose future recovery is guaranteed by Coface and receivables for which the risk of future recovery is borne by the customer.

When applicable, the Group recognises a valuation allowance against receivables to take account of any potential difficulties in their future recovery, being specified that the receivables are also covered by a credit insurance agreement. Accordingly, the related risks are covered by claims provisions.

	DEC. 31, 2023					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	2,203,092	699,499	1,389	0	0	2,903,980
Non-performing receivables arising from banking and other activities	0	0	1,500	7,588	2,471	11,558
Allowances for receivables arising from banking and other activities	0	0	(1,500)	(7,588)	(2,471)	(11,558)
Total receivables arising from banking and other activities	**2,203,092**	**699,499**	**1,389**	**0**	**0**	**2,903,980**
Claims reserve as hedge for factoring receivables	0	0	0	0	0	0
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**2,203,092**	**699,499**	**1,389**	**0**	**0**	**2,903,980**

	DEC. 31, 2022					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	2,669,804	226,821	10,655	0	0	2,907,279
Non-performing receivables arising from banking and other activities	0	0	2,328	23,396	2,465	28,189
Allowances for receivables arising from banking and other activities	0	0	(2,328)	(23,396)	(2,465)	(28,189)
Total receivables arising from banking and other activities	**2,669,804**	**226,821**	**10,655**	**0**	**0**	**2,907,279**
Claims reserve as hedge for factoring receivables	(640)	0	0	0	0	(640)
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**2,669,164**	**226,821**	**10,655**	**0**	**0**	**2,906,639**

NOTE 5 OPERATING BUILDING AND OTHER TANGIBLE ASSETS

	DEC. 31, 2023	DEC. 31, 2022
(in thousands of euros)	NET VALUE	NET VALUE
Buildings used for operational purposes	14,194	15,679
Other property, plant and equipment	13,612	14,781
Right-of-use assets for lessees	57,683	64,154
TOTAL	**85,488**	**94,613**

	DEC. 31, 2023		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used for operational purposes	82,985	(68,792)	14,193
Other property, plant and equipment	49,965	(36,353)	13,612
Right-of-use assets for lessees	143,788	(86,105)	57,683
TOTAL	**276,738**	**(191,250)**	**85,488**

	DEC. 31, 2022		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used for operational purposes	82,984	(67,306)	15,679
Other property, plant and equipment	50,692	(35,911)	14,781
Right-of-use assets for lessees	137,362	(73,209)	64,154
TOTAL	**271,039**	**(176,426)**	**94,613**

Change in the gross amount of property, plant and equipment

(in thousands of euros)	DEC. 31, 2022	SCOPE ENTRY	INCREASES	DECREASES	CURRENCY TRANSLATION VARIATION	DEC. 31, 2023
Land used for operational purposes	7,140	0	0	0	0	7,140
Buildings used for operational purposes	75,845	0	0	0	0	75,845
Right-of-use assets for lessees - Buildings leasing	105,111	439	5,623	(4,027)	(1,665)	105,481
Total buildings used for operational purposes	**188,096**	**439**	**5,623**	**(4,027)**	**(1,665)**	**188,466**
Operating guarantees and deposits	3,525	0	283	(79)	(62)	3,667
Other property, plant and equipment	47,168	321	2,366	(2,668)	(888)	46,299
Right-of-use assets for lessees - Equipment leasing	32,251	165	6,403	(185)	(327)	38,307
Total other property, plant and equipment	**82,944**	**486**	**9,052**	**(2,932)**	**(1,277)**	**88,273**
TOTAL	**271,039**	**925**	**14,675**	**(6,959)**	**(2,942)**	**276,738**

(in thousands of euros)	DEC. 31, 2021	SCOPE ENTRY	INCREASES	DECREASES	CURRENCY TRANSLATION VARIATION	DEC. 31, 2022
Land used for operational purposes	7,140	0	0	0	0	7,140
Buildings used for operational purposes	78,141	0	0	(1,261)	(1,035)	75,845
Right-of-use assets for lessees - Buildings leasing	98,351	136	6,777	(327)	174	105,111
Total buildings used for operational purposes	**183,632**	**136**	**6,777**	**(1,588)**	**(861)**	**188,096**
Operating guarantees and deposits	3,748	0	409	(282)	(351)	3,524
Other property, plant and equipment	44,436	116	4,301	(1,282)	(403)	47,168
Right-of-use assets for lessees - Equipment leasing	27,446	126	4,931	0	(252)	32,251
Total other property, plant and equipment	**75,630**	**242**	**9,641**	**(1,564)**	**(1,006)**	**82,943**
TOTAL	**259,261**	**378**	**16,418**	**(3,152)**	**(1,867)**	**271,038**

Change in accumulated depreciation and impairment of property, plant and equipment

(in thousands of euros)	DEC. 31, 2022	SCOPE ENTRY	ADDITIONS	REVERSALS	CURRENCY TRANSLATION VARIATION AND OTHER	DEC. 31, 2023
Accumulated amortization – Building used for operational purposes	(67,306)	0	(1,486)	0	0	(68,792)
Accumulated impairment – Buildings used for operational purposes	0	0	0	0	0	0
Accumulated amortization - Right-of-use assets for lessees - Buildings leasing	(50,065)	(146)	(12,199)	4,159	851	(57,401)
Accumulated impairment - Right-of-use assets for lessees - Buildings leasing	0	0	0	0	0	0
Buildings used for operational purposes	**(117,371)**	**(146)**	**(13,685)**	**4,159**	**851**	**(126,193)**
Accumulated amortization other property, plant & equipment	(35,911)	(203)	(3,333)	2,707	400	(36,339)
Accumulated impairment other property, plant & equipment	0	0	(13)	0	0	(13)
Accumulated amortization - Right-of-use assets for lessees - Equipment leasing	(23,144)	(35)	(6,023)	297	202	(28,703)
Accumulated impairment - Right-of-use assets for lessees - Equipment leasing	0	0	0	0	0	0
Other property, plant and equipment	**(59,054)**	**(238)**	**(9,369)**	**3,004**	**602**	**(65,055)**
TOTAL	**(176,426)**	**(384)**	**(23,054)**	**7,163**	**1,453**	**(191,250)**

(in thousands of euros)	DEC. 31, 2021	SCOPE ENTRY	ADDITIONS	REVERSALS	CURRENCY TRANSLATION VARIATION AND OTHER	DEC. 31, 2022
Accumulated amortization – Building used for operational purposes	(65,738)	0	(1,679)	441	42	(67,306)
Accumulated impairment – Buildings used for operational purposes	0	0	0	(441)	0	0
Accumulated impairment - Right-of-use assets for lessees - Buildings leasing	0	0	0	0	0	0
Total buildings used for operational purposes	**(65,738)**	**0**	**(1,679)**	**0**	**42**	**(67,306)**
Accumulated amortization other property, plant & equipment	(33,127)	(80)	(4,185)	0	283	(35,911)
Accumulated impairment other property, plant & equipment	(188)	0	0	0	188	0
Total tangilbe assets	**(33,315)**	**(80)**	**(4,185)**	**0**	**471**	**(35,911)**
Accumulated amortization - Right-of-use assets for lessees - Equipment leasing	(17,032)	(27)	(6,247)	0	164	(23,144)
Accumulated amortization - Right-of-use assets for lessees - Buildings leasing	(37,366)	(2)	(13,010)	0	314	(50,065)
Accumulated impairment - Right-of-use assets for lessees - Equipment leasing	0	0	0	0	0	0
Total Right-of-use	**(54,399)**	**(29)**	**(19,257)**	**0**	**478**	**(73,207)**
TOTAL	**(153,452)**	**(109)**	**(25,121)**	**0**	**991**	**(176,426)**

Market value of buildings used in the business

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Carrying amount	14,194	15,679
Market value	56,826	68,358
UNREALISED GAINS	**42,632**	**52,679**

Buildings held by Coface Group do not represent any unrealised losses; no impairment is therefore recorded at December 31, 2023.

NOTE 6 OTHER ASSETS

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Deferred acquisition costs	89,899	90,693
Trade receivables arising from other activities	54,319	50,062
Current tax receivables	73,447	66,612
Other receivables	229,954	213,670
TOTAL	**447,619**	**421,037**

The line "Other receivables" mainly includes:

- prepaid expenses totaling €22 million;
- cash advances granted to non-consolidated Coface entities for €25 million;
- receivables from the state and other social organizations (excluding corporate income tax) for an amount of €45 million;
- customer receivables for an amount of €107 million.

NOTE 7 CASH AND CASH EQUIVALENTS

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Cash at bank and available	481,700	519,417
Cash equivalents	13,858	34,370
TOTAL	**495,558**	**553,786**

As of December 31, 2023, operational cash decreased by €58.2 million compared to December 31, 2022. These amounts are all available; no amounts are placed in escrow accounts.

NOTE 8 SHARE CAPITAL

ORDINARY SHARES	NUMBER OF SHARES	PER VALUE	SHARE CAPITAL *(in €)*
At December 31, 2022	150,179,792	2	300,359,584
Cancellation of shares	0	2	0
At December 31, 2023	**150,179,792**	**2**	**300,359,584**
Treasury shares deducted	-1,172,902	2	-2,345,804
AT DECEMBER 31, 2023 (EXCLUDING TREASURY SHARES)	**149,006,890**	**2**	**298,013,780**

	DEC 31, 2023		DEC. 31, 2022	
SHAREHOLDERS	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Arch Capital Group Ltd	44,849,425	30.10%	44,849,425	30.09%
Public	104,157,465	69.90%	104,214,249	69.91%
TOTAL EXCLUDING TREASURY SHARES	**149,006,890**	**100%**	**149,063,674**	**100%**

NOTE 9 SHARE-BASED PAYMENTS

Ongoing free share plans

Coface Group awarded, since its stock market listing in 2014, free shares to certain beneficiaries (corporate officers and employees of COFACE SA subsidiaries).

PLAN	ALLOCATION DATE	NUMBER OF SHARES GRANTED	ACQUISITION PERIOD	ACQUISITION DATE	AVAILABILITY DATE	FAIR VALUE OF THE SHARE AT THE ALLOCATION DATE	NET EXPENSE FOR THE YEAR *(in thousands of euros)*
Long-term Incentive Plan 2020	Feb. 05, 2020	312,200	3 ans	Feb. 06, 2023	Feb. 06, 2023	11.4	145
Long-term Incentive Plan 2021	Feb. 10, 2021	391,403	3 ans	Feb. 12, 2024	Feb. 12, 2024	8.6	843
Long-term Incentive Plan 2022	Feb. 05, 2022	320,849	3 ans	Feb. 15, 2025	Feb. 15, 2025	11.7	927
Long-term Incentive Plan 2023	Feb. 16, 2023	336,513	3 ans	Feb. 16, 2026	Feb. 16, 2026	12.9	1,011

Change in the number of free shares

PLAN	NUMBER OF FREE SHARES AT DEC. 31, 2022	NUMBER OF NEW FREE SHARE GRANTS IN 2022	NUMBER OF FREE SHARES CANCELLED IN 2022	NUMBER OF FREE SHARES ACQUIRED IN 2022	NUMBER OF SHARES TO BE ACQUIRED AT DEC. 31, 2023
Long-term Incentive Plan 2020	312,200	0	0	(312,200)	0
Long-term Incentive Plan 2021	0	408,403	(17,000)	0	391,403
Long-term Incentive Plan 2022	0	320,849	0	0	320,849
Long-term Incentive Plan 2023	0	336,513	0	0	336,513

The total number of shares allocated to the *Long-term Incentive Plan 2023* amounts to 427,533 shares; only 421,713 shares were affected nominatively to beneficiaries including 336,513 shares and 85,200 performance units.

The free shares allocated under the LTIP 2020 plan were delivered to the beneficiaries.

Performance units are awarded instead of free shares as soon as the free shares implementation appears complex or irrelevant in terms of the number of beneficiaries. These units are indexed on the share price and subject to the same conditions of presence and performance that shares free but are valued and paid in cash at the end of the vesting period.

Free shares under the *Long-term Incentive Plan* are definitely granted based upon presence in the group and performance achievement.

Measurement of free shares

In accordance with IFRS 2 relating to "share-based payments", the award of free shares to employees results in the recognition of an expense corresponding to the fair value of shares granted on the award date adjusted for unpaid dividends during the rights vesting period and transfer restrictions during the holding period, as well as the probability of the materialisation of the performance conditions.

The plans were measured on the assumptions below:

- discount rate corresponding to a risk-free rate on the plans' duration;
- income distribution rate set at 80%;

Based on these assumptions, a total of € 2,926 thousand was expensed under the implemented plans at December 31, 2023.

NOTE 10 REVALUATION RESERVES

(in thousands of euros)	TECHNICAL LIABILITIES/IFE*	INVESTMENT INSTRUMENTS	RESERVES - GAINS AND LOSSES NOT RECLASSIFIABLE TO P&L (IAS 19)	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At DEC. 31, 2022 restated IFRS 17	**16,096**	**(72,874)**	**(17,637)**	**21,435**	**(52,981)**	**(91)**	**(53,070)**
Financial instruments first application of impact IFRS 9	0	(40,296)	0	2,796	(37,500)	0	(37,500)
At JAN. 1, 2023 restated IFRS 9 & 17	**16,096**	**(113,170)**	**(17,637)**	**24,231**	**(90,481)**	**(91)**	**(90,570)**
Fair value adjustments on financial assets reclassified to income	0	(3,618)	0	1,879	(1,739)	0	(1,739)
Fair value adjustments on financial assets recognised in equity and recyclable	0	66,813	0	(13,464)	53,349	8	53,357
Change in reserves - gains and losses not reclassificable to income statement	0	(24,445)	(2,794)	(1,497)	(28,737)	0	(28,737)
Transactions with shareholders	0	0	0	0	0	0	0
Reevaluation IFRS 17 OCI reserves variations recyclable in P&L	(4,620)	0	0	1,346	(3,275)	8	(3,267)
AT DEC. 31, 2023	**11,476**	**(74,426)**	**(20,429)**	**12,498**	**(70,880)**	**(79)**	**(70,956)**

** Insurance Finance Expenses.*

*** Provisions for pensions and similar obligations.*

(in thousands of euros)	TECHNICAL LIABILITIES/IFE*	INVESTMENT INSTRUMENTS	RESERVES - GAINS AND LOSSES NOT RECLASSIFIABLE TO P&L (IAS 19)	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At JAN. 1, 2022	**(6,313)**	**250,291**	**(30,652)**	**(28,016)**	**185,310**	**(115)**	**185,195**
Fair value adjustments on available-for-sale financial assets reclassified to income	0	(12,861)	0	3,629	(9,232)	0	(9,232)
Fair value adjustments on available-for-sale financial assets recognised in equity	0	(310,305)	0	54,622	(255,683)	(32)	(255,715)
Change in reserves - gains and losses not reclassificable to income statement	0	0	13,015	(3,705)	9,310	0	9,310
Transactions with shareholders	0	0	0	0	0	0	0
Reevaluation IFRS 17 OCI reserves variations recyclable in P&L	22,409	0	0	(5,095)	17,315	57	17,372
AT DEC. 31, 2022 RESTATED IFRS 17	**16,096**	**(72,874)**	**(17,637)**	**21,435**	**(52,981)**	**(91)**	**(53,070)**

**Insurance Finance Expenses.*

*** Provisions for pensions and similar obligations.*

NOTE 11 PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Provisions for disputes	1,206	1,982
Provisions for pension and other post-employment benefit obligations	47,815	46,223
Other provisions for liabilities and charges	**24,921**	**20,457**
TOTAL	**73,942**	**68,662**

(in thousands of euros)	DEC. 31, 2022	SCOPE ENTRY	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSI-FICATIONS	CHANGES IN OCI	CURRENCY TRANSLATION VARIATION	DEC. 31, 2023
Provisions for employee	1,970	25	176	0	(926)	0	0	(39)	1,206
Provisions for other disputes	12	0	(12)	0	0	0	0	0	0
Provisions for disputes	**1,982**	**25**	**164**	**0**	**(926)**	**0**	**0**	**(39)**	**1,206**
Provisions for end-of-career benefits	25,721	0	1,640	(1,480)	(194)	0	1,512	(143)	27,056
Provisions for post-employment benefits	7,218	0	587	(606)	(18)	0	693	(89)	7,784
Provisions for long-service awards	6,060	0	752	(356)	(1)	0	0	3	6,458
Provisions for time savings	1	0	0	0	0	0	0	0	1
Provisions for insurance and other medical coverage	3,769	0	235	(224)	0	0	219	0	3,999
Provisions for other long-term employee benefits	3,454	0	300	(1,244)	(4)	0	0	9	2,516
Provisions for pension and other post-employment benefit obligations	**46,223**	**0**	**3,515**	**(3,910)**	**(217)**	**0**	**2,423**	**(219)**	**47,815**
Provisions for liabilities on subsidiaries	9,815	0	0	0	0	0	0	0	9,815
Provisions for restructuring	07,247	0	897	(3,332)	(179)	0	0	4	4,637
Provisions for free share allocation plan	0	0	(2)	0	0	0	0	2	0
Provisions for taxes (excl. income taxes)	652	0	286	0	(150)	5292	0	(43)	6,037
Other provisions for liabilities	2,742	0	1,692	0	(56)	0	0	53	4,431
Other provisions for liabilities and charges	**20,457**	**0**	**2,873**	**(3,332)**	**(384)**	**5292**	**0**	**16**	**24,921**
TOTAL	**68,662**	**25**	**6,553**	**(7,242)**	**(1,527)**	**5,292**	**2,423**	**(241)**	**73,942**

(in thousands of euros)	DEC. 31, 2021	SCOPE ENTRY	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSI-FICATIONS	CHANGES IN OCI	CURRENCY TRANSLATION VARIATION	DEC. 31, 2022
Provisions for employee	2,023	0	124	0	(231)	15	0	41	1,972
Provisions for other disputes	252	0	16	0	0	(262)	0	9	15
Provisions for disputes	**2,275**	**0**	**140**	**0**	**(231)**	**(247)**	**0**	**49**	**1,985**
Provisions for end-of-career benefits	32,076	0	1,765	(1,518)	(462)	(0)	(6,034)	(106)	25,721
Provisions for post-employment benefits	13,264	0	395	(630)	(10)	0	(5,783)	(25)	7,211
Provisions for long-service awards	7,772	0	179	(1,486)	(408)	0	0	3	6,060
Provisions for time savings	10	0	0	0	(9)	0	0	0	1
Provisions for insurance and other medical coverage	5,016	0	162	(180)	(29)	0	(1,199)	0	3,769
Provisions for other long-term employee benefits	3,332	0	904	(730)	(50)	0	0	1	3,456
Provisions for pension and other post-employment benefit obligations	**61,473**	**0**	**3,404**	**(4,545)**	**(968)**	**0**	**(13,015)**	**(127)**	**46,222**
Provisions for liabilities	9,813	0	0	0	(1)	0	0	0	9,812
Provisions for restructuring	9,721	0	4,658	(5,587)	(1,544)	0	0	0	7,248
Provisions for free share allocation plan	0	0	0	0	0	0	0	0	0
Provisions for taxes (excl. income taxes)	707	0	0	0	0	0	0	(55)	652
Other provisions for liabilities	1,759	0	999	(17)	0	0	0	1	2,742
Other provisions for liabilities and charges	**22,000**	**0**	**5,657**	**(5,604)**	**(1,544)**	**0**	**0**	**(54)**	**20,455**
TOTAL	**85,748**	**0**	**9,201**	**(10,149)**	**(2,743)**	**(247)**	**(13,015)**	**(132)**	**68,662**

Provisions for liabilities and charges mainly include provisions for pensions and other post-employment benefit obligations, provisions for restructuring and provisions for liabilities.

French law No. 2023-270 on the corrective financing of social security for 2023, incorporating pension reform, was published in the Official Journal of the French Republic on April 15, 2023. It brings consequences for French insured individuals by raising the legal retirement age (age of eligibility) from 62 to 64 years, except for employees covered by specific schemes. Considering the previous assumptions made by the Group to establish its provisions, the estimated impacts of these new provisions are not material for the Group.

Other provisions for risks and charges include provisions for negative net equity of non-consolidated entities (€9.8 million) and provisions for restructuring (€4.6 million).

The main variation in the fiscal year is related to provisions for restructuring and a reclassification of the provision for tax risk (previously classified as a payable tax debt).

NOTE 12 EMPLOYEE BENEFITS

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Present value of benefit obligation at January 1st	**48,110**	**63,531**
Current service cost	1,703	3,362
Interest cost	1,561	608
Actuarial (gains)/losses	2,856	(15,625)
Benefits paid	(4,237)	(3,530)
Acquisitions/mergers/deconsolidations	0	0
Other	(209)	(250)
Present value of benefit obligation at December 31st	**49,784**	**48,095**
Change in plan assets		
Fair value of plan assets at January 1st	**1,888**	**2,057**
Revaluation adjustments – Return on plan assets	38	(178)
Employee contributions	110	36
Employer contributions	3,482	2,794
Benefits paid	(3,548)	(2,839)
Other	0	0
Fair value of plan assets at December 31st	**1,969**	**1,871**
Reconciliation		
Present value of benefit obligation at December 31st	**49,784**	**48,095**
Fair value of plan assets	1,969	1,871
(Liability)/Asset recognised in the balance sheet at December	**(47,815)**	**(46,222)**
Income statement		
Current service cost	1,703	3,402
Benefits paid including amounts paid in respect of settlements	0	0
Interest cost	1,561	608
Interest income	(73)	(22)
Revaluation adjustments on other long-term benefits	96	(2,410)
Other	0	(250)
(Income)/Expenses recorded in the income statement	**3,288**	**1,329**
Changes recognised directly in equity not reclassifiable to income		
Revaluation adjustments arising in the year	2,795	(13,015)
Revaluation adjustments recognised in equity not reclassifiable to income	**2,795**	**(13,015)**

	DEC. 31, 2023					
(in thousands of euros)	FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1st	**9,202**	**18,687**	**10,545**	**4,186**	**5,491**	**48,110**
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Current service cost	501	485	59	284	373	1,703
Interest cost	359	697	406	99	0	1,561
Actuarial (gains)/losses	518	1,107	953	160	117	2,856
Benefits paid	(448)	(2,278)	(750)	(71)	(690)	(4,237)
Other	0	0	0	0	(209)	(209)
Present value of benefit obligation at December 31st	**10,131**	**18,698**	**11,212**	**4,658**	**5,083**	**49,784**
Change in plan assets						
Fair value of plan assets at January 1st	**0**	**960**	**928**	**0**	**0**	**1,888**
Revaluation adjustments – Return on plan assets	0	23	15	0	0	38
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Employee contributions	0	8	101	0	0	110
Employer contributions	448	2,257	706	71	0	3,482
Benefits paid	(448)	(2,278)	(750)	(71)	0	(3,548)
Other	0	0	0	0	0	0
Fair value of plan assets at December 31st	**0**	**970**	**999**	**0**	**0**	**1,969**
Reconciliation						
Present value of benefit obligation at December 31st	**10,131**	**18,698**	**11,212**	**4,658**	**5,083**	**49,784**
Fair value of plan assets	0	970	999	0	0	1,868
(Liability)/Asset recognised in the balance sheet at December	**(10,131)**	**(17,728)**	**(10,214)**	**(4,658)**	**(5,083)**	**(48,226)**
Income statement						
Current service cost	501	755	59	284	373	1,973
Past service cost	0	0	0	0	0	0
Benefits paid including amounts paid in respect of settlements	0	0	0	0	0	0
Interest cost	359	697	406	99	0	1,561
Interest income	0	(35)	(37)	0	0	(73)
Revaluation adjustments on other long-term benefits	13	19	26	39	0	96
Other	0	0	0	0	0	0
(Income)/Expenses recorded in the income statement	**872**	**1,437**	**453**	**422**	**373**	**3,558**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	506	1,100	950	121	117	2,795
Revaluation adjustments recognised in equity not reclassifiable to income	**506**	**1,100**	**950**	**121**	**117**	**2,795**

	DEC. 31, 2022					
(in thousands of euros)	FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1st	**12,588**	**23,806**	**17,660**	**4,210**	**5,268**	**63,531**
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Current service cost	653	1,561	162	354	632	3,362
Interest cost	137	250	191	30	0	608
Actuarial (gains)/losses	(3,691)	(5,186)	(6,426)	(358)	36	(15,625)
Benefits paid	(484)	(1,761)	(1,041)	(50)	(194)	(3,530)
Other	0	0	0	0	(250)	(250)
Present value of benefit obligation at December 31st	**9,202**	**18,670**	**10,545**	**4,186**	**5,491**	**48,095**
Change in plan assets						
Fair value of plan assets at January 1st	**0**	**995**	**1,062**	**0**	**0**	**2,057**
Revaluation adjustments – Return on plan assets	0	(54)	(124)	0	0	(178)
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Employee contributions	0	36	0	0	0	36
Employer contributions	0	1,763	1,031	0	0	2,794
Benefits paid	0	(1,797)	(1,041)	0	0	(2,839)
Other	0	0	0	0	0	0
Fair value of plan assets at December 31st	**0**	**943**	**928**	**0**	**0**	**1,871**
Reconciliation						
Present value of benefit obligation at December 31st	**9,202**	**18,670**	**10,545**	**4,186**	**5,491**	**48,095**
Fair value of plan assets	0	943	928	0	0	1,871
(Liability)/Asset recognised in the balance sheet at December	**(9,202)**	**(17,727)**	**(9,617)**	**(4,186)**	**(5,491)**	**(46,224)**
Income statement						
Current service cost	653	1,331	162	354	632	3,132
Past service cost	0	0	0	0	0	0
Benefits paid including amounts paid in respect of settlements	0	0	0	0	0	0
Interest cost	137	250	191	30	0	608
Interest income	0	(10)	(12)	0	0	(22)
Revaluation adjustments on other long-term benefits	(175)	(2,039)	(27)	(169)	0	(2,410)
Other	0	0	0	0	(250)	(250)
(Income)/Expenses recorded in the income statement	**615**	**(467)**	**314**	**214**	**382**	**1,059**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	(3,517)	(3,083)	(6,264)	(188)	36	(13,016)
Revaluation adjustments recognised in equity not reclassifiable to income	**(3,517)**	**(3,083)**	**(6,264)**	**(188)**	**36**	**(13,016)**

Actuarial assumptions

The discount rate applied to the Group's employee benefit obligations is based on the Bloomberg Corporate AA curve for French entities and on a basket of international AA-rated corporate bonds for foreign entities.

	DEC. 31, 2023			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	2.25%	2.25%	2.25%	2.25%
Discount rate				
Supplementary retirement and other plans	3.50%	3.50%	3.50%	N/A
Statutory retirement benefits	3.50%	N/A	3.50%	3.50%
Long-service awards	3.50%	3.50%	3.50%	3.50%
Other benefits	3.50%	3.50%	N/A	3.50%
Rate of salary increases (including inflation)	2.55%	2.25%	2.00%	2.25%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.75%
Average remaining working life until retirement				
Supplementary retirement and other plans	0.00	3.12	9.47	6.44
Statutory retirement benefits	0.00	N/A	7.50	10.58
Long-service awards	0.00	14.21	19.47	7.25
Other benefits	0.00	1.82	N/A	0.00
Term (years)				
Supplementary retirement and other plans	2.54	10.01	11.08	15.13
Statutory retirement benefits	12.19	0.00	6.47	6.63
Long-service awards	6.76	7.83	8.48	7.63
Other benefits	9.75	1.04	N/A	N/A

	DEC. 31, 2022			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	2.25%	2.25%	2.25%	2.25%
Discount rate				
Supplementary retirement and other plans	4.00%	4.00%	4.00%	N/A
Statutory retirement benefits	4.00%	N/A	4.00%	4.00%
Long-service awards	4.00%	4.00%	4.00%	4.00%
Other benefits	4.00%	4.00%	N/A	4.00%
Rate of salary increases (including inflation)	2.55%	2.25%	2.00%	2.25%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.20%
Average remaining working life until retirement				
Supplementary retirement and other plans	0.00	3.59	10.03	10.74
Statutory retirement benefits	0.00	N/A	8.70	11.80
Long-service awards	0.00	14.15	19.61	8.25
Other benefits	0.00	2.34	N/A	0.00
Term (years)				
Supplementary retirement and other plans	2.47	9.83	10.93	16.49
Statutory retirement benefits	11.92	0.00	7.12	6.65
Long-service awards	6.89	7.94	8.39	7.90
Other benefits	9.71	1.35	N/A	N/A

Sensitivity tests on the defined benefit obligation

	DEC. 31, 2023			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
+0.25% increase in the discount rate	(2.56)%	(2.35)%	(1.89)%	(0.26)%
-0.25% decrease in the discount rate	2.68%	2.44%	1.95%	0.26%
+0.25% increase in the inflation rate	1.63%	1.85%	(0.48)%	0.27%
-0.25% decrease in the inflation rate	(1.59)%	(1.80)%	0.46%	(0.27)%
+0.25% increase in rate of increase in medical costs	2.91%	0.00%	0.00%	0.00%
-0.25% decrease in rate of increase in medical costs	(2.83)%	0.00%	0.00%	0.00%
+0.25% increase in rate of salary increase (including inflation)	1.75%	2.32%	(0.11)%	0.27%
-0.25% decrease in rate of salary increase (including inflation)	(1.71)%	(2.26)%	0.10%	(0.27)%

	DEC. 31, 2022			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
+1% increase in the discount rate	(2.53)%	(2.31)%	(1.92)%	(0.34)%
-1% decrease in the discount rate	2.65%	2.40%	1.98%	0.34%
+1% increase in the inflation rate	1.68%	1.71%	(0.48)%	0.34%
-1% decrease in the inflation rate	(1.61)%	(1.64)%	0.43%	(0.34)%
+1% increase in rate of increase in medical costs	3.09%	0.00%	0.00%	0.00%
-1% decrease in rate of increase in medical costs	(2.95)%	0.00%	0.00%	0.00%
+1% increase in rate of salary increase (including inflation)	1.81%	2.32%	(0.24)%	0.34%
-1% decrease in rate of salary increase (including inflation)	(1.74)%	(2.24)%	0.19%	(0.34)%

NOTE 13 FINANCING LIABILITIES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Due within one year		
• Interest	13,754	12,170
• Amortization of expenses	(657)	(647)
• Nominal	226,600	
Total	**239,696**	**11,523**
Due between one and five years		
• Amortization of expenses	(3,064)	(1,386)
• Nominal	0	226,600
Total	**(3,064)**	**225,214**
Due beyond five years		
• Amortization of expenses	(4,890)	(2,457)
• Nominal	600,000	300,000
Total	**595,110**	**297,543**
TOTAL	**831,743**	**534,280**

For the year ended December 31, 2023, the Group's financing liabilities, totalling €831.7 million, correspond to:

A fixed rate subordinated Note 4.125%issued on March 27, 2014 by COFACE SA for a nominal amount of €380 million and maturing on March 27, 2024.

The securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Group's main operating entity.

COFACE SA has also announced a tender offer on September 21, 2022 to repurchase its guaranteed subordinated Notes due on March 27, 2024, for an amount of €153 million, at a fixed purchase price of 103,625 percent.

The nominal amount after the tender offer is now €227 million, still maturing on March 27, 2024.

A issuance on September 22, 2022 of €300 million subordinated Notes bearing a fixed interest rate of 6.000 percent., due on September 22, 2032.

A new issuance on November 28, 2023 of €300 million subordinated Notes bearing a fixed interest rate of 5,750 percent., due on November 28, 2033.

The amount raised from this bond issuance will be primarily allocated to the refinancing of subordinated bonds maturing on March 27, 2024.

NOTE 14 LEASE LIABILITIES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Lead liabilities - Real estate	57,915	65,449
Lead liabilities - Equipment	9,706	9,173
LEAD LIABILITIES	**67,621**	**74,622**

NOTE 15 LIABILITIES RELATING TO INSURANCE CONTRACTS

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
LRC - Liabilities for remaining coverage - gross	72,936	100,282
LIC - Liabilities for incurred claims - gross	1,395,471	1,332,298
Liabilities relating to insurance contracts	**1,468,406**	**1,432,580**
LRC - Liabilities for remaining coverage - ceded	(8,793)	51,291
LIC - Liabilities for incurred claims - ceded	393,603	304,926
Reinsurers' share of insurance liabilities	**384,810**	**356,217**
NET TECHNICAL PROVISIONS	**1,083,596**	**1,076,364**

Reconciliation from the opening to the closing balances of net book values of insurance contracts as of DEC. 31, 2023:

	LIABILITY FOR REMAINING COVERAGE (LRC)		LIABILITY FOR INCURRED CLAIMS (LIC)		
(in thousands of euros)	EXCL. LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT FOR NON-FINANCIAL RISK	TOTAL
INSURANCE CONTRACT LIABILITY - OPENING	**99,258**	**1,024**	**765,112**	**567,186**	**1,432,580**
INSURANCE RESULT	**(1,362,390)**	**(596)**	**884,402**	**24,568**	**(454,016)**
Insurance service revenue	**(1,559,063)**	**0**	**0**	**0**	**(1,559,063)**
Insurance service expenses	**196,673**	**(596)**	**884,402**	**24,568**	**1,105,047**
Incurred claims (excluding investment components) and other insurance service expenses	0	(3,763)	847,149	284,506	1,127,892
Amortisation of insurance acquisition cash flows	196,673	0	0	0	196,673
Adjustements to liabilities for incurred claims	0	0	37,253	(259,938)	(222,685)
Losses and losses reversals on groups of onerous contracts	0	3,167	0	0	3,167
Net finance expenses from insurance contract	**1,830**	**0**	**33,112**	**24,324**	**59,266**
Other comprehensive incomes (OCI)	**2,232**	**5**	**(7,982)**	**(5,191)**	**(10,935)**
Other variations	**5,162**	**0**	**1,347**	**110**	**6,619**
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	**(1,353,165)**	**(591)**	**910,879**	**43,812**	**(399,065)**
Cash flows	**1,326,409**	**0**	**(891,518)**	**0**	**434,892**
Premiums received under insurance contracts issued	1,510,694	0	0	0	1,510,694
Insurance acquisition cash flows	(184,285)	0	0	0	(184,285)
Claims incurred and other insurance service expenses paid related to insurance activities relating to insurance contracts issued, excluding cash flows related to acquisition costs	0	0	(891,518)	0	(891,518)
Insurance contract liability - Closing	**72,502**	**434**	**784,473**	**610,998**	**1,468,406**

Reconciliation from the opening to the closing balances of net book values of reinsurance contracts as of DEC. 31, 2023:

(in thousands of euros)	NET LIABILITY FOR REMAINING COVERAGE (LRC)	LIABILITY FOR INCURRED CLAIMS (LIC) ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS	LIABILITY FOR INCURRED CLAIMS (LIC) RISK ADJUSTMENT FOR NON-FINANCIAL RISK	TOTAL
REINSURANCE CONTRACT LIABILITY - OPENING	**51,291**	**167,736**	**137,190**	**356,217**
Premiums paid allocation	**(255,969)**	**5,775**	**0**	**(250,194)**
Amounts recovered from the reinsurer	**15,394**	**116,974**	**13,585**	**145,954**
Amounts recovered for claims and other expenses incurred during the period	15,670	116,033	80,359	212,062
Changes in recoveries related to changes in liabilities for claims incurred	0	942	(66,774)	(65,832)
Changes in fulfillment cash flows related to onerous underlying contracts	(275)	0	0	(275)
Changes effect in the risk of non-performance by the reinsurance contracts held issuer	**0**	**0**	**0**	**0**
REVENUES AND EXPENSES RELATING TO REINSURANCE TREATIES HELD	**(240,574)**	**122,749**	**13,585**	**(104,240)**
Net finance expenses from insurance contract relating to reinsurance treaties held	**(39)**	**6,128**	**4,400**	**10,490**
Other comprehensive incomes (OCI)	**663**	**4,658**	**11**	**5,331**
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	**(239,950)**	**133,535**	**17,996**	**(88,419)**
Cash flows	**180,470**	**(72,208)**	**0**	**108,263**
Premiums paid for reinsurance contracts held	196,140	0	0	196,140
Amounts recovered from the reinsurer	(15,670)	(72,208)	0	(87,878)
Other variations	**(604)**	**9,297**	**57**	**8,749**
Reinsurance contract liability - Closing	**(8,793)**	**238,360**	**155,242**	**384,810**

NOTE 16 PAYABLES ARISING FROM BANKING ACTIVITIES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Amounts due to banking sector companies	762,907	743,230
Amounts due to customers of banking sector companies	474,446	389,300
Debt securities	1,655,719	1,794,858
TOTAL	**2,893,072**	**2,927,389**

The lines “Amounts due to banking sector companies” and “Debt securities” correspond to sources of refinancing for the Group’s factoring entities – Coface Finanz (Germany) and Coface Factoring Poland.

NOTE 17 DEFERRED TAX

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Deferred tax assets	(89,899)	(90,693)
Deferred tax liabilities	143,886	125,441
NET DEFERRED TAX - LIABILITIES	**53,987**	**34,748**
Timing differences	(51,186)	(42,408)
Provisions for pensions and other employment benefit obligations	(4,908)	(4,233)
Tax loss carry forwards	(7,035)	(5,252)
Cancellation of the claims equalization provision	117,116	86,642
NET DEFERRED TAX - LIABILITIES	**53,987**	**34,748**

Deferred tax assets and liabilities are assessed at the rate applicable on the date on which the asset will be realized or the liabilities will be settled.

Each entity is compensating deferred tax assets and liabilities whenever it is legaly authorized to compensate due tax assets and liabilities.

Changes in deferred tax balances by region

Deferred tax with positive signs are deferred tax liabilities. On the other hand, those with negative signs are deferred tax assets.

(in thousands of euros)	DEC. 31, 2022	CHANGE THROUGH INCOME STATEMENT	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CURRENCY TRANSLATION VARIATION	SCOPE ENTRY	OTHER MOVEMENTS	DEC. 31, 2023
Northern Europe	62,643	8,613	(319)	(214)	0	(298)	70,426
Western Europe	(6,673)	(4,851)	14,373	71	0	608	3,528
Central Europe	4,864	426	(20)	114	0	(2,178)	3,206
Mediterranean & Africa	(13,288)	6,539	314	1,172	0	(1,125)	(6,388)
North America	453	(2,525)	950	41	0	13	(1,068)
Latin America	(9,706)	(2,133)	(2,865)	3,937	(37)	(882)	(11,686)
Asia-Pacific	(3,546)	(1,088)	301	250	0	51	(4,032)
TOTAL	**34,748**	**4,982**	**12,734**	**5,371**	**(37)**	**(3,812)**	**53,987**

The “Other movements” column mainly includes deferred taxes on changes in retirement benefits recognised as equity not reclassifiable to income and a correction with a reclassification between taxes/deffered taxes and changes effects.

(in thousands of euros)	DEC. 31, 2021	CHANGE THROUGH INCOME STATEMENT	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CURRENCY TRANSLATION VARIATION	SCOPE ENTRY	OTHER MOVEMENTS	DEC. 31, 2022
Northern Europe	60,748	2,291	(1,328)	(148)	(43)	1,123	62,643
Western Europe	32,684	5,555	(35,267)	(62)	0	(9,584)	(6,673)
Central Europe	541	7,026	(3,020)	(1,267)	(44)	1,629	4,864
Mediterranean & Africa	(7,647)	(2,211)	(3,911)	436	0	45	(13,288)
North America	3,893	(2,311)	(1,351)	222	0	0	453
Latin America	4,103	(7,366)	(2,509)	2,293	(299)	(5,929)	(9,706)
Asia-Pacific	(4,978)	1,028	462	(58)	0	0	(3,546)
TOTAL	**89,344**	**4,013**	**(46,924)**	**1,417**	**(386)**	**(12,716)**	**34,748**

Deferred taxes related to tax losses

The breakdown by region of deferred taxes assets linked to tax losses is as follows:

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Northern Europe	3,044	2,699
Western Europe	768	0
Central Europe	164	157
Mediterranean & Africa	0	245
North America	0	0
Latin America	344	102
Asia-Pacific	2,715	2,049
NET DEFERRED TAX - LIABILITIES	**7,035**	**5,252**

The recognition of deferred tax assets on tax losses is subject to a case-by-case recoverability analysis, taking into account the forecasts of the results of each entity. Deferred tax assets on losses are recognized at the level of entity's income tax results estimated for the period from 2024 to 2028, ie a recoverability horizon of five years. This recognition results from a Business Tax Plan prepared by each entity on the basis of the Business Plan approved by the Management.

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Current tax payables	**51,917**	**61,681**
Derivatives and related liabilities	**27**	**222**
Accrued personnel costs	80,841	80,712
Sundry payables	199,989	227,197
Deferred income	13,643	12,256
Other accruals	20,257	20,351
Other payables	**314,730**	**340,516**
TOTAL	**366,675**	**402,419**

NOTE 19 CONSOLIDATED REVENUE

Breakdown of consolidated revenue

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Premiums – direct business	*1,594,179*	*1,575,094*
Premiums – inward reinsurance	*100,010*	*91,396*
Gross written premiums	**1,694,189**	**1,666,490**
Premium refunds	**(129,073)**	**(139,102)**
Change of provisions for unearned premiums	**(6,053)**	**(11,725)**
Insurance revenue	**1,559,063**	**1,515,663**
Fees and commission income	**171,374**	**158,574**
Net income from banking activities	**72,686**	**70,414**
Income from service activities	**65,109**	**54,380**
Revenue or income from other activities	**309,168**	**283,367**
CONSOLIDATED REVENUE	**1,868,231**	**1,799,030**

Consolidated revenue by country of invoicing

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Northern Europe	379,557	373,057
Western Europe	380,075	359,627
Central Europe	177,058	181,959
Mediterranean & Africa	526,285	484,703
North America	171,850	168,391
Latin America	100,303	100,763
Asia-Pacific	133,102	130,529
CONSOLIDATED REVENUE	**1,868,231**	**1,799,030**

NOTE 20 CLAIM EXPENSES

(in thousands of euros)	DEC. 31,2023	DEC. 31,2022
Paid claims, net of recoveries	(545,990)	(344,973)
Change in claims reserves	(12,653)	(195,452)
TOTAL	**(558,644)**	**(540,425)**

NOTE 21 OVERHEADS BY FUNCTION

(in thousands of euros)	DEC. 31, 2023	DEC. 31,2022
Claims handling expenses*	**(39,043)**	**(36,089)**
Policy acquisition costs	(196,673)	(170,135)
Administrative costs	(350,326)	(361,328)
Overhead costs attributable to contract activity	**(546,999)**	**(531,463)**
Other insurance activity expenses	(106,515)	(98,815)
Expenses from banking activities, excluding risk cost	(14,018)	(14,331)
Other operating expenses	(142,470)	(129,766)
Other activities expenses	**(263,003)**	**(242,913)**
Investment management expenses**	**(9,756)**	**(8,761)**
TOTAL	**(858,801)**	**(819,226)**
of which employee profit-sharing	*(9,193)*	*(10,120)*

** Included in contract service charges in the consolidated income statement.*

*** Included in the item Investment income net of expenses excluding cost of debt in the consolidated income statement.*

Total overheads include general insurance expenses (by function), expenses from services activities and expenses from banking activities. It came out at €858,801 thousand as at December 31, 2023 *versus* €819,226 thousand as at December 31, 2022.

NOTE 22 EXPENSES FROM BANKING ACTIVITIES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Charges to allowances for receivables	(147)	194
Reversal of allowances for receivables	13,293	6,269
Losses on receivables	(13,680)	(6,154)
Cost of risk	**(534)**	**308**
Operating expenses	**(14,018)**	**(14,331)**
TOTAL EXPENSES FROM BANKING ACTIVITIES	**(14,552)**	**(14,023)**

“Cost of risk” corresponds to the risk-related expense on credit insurance operations conducted by factoring companies, which includes net additions to provisions, receivables written off during the year, and recoveries of amortised receivables.

NOTE 23 INCOME AND EXPENSES FROM CEDED REINSURANCE

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Ceded claims	123,425	89,992
Change in claims provisions net of recoveries	6,859	8,713
Commissions paid by reinsurers	15,670	30,094
Income from ceded reinsurance	**145,954**	**128,798**
Ceded premiums	(248,795)	(242,916)
Change in unearned premiums provisions	(1,400)	(24,522)
Expenses from ceded reinsurance	**(250,194)**	**(267,438)**
TOTAL	**(104,240)**	**(138,640)**

NOTE 24 NET INVESTMENT RESULT EXCLUDING COST OF DEBT

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022*
Investment income		
Amounts recognised in the profit or loss		
Investment income	68,298	46,234
Change in financial instruments at fair value though profit or loss	(21,936)	25
Net gains on disposals	18,238	18,878
Net impairment losses on financial assets	(67)	258
Net foreign exchange differences	(38,672)	(16,141)
Investment management expenses	(13,434)	(13,555)
Total amounts recognised in the profit or loss	**12,427**	**35,699**
Amounts recognised in OCI**	**35,950**	**(323,166)**
TOTAL INVESTMENT INCOME	**48,376**	**(287,466)**

** IFRS 17 restated, without IFRS 9 application.*
The wording changes in the comparative column 31.12.2022 are reclassifications without IFRS 9 application.
*** Other Comprehensive Income*

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022*
Net finance expenses from insurance contracts		
Interest accreted	(59,096)	(18,259)
Effect of changes in interest rates and other financial assumptions	8,006	8,210
Net foreign exchange differences related to technical provisions	(1,552)	1,617
Total amounts recognised in the profit or loss	**(52,642)**	**(8,432)**
Amounts recognised in OCI**	**(6,624)**	**29,427**
Total net finance expenses from insurance contracts	**(59,266)**	**20,994**
Net finance expenses from reinsurance contracts held		
Interest accreted	12,175	1,197
Effect of changes in interest rates and other financial assumptions	(3,367)	(2,579)
Net foreign exchange differences related to technical provisions	3,875	(7,737)
Total amounts recognised in the profit or loss	**12,683**	**(9,119)**
Amounts recognised in OCI**	**2,107**	**(7,239)**
Total net finance expenses from reinsurance contracts held	**14,790**	**(16,357)**
Total amounts recognised in the profit or loss	**(39,959)**	**(17,551)**
Amounts recognised in OCI**	**(4,517)**	**22,188**
Net financial costs of insurance or reinsurance contracts held	**(44,476)**	**4,637**
Total amounts recognised in the profit or loss	**(27,533)**	**18,148**
Amounts recognised in OCI**	**31,433**	**(300,978)**
TOTAL NET INVESTMENT RESULT EXCLUDING COST OF DEBT	**3,900**	**(282,829)**

** IFRS 17 restated, without IFRS 9 application.*
The wording changes in the comparative column 31.12.2022 are reclassifications without IFRS 9 application.
*** Other Comprehensive Income.*

NOTE 25 OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Build to Lead restructuring expenses	27	(1,887)
Impact of entry in consolidation scope	(3,159)	(577)
Restructuring provision	(1,657)	(327)
Other operating expenses	(1,791)	(10,143)
Total other operating expenses	**(6,581)**	**(12,933)**
Impact of entry in consolidation scope	1,065	2,199
Other operating income	565	1,197
Total other operating income	**1,630**	**3,397**
TOTAL	**(4,952)**	**(9,537)**

Other operating income and expenses amounted to €(4.9) million as of December 31, 2023 and mainly includes:

- charges related to the inclusion of four service entities in the consolidated scope for €2.0 million;
- restructuring provisions for €1.7 million

NOTE 26 INCOME TAX EXPENSE

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Income tax	(83,172)	(36,805)
Deferred tax	(4,861)	(7,899)
TOTAL	**(88,033)**	**(44,704)**

The income tax expense highly increased because of the better entities results.

Tax proof

(in thousands of euros)	DEC. 31, 2023		DEC. 31, 2022	
Net income	**240,500**		**240,444**	
Non-controlling interests	(120)		(244)	
Income tax expense	(88,033)		(86,923)	
Pre-tax income before share in net income of associates and badwill	**328,532**		**327,611**	
Tax rate		25.83%		25.83%
Theoretical tax	(84,860)		(84,622)	
Tax expense presented in the consolidation income statement	(88,033)	26.80%	(86,923)	26.53%
Difference	**3,173**	**0.97%**	**2,301**	**0.70%**
Impact of differences between Group tax rates and local tax rates	19,911	6.06%	20,079	5,46%
Specific local taxes	(2,686)	(0.82)%	(10,690)	(2.78)%
o/w French Corporate value added tax (CVAE)	(587)	(0.18)%	(684)	(0.18)%
Tax losses for which no deferred tax assets have been recognised	(19,589)	(5.96)%	(14,681)	(3.82)%
Utilisation of previously unrecognised tax loss carryforwards	399	0.12%	1,822	0.47%
Dividends paid in France non deductible for tax purposes (1%)	0	0.00%	0	0.00%
Variable carryover effet	315	0.10%	8,453	2.20%
Liability method impact	(7,622)	(2.32)%		
Other differences	968	0.29%	1,298	0.34%

The effective income tax rate is nearly stable (26.80% in 2023 vs 26.53% in 2022)

The difference between theoretical tax and tax expense presented in the consolidated income statement comes from a positive impact of differences between Group tax rates and local tax rates partially offset by the negative effect of the non-activation of tax losses,the positive effect of the tax deficits activation other than on losses and the impact of Argentina’s transition to USD reporting currency.

NOTE 27 BREAKDOWN OF NET INCOME BY SEGMENT

31/12/2023 *(in thousand of euros)*	NOTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITER-RANEAN - AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFICA	GROUP TOTAL
Insurance revenue	**269,407**	**357,197**	**134,553**	**424,251**	**157,228**	**88,776**	**127,651**	**1,559,063**
Claims expenses	(74,664)	(138,465)	(32,650)	(170,105)	(43,194)	(74,193)	(25,372)	(558,644)
Attributable costs from insurance activity	(85,631)	(174,925)	(38,364)	(120,932)	(59,538)	(30,296)	(37,313)	(546,999)
Loss component & reversal of loss component	6	716	173	(352)	0	53	(0)	596
Insurance Service Expenses	**(160,289)**	**(312,674)**	**(70,841)**	**(291,389)**	**(102,733)**	**(104,436)**	**(62,685)**	**(1,105,047)**
Insurance result before reinsurance	**109,118**	**44,524**	**63,712**	**132,861**	**54,495**	**(15,660)**	**64,966**	**454,016**
Income and Expenses from ceded reinsurance	(43,174)	18,562	(24,686)	(28,092)	(25,927)	26,520	(27,444)	(104,240)
Insurance result after reinsurance	**65,944**	**63,086**	**39,026**	**104,770**	**28,568**	**10,860**	**37,522**	**349,776**
Other revenue	132,741	24,349	40,390	85,429	14,622	6,185	5,452	309,168
Other expenses	(79,407)	12,810	(42,981)	(86,522)	(29,043)	(16,216)	(21,645)	(263,003)
Risk cost	(591)	0	57	0	0	0	0	(534)
Result including other activities and risk cost	**118,688**	**100,246**	**36,492**	**103,677**	**14,146**	**829**	**21,328**	**395,407**
Net income from investments	**(28,315)**	**19,718**	**(1,182)**	**(16,801)**	**1,251**	**(3,071)**	**867**	**(27,533)**
Other operational income and expenses	(85)	(787)	865	(214)	(783)	(38)	(3,911)	(4,952)
Operational result	**90,288**	**119,177**	**36,175**	**86,663**	**14,614**	**(2,280)**	**18,284**	**362,922**
Finance costs	(263)	(31,885)	(446)	(565)	(719)	(196)	(196)	(34,269)
Income tax expense	(24,211)	(22,096)	(6,080)	(28,500)	(690)	(5,491)	(965)	(88,033)
Consolidated net result	**65,814**	**65,197**	**29,649**	**57,598**	**13,205**	**(7,966)**	**17,123**	**240,620**
Non-controlling interests	(3)	0	(1)	(127)	(1)	12	(1)	(120)
Net Income of the period	**65,811**	**65,197**	**29,648**	**57,471**	**13,205**	**(7,954)**	**17,123**	**240,500**
Other key indicators (accounting view)								
Total Turnover	**402,149**	**381,547**	**174,943**	**509,680**	**171,850**	**94,961**	**133,102**	**1,868,231**
Total Claims expenses (inc. loss component)	**(74,658)**	**(137,749)**	**(32,477)**	**(170,458)**	**(43,194)**	**(74,140)**	**(25,372)**	**(558,048)**
Total Overheads (inc. commissions)	**(165,206)**	**(171,245)**	**(81,345)**	**(207,489)**	**(88,927)**	**(46,513)**	**(59,034)**	**(819,758)**
Reconciliation between the Note and the financial communication								
Total Turnover - accounting view	402,149	381,547	174,943	509,680	171,850	94,961	133,102	1,868,231
Reallocation of inward business	0	(24,063)	2,115	16,605	0	5,343	0	(0)
Reallocation of net income banking activities	(22,592)	22,592	0	0	0	0	0	0
Total Turnover - managing view	**370,557**	**380,075**	**177,058**	**526,285**	**171,850**	**100,303**	**133,102**	**1,868,231**
Total Claims expenses (inc. loss component) - accounting view	(74,658)	(137,749)	(32,477)	(170,458)	(43,194)	(74,140)	(25,372)	(558,048)
Reallocation of inward business	0	10,226	(392)	(6,214)	0	(3,619)	0	(0)
Total Claims expenses (inc. loss component) - managing view	**(74,658)**	**(127,524)**	**(32,869)**	**(176,672)**	**(43,194)**	**(77,759)**	**(25,372)**	**(558,048)**
Loss ratio - accounting view	27.7%	38.6%	24.1%	40.2%	27.5%	83.5%	19.9%	35.8%
Reallocation of inward business	0.0%	-0.3%	-0.1%	-0.1%	0.0%	-0.9%	0.0%	0.0%
LOSS RATIO - MANAGING VIEW	**27.7%**	**38.3%**	**24.0%**	**40.1%**	**27.5%**	**82.6%**	**19.9%**	**35.8%**

31/12/2022 *(in thousand of euros)*	NOTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITER-RANEAN - AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFICA	GROUP TOTAL
Insurance revenue	**268,939**	**331,478**	**143,481**	**400,070**	**154,315**	**91,264**	**126,116**	**1,515,663**
Claims expenses	(106,555)	(125,473)	(51,356)	(169,927)	(29,596)	(46,739)	(10,778)	(540,425)
Attributable costs from insurance activity	(83,382)	(164,995)	(37,848)	(114,969)	(56,518)	(31,130)	(42,621)	(531,463)
Loss component & reversal of loss component	1,091	978	133	91	352	37	52	2,735
Insurance Service Expenses	**(188,846)**	**(289,490)**	**(89,071)**	**(284,805)**	**(85,762)**	**(77,832)**	**(53,348)**	**(1,069,153)**
Insurance result before reinsurance	**80,093**	**41,987**	**54,410**	**115,265**	**68,553**	**13,432**	**72,769**	**446,510**
Income and Expenses from ceded reinsurance	(39,227)	1,401	(16,176)	(43,092)	(34,115)	18,803	(26,233)	(138,640)
Insurance result after reinsurance	**40,866**	**43,388**	**38,234**	**72,174**	**34,438**	**32,235**	**46,535**	**307,870**
Other revenue	108,351	38,671	36,640	77,491	14,077	4,403	3,734	283,367
Other expenses	(75,817)	5,628	(40,395)	(75,476)	(24,213)	(13,375)	(19,266)	(242,913)
Risk cost	356	(0)	(47)	0	0	0	0	308
Result including other activities and risk cost	**73,757**	**87,687**	**34,432**	**74,189**	**24,301**	**23,263**	**31,004**	**348,633**
Net income from investments	**1,120**	**(8,812)**	**11,917**	**12,679**	**(1,203)**	**(2,698)**	**5,146**	**18,148**
Other operational income and expenses	(2,469)	(5,776)	272	(1,806)	(133)	544	(169)	(9,537)
Finance costs	**(188)**	**(27,354)**	**(254)**	**(544)**	**(898)**	**(184)**	**(184)**	**(29,605)**
Operational result	72,408	73,099	46,621	85,062	22,965	21,109	35,982	357,245
Income tax expense	(10,375)	(22,127)	(8,973)	(32,117)	(4,961)	(4,117)	(4,253)	(86,923)
Consolidated net result	**61,845**	**23,618**	**37,393**	**52,401**	**17,106**	**16,808**	**31,545**	**240,717**
Non-controlling interests	(3)	1	(2)	(266)	(1)	(1)	(2)	(273)
Net income of the period	**61,842**	**23,619**	**37,392**	**52,135**	**17,105**	**16,807**	**31,544**	**240,444**
Other key indicators (accounting view)								
Total Turnover	**377,290**	**370,148**	**180,121**	**477,561**	**168,391**	**95,667**	**129,851**	**1,799,030**
Total Claims expenses (inc. loss component)	**(105,464)**	**(124,495)**	**(51,223)**	**(169,836)**	**(29,244)**	**(46,702)**	**(10,726)**	**(537,689)**
Total Overheads (inc. commissions)	**(159,583)**	**(167,287)**	**(78,243)**	**(190,459)**	**(81,077)**	**(44,505)**	**(61,984)**	**(783,137)**
Reconciliation between the Note and the financial communication								
Total Turnover - accounting view	**377,290**	**370,148**	**180,121**	**477,561**	**168,391**	**95,667**	**129,851**	**1,799,030**
Reallocation of inward business	0	(14,754)	1,838	7,142	0	5,096	678	0
Reallocation of net banking activities	(4,233)	4,233	0	0	0	0	0	0
Total Turnover - managing view	**373,057**	**359,627**	**181,959**	**484,703**	**168,391**	**100,763**	**130,529**	**1,799,030**
Total Claims expenses (inc. loss component) - accounting view	**(105,464)**	**(124,495)**	**(51,223)**	**(169,836)**	**(29,244)**	**(46,702)**	**(10,726)**	**(537,689)**
Reallocation of inward business	0	18,719	(3,894)	(13,681)	0	(1,512)	368	0
Total Claims expenses (inc. loss component) - managing view	**(105,464)**	**(105,776)**	**(55,117)**	**(183,517)**	**(29,244)**	**(48,214)**	**(10,359)**	**(537,689)**
Loss ratio - accounting view	**39.2%**	**37.6%**	**35.7%**	**42.5%**	**19.0%**	**51.2%**	**8.5%**	**35.5%**
Reallocation of inward business	0.0%	-4.2%	2.2%	2.6%	0.0%	-1.1%	-0.3%	0.0%
LOSS RATIO - MANAGING VIEW	**39.2%**	**33.4%**	**37.9%**	**45.1%**	**19.0%**	**50.0%**	**8.2%**	**35.5%**

NOTE 28 EARNINGS PER SHARE

	DEC. 31, 2023		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in €k)*	EARNINGS PER SHARE *(in €)*
Basic earnings per share	149,035,282	240,500	161
Dilutive instruments	0		
DILUTED EARNINGS PER SHARE	**149,035,282**	**240,500**	**161**

	DEC. 31, 2022		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in €k)*	EARNINGS PER SHARE *(in €)*
Basic earnings per share	149,047,978	240,444	1.61
Dilutive instruments	0		
DILUTED EARNINGS PER SHARE	**149,047,978**	**240,444**	**161**

NOTE 29 GROUP'S HEADCOUNT

(in full time equivalent)	DEC. 31, 2023	DEC. 31, 2022
Northern Europe	735	632
Western Europe	1,095	994
Central Europe	846	753
Mediterranean & Africa	711	678
North America	249	223
Latin America	334	307
Asia-Pacific	130	118
TOTAL	**4,100**	**3,704**

At December 31, 2023, the number of employees of fully consolidated companies was 4,100 full-time equivalents FTE *versus* 3,704 at December 31, 2022, up for 396 FTEs.

NOTE 30 RELATED PARTIES

Ownership structure at December 31, 2023:

	NUMBER OF SHARES	%
Arch Capital Group Ltd.	44,849,425	30.10%
Public	104,157,465	69.90%
TOTAL	**149,006,890**	**100.00%**

Ownership structure at December 31, 2022

	NUMBER OF SHARES	%
Arch Capital Group Ltd.	44,849,425	30.09%
Public	104,214,249	69.91%
TOTAL	**149,063,674**	**100.00%**

At December 31, 2023, Arch Capital Group Ltd. held 30.10% of Coface Group's shares, excluding treasury stock, and 29.86% of the shares including treasury stock.

Relations between the Group's consolidated entities and related parties

The Coface Group's main transactions with related parties concern Arch Capital Group and its subsidiaries.

The main related-party transactions are as follows:

- reinsurance policies between Coface and Arch Reinsurance Group wich is owned by Arch Capital Group Ltd.;
- Coface's credit insurance coverage made available to entities related to Coface;
- recovery of insurance receivables carried out by entities related to Coface on behalf of Coface;
- rebilling of general and administrative expenses, including overheads, personnel expenses, etc.

These transactions are broken down below as of December 31, 2023:

	DEC. 31, 2023
CURRENT OPERATING INCOME *(in thousands of euros)*	**ARCH REINSURANCE GROUP**
Revenue (net banking income, after cost of risk)	0
Claims expenses	0
Expenses from other activities	0
Policy acquisition costs	0
Administrative costs	0
Other current operating income and expenses	0
Reinsurance result	(1,914)
OPERATING INCOME/(LOSS)	**(1,914)**

	DEC. 31, 2023
RELATED-PARTY RECEIVABLES AND PAYABLES *(in thousands of euros)*	**ARCH REINSURANCE GROUP**
Financial investments	
Reinsurance receivables	**(41)**
Other assets	
Cash and cash equivalents	
Liabilities relating to insurance contracts	
Amounts due to banking sector companies	
Reinsurance debts	(196)
Other liabilities	

These transactions are broken down below as of December 31, 2022:

	DEC. 31, 2022
CURRENT OPERATING INCOME *(in thousands of euros)*	**ARCH REINSURANCE GROUP**
REVENUE (NET BANKING INCOME, AFTER COST OF RISK)	
Claims expenses	
Expenses from other activities	
Policy acquisition costs	
Administrative costs	
Other current operating income and expenses	
Reinsurance result	(1,053)
OPERATING INCOME/(LOSS)	**(1,053)**

	DEC. 31, 2022
RELATED-PARTY RECEIVABLES AND PAYABLES *(in thousands of euros)*	**ARCH REINSURANCE GROUP**
Financial investments	
Other assets	**(2)**
Reinsurance receivables	
Cash and cash equivalents	
Liabilities relating to insurance contracts	
Amounts due to banking sector companies	
Reinsurance debts	(421)
Other liabilities	

NOTE 31 KEY MANAGEMENT COMPENSATION

(in thousands of euros)	DEC.31, 2023	DEC. 31, 2022
Short-term benefits (gross salaries and wages, incentives, benefits in kind and annual bonus)	6,505	5,586
Other long-term benefits	1,536	1,499
Statutory termination benefits	0	0
Share-based payment	1,342	976
TOTAL	**9,384**	**8,062**

As of December 31, 2023, the Group Management Committee is composed of Coface CEO and eight members.

The line “Other long-term benefits” corresponds to the free performance shares allocation (fair value IFRS).

For 2023, the line “share-based payment” corresponds to the free performance shares allocated in the LTIP Plan 2020 and delivered in 2023 (fair value IFRS).

For 2022, the line “share-based payment” corresponds to the free performance shares allocated in the LTIP Plan 2019 and delivered in 2022.

A total envelope of 409,000 EUR was paid out to the members of the Board of Directors, the Audit, the Risk and the Compensation Committees in 2023.

NOTE 32 BREAKDOWN OF AUDIT FEES

	MAZARS				DELOITTE				TOTAL			
(in thousands of euros)	DEC. 31, 2023	%	DEC 31, 2022	%	DEC. 31, 2023	%	DEC 31, 2020	%	DEC. 31, 2023	%	DEC 31, 2020	%
Statutory and IFRS Audit												
COFACE SA	(573)	29%	(1,041)	41%	(643)	24%	(1,058)	35%	(1,216)	26%	(2,099)	37%
Subsidiaries	(1,346)	67%	(1,362)	53%	(1,887)	71%	(1,813)	60%	(3,233)	69%	(3,175)	57%
Sub-total	**(1,919)**	**96%**	**(2,403)**	**94%**	**(2,530)**	**95%**	**(2,871)**	**94%**	**(4,449)**	**96%**	**(5,274)**	**94%**
Other fees than Statutory and IFRS Audit												
COFACE SA	(48)	2%	(112)	4%	(97)	4%	(170)	6%	(145)	3%	(282)	5%
Subsidiaries	(28)	1%	(55)	2%	(31)	1%	1	0%	(58)	1%	(54)	1%
Sub-total	**(76)**	**4%**	**(167)**	**7%**	**(128)**	**5%**	**(169)**	**6%**	**(203)**	**4%**	**(336)**	**6%**
TOTAL	**(1,995)**	**100%**	**(2,569)**	**100%**	**(2,657)**	**100%**	**(3,040)**	**100%**	**(4,652)**	**100%**	**(5,609)**	**100%**

Fees for services other than the certification of accounts correspond mainly to

(i) engagements to issue assurance reports on financial or regulatory information,

(ii) tax services outside France, such as tax reporting support services, and other authorised advisory services.

NOTE 33 OFF-BALANCE SHEET COMMITMENTS

	DEC. 31, 2023		
(in thousands of euros)	TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,416,648**	**1,387,348**	**29,300**
Endorsements and letters of credit	1,387,348	1,387,348	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity interests	25,800	0	25,800
Commitments received	**2,225,153**	**1,535,317**	**689,836**
Endorsements and letters of credit	143,308	0	143,308
Guarantees	546,527	0	546,527
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	835,317	835,317	0
Financial commitments in respect of equity interests			
Guarantees received	**430,681**	**0**	**430,681**
Securities lodged as collateral by reinsurers	430,681	0	430,681
Financial market transactions	**88,061**	**0**	**88,061**

Endorsements and letters of credit correspond mainly to:

- joint guarantee for €226 million given by Compagnie Française d'Assurance pour le Commerce Extérieur to the benefit of investors in the subordinated debt issued by COFACE SA (maturity 10 years);
- joint guarantees for €1,054 million given by COFACE SA to banks (Natixis, BNPP, Santander, HSBC, SG) financing bilateral lines of Coface Finanz and Coface Poland Factoring.

Securities lodged as collateral by reinsurers concern Coface RE for €412,5 million and Coface Europe for €18,2 million.

	DEC. 31, 2022		
(in thousands of euros)	TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,447,127**	**1,360,427**	**86,700**
Endorsements and letters of credit	1,360,427	1,360,427	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity interests	83,200	0	83,200
Commitments received	**1,890,984**	**1,295,563**	**595,421**
Endorsements and letters of credit	146,290	0	146,290
Guarantees	449,131	0	449,131
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	595,563	595,563	0
Financial commitments in respect of equity interests	0	0	0
Guarantees received	**320,478**	**0**	**320,478**
Securities lodged as collateral by reinsurers	320,478	0	320,478
Financial market transactions	**105,965**	**0**	**105,965**

NOTE 34 OPERATING LEASES

The Lease contracts for future years are mainly recorded in the balance sheet since the implementation of IFRS 16 on January 1, 2019.

NOTE 35 RELATIONSHIP BETWEEN PARENT COMPANY AND SUBSIDIARIES

The main operational subsidiary of the Coface Group is the Compagnie Française d'Assurance pour le Commerce Extérieur (la Compagnie). This subsidiary, which is wholly owned by the Company, composed from French entity and its 37 branches, is a public limited company (*société anonyme*) under French law, with share capital of €137,052,417.05, registered in the Nanterre Trade and Companies Registry under number 552 069 791.

The main flows between COFACE SA, the listed parent company, and la Compagnie are as follows:

- financing:
  - COFACE SA and la Compagnie have granted each other one ten-year loan,
  - in net terms, COFACE SA finances la Compagnie,
  - "La Compagnie" stands as surety for the bond issue floated by COFACE SA,
  - a two-way cash flow agreement exists between COFACE SA and "La Compagnie",
  - COFACE SA delegates to "La Compagnie" management of its commercial paper programme and of its cash management;
- dividends:
  - la Compagnie pays dividends to COFACE SA;
- tax consolidation:
  - la Compagnie forms part of the tax consolidation group headed by COFACE SA.

The table below summarises the interim balance of la Compagnie française d'assurance pour le commerce exterieur and its principal financial flows as of December 31, 2023:

(in thousands of euros)	LISTED COMPANY	COMPAGNIE FRANÇAISE POUR LE COMMERCE EXTÉRIEUR (INCLUDING BRANCHES)	OTHER ENTITIES	ELIMINATIONS	TOTAL
Revenue	1,662,573	2,282	1,022,263	(818,887)	1,868,231
Current operating income	144,911	28,153	242,001	(47,191)	367,874
Net income	**54,153**	**(3,849)**	**190,195**		**240,500**
Fixed assets	4,807,599	2,274,684	2,758,894	(6,174,862)	3,666,315
Indebtedness outside the group	0	831,743			831,743
Cash and cash equivalent	254,568	919	240,071		495,558
Net cash generated from operating activities	50,385	57,559	171,734		279,678
Dividends paid to the quoted company	131,417	0	77,969		209,386

At the end of December 2022, The table wich summarised the interim balance of la Compagnie française d'assurance pour le commerce exterieur and its principal financial flows was:

(in thousands of euros)	LISTED COMPANY	COMPAGNIE FRANÇAISE POUR LE COMMERCE EXTÉRIEUR (INCLUDING BRANCHES)	OTHER ENTITIES	ELIMINATIONS	TOTAL
Revenue	1,684	1,805,821	1,233,623	(1,229,157)	1,811,970
Current operating income	14,294	220,979	241,678	(54,317)	422,634
Net income	**(14,209)**	**103,027**	**194,289**	**0**	**283,108**
Fixed assets	1,968,320	5,396,430	1,475,818	(5,485,315)	3,355,253
Indebtedness outside the group	534,280	0	0	0	534,280
Cash and cash equivalent	1,243	276,580	275,964	0	553,786
Net cash generated from operating activities	(93,728)	232,693	310,229	0	449,193
Dividends paid to the quoted company	0	299,894	47,968	0	347,862

NOTE 36 ENTRY INTO THE SCOPE OF CONSOLIDATION

Entries into the scope of consolidation in the year of 2023 concern four entities Coface Hungary Insurance Services, Coface Services Colombia Ltda., Coface Services Japan and Coface Adriatic d.o.o.

In the absence of an IFRS standard covering entries into the scope of consolidation of entities held for several years and in accordance with ANC regulation n° 2020-01, the results accumulated by these entities since their takeover have been recorded in the consolidated income, after deduction of dividends received by the group.

The contribution of new entities to the Coface Group's consolidated accounts as of December 31, 2023 is

presented below:

- turnover: €3,969 thousand;
- net income: €(2,440) thousand;
- equity: €(2,589) thousand;
- total balance sheet: €1,098 thousand.

NOTE 37 EVENTS AFTER THE REPORTING PERIOD

There is no event after the reporting period.

NOTE 38 RISK MANAGEMENT

The Group operates in a fast-changing environment that gives rise to numerous external risks, in addition to the risks inherent in the conduct of its businesses. This note identifies the significant risk factors, in relationship with the Group financial accounts, to which the Group believes it is exposed and explains how they are managed: the credit risk, the financial risks and the reinsurance risk. The note discloses the definition and measurement of these risks.

Risk factors related to the Issuer

BREAKDOWN OF THE GROUP'S OVERALL EXPOSURE BY BUSINESS LINE *(in €bn)*

	2023		2022	2021
BY BUSINESS LINE	*(in €bn)*	*(as a %)*	*(in €bn)*	*(in €bn)*
Credit insurance	685.1	96.5%	666.9	587.6
Bonding	15.5	2.2%	14.7	13.5
Single Risk Insurance(1)	3.5	0.5%	3.5	2.7
Other	6.1	0.9%	4.6	4.3
TOTAL	**710.2**	**100%**	**689.7**	**608.1**

(1) *Single Risk is a special type of insurance that covers both political risks and commercial risks (i.e. payment default). This type of policy is designed specifically for complex, long-term projects. The insurer defines a tailor-made contract with the customer.*

The data and charts on exposures provided below relate to credit insurance, which accounts for more than 96% of total amounts outstanding.

38.1 Credit risk

a) Risk related to the management of the Group's exposure in its trade credit insurance business

Description of the risk	Potential impact on the Group
As part of its trade credit insurance activities, the Group allocates its exposures between clients operating in a wide range of economic sectors and established in different countries around the world.	*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.*

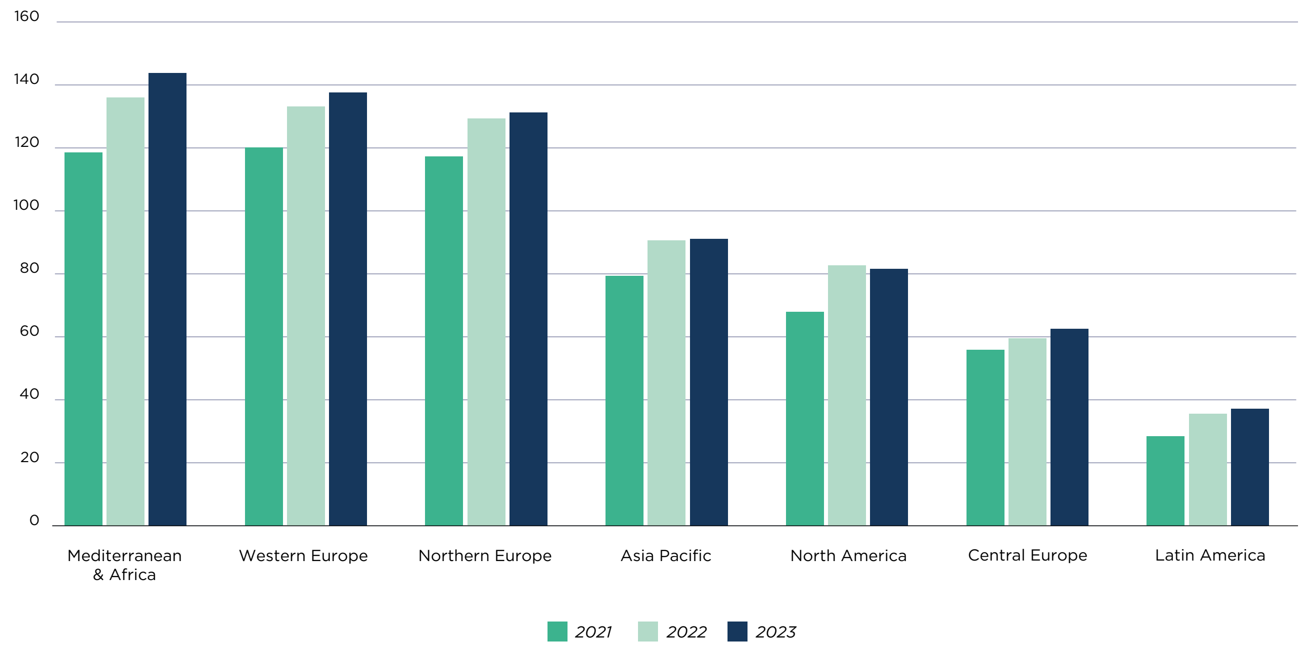
Risk management

In this regard, the Group manages its exposures and determines the maximum amount of risk that it is willing to accept for each group of debtors based on the underlying level of risk related to the economic sector concerned and/or the location of those groups of debtors.

The Group significantly increased its exposure in 2021 as the Covid-19 pandemic receded. Its exposure continued to rise in 2022 in an environment of high inflation that increased the turnover of Coface's clients. Growth stabilised in 2023 (+2.7%), reflecting risk management efforts and the preventive action carried out as the loss experience normalised, as well as the economic slowdown seen mainly in the second half of the year. The Group's exposure thus stood at €685 billion at the end of 2023.

The chart below shows a breakdown of the level of exposure by region for the periods ended December 31, 2021, 2022 and 2023 respectively:

Breakdown of the Group's credit insurance exposures by geographic region *(in € billion)*



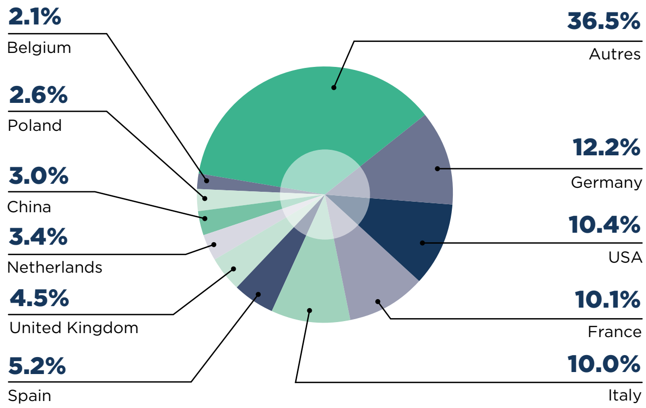
All of the Group's regions recorded an increase in exposure, with the exception of North America, where it decreased by 1.3%. The Mediterranean and Africa region, which is the group's largest region in terms of exposure, posted an increase of 5.7%, followed by Central Europe with 5.1% and Latin America with 4.6%; however, this region's exposure remains the smallest in the Group.

The geographical breakdown of risk is monitored according to the Group's country risk assessment, which estimates the average credit risk of companies in a given country using a risk scale ranging from A1 (the highest rating) to E (the lowest rating). The concentration of exposure on the lowest-rated countries is constantly monitored as part of Coface's risk appetite.

In addition, the risk management actions implemented in response to Russia's invasion of Ukraine reduced exposure to Russian debtors to €640 million at the end of 2022, then to less than €430 million at the end of 2023 (representing 0.06% of the Group's total exposure), i.e. a decrease of more than 90% compared to the pre-invasion level. Claims notifications on Russian debtors remained at a moderate level during 2022 and 2023 and had no significant impact on the Group's loss ratio. Coface is continuing to reduce its activity in Russia while preserving debt collection and risk management capabilities in the region.

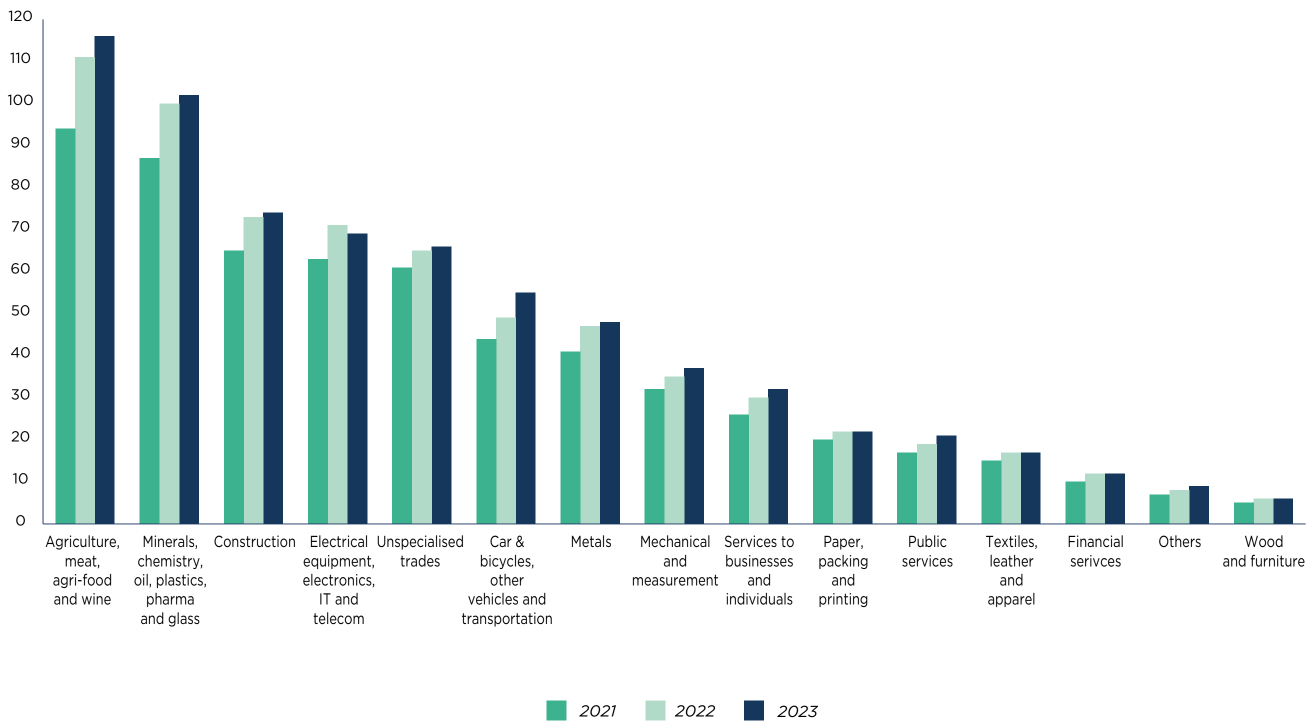
At December 31, 2023, the top ten countries accounted for 63.5% of credit insurance exposures, stable against at December 31, 2022. Germany, which accounts for 12.2% of the Group's risks, remains the country in which the Group has the biggest exposure. More than 80% of the debtors covered by credit insurance policies are located in OECD countries.

Breakdown of the Group's credit insurance exposure by country at December 31, 2023



The Group's exposure is also diversified by economic sector. Exposure increased slightly in most sectors. The concentration on the largest sector, namely agriculture, increased slightly to 16.9% of total exposure. The biggest increase was in the transport sector, which had declined sharply during the pandemic.

Breakdown of the Group's credit insurance exposure by economic sector at December 31, 2023 *(in € billion)*



At December 31, 2023, more than 95% of the Group's total exposure consisted of short term risks. The maximum credit term stipulated in its policies rarely exceeds 180 days.

However, an adverse change in the economic cycle (at a global, sector, geographical or country level) resulting from:

- a financial or health crisis, such as the global Covid-19 pandemic in 2020;
- a failure of the Group's management systems, processes or governance;
- a poor assessment of the risks associated with an economic sector, geographical area or country;

could lead to delays in reducing exposures and/or an overestimation of the quality of exposures to the economic sector, geographical area or country concerned. In such an event, the Group's credit risk would increase and it could experience a sharp rise in paid claims, which would have an impact on its loss ratio, operating income, liquidity and solvency margin.

Analysis of the exposure by risk type at the closing date

I. INSURANCE SERVICE EXPENSES AT THE GROUP LEVEL

	31/12/2023			31/12/2022		
(in millions of euros)	GROSS OF REINSURANCE	CEDED	NET OF REINSURANCE	GROSS OF REINSURANCE	CEDED	NET OF REINSURANCE
Claims expenses and other insurance service expenses	(896.3)	139.1	(757.2)	(706.3)	150.2	(556.1)
Amortisation of insurance acquisition cash flows	(196.7)		(196.7)	(170.1)		(170.1)
Variations into the future cash flows related to the liability for incurred claims (LIC)	(12.7)	7.1	(5.5)	(195.5)	9.3	(186.1)
Losses and losses reversals on groups of onerous contracts	0.6	(0.3)	0.3	2.7	(0.6)	2.1
INSURANCE SERVICE EXPENSES	**(1,105.0)**	**146.0**	**(959.1)**	**(1,069.2)**	**158.9**	**(910.3)**

The claims expenses and other insurance service expenses include the attributable costs.

II. LOSS RATIO

The loss ratio mesures the proportion between the claims expenses including claims handling costs and the earned premiums (sum of the issued premiums and the premiums reserves) net of premium refunds. It is analysed gross and net of reinsurance.

	31/12/2023	31/12/2022
Loss ratio gross of reinsurance	35.8%	35.5%
Loss ratio net of reinsurance	37.7%	39.7%

III. INSURANCE RISK — DEVELOPMENT OF ULTIMATE CLAIMS

The development of claims provisions shows how claims provisions have progressed over the last decade.

The following triangles show the development of the ultimate claims expenditure and sets out, for a given line N, the outlook for each of the subsequent year-ends (N+1, N+2, etc.). The estimated final claims expenditure varies according to the increasing reliability of information relating to claims still pending. The discrepancy between the initial claims expenditure and the final one measures the excess or insufficiency of the provisions originally recorded.

The cumulated claims related to each development year and the closing positions of reserves for incurred claims (LIC) at the end of 2023 for each development year are also presented.

As requested by the standard, the data anterior to 2022 are presented here under the old IFRS 4 accounting standard and from 2022, under the new IFRS 17 standard.

The reconciliation with the financial statements is done in the following Note: Reconciliation between the Notes Development of ultimate claims and Analysis of the liquidity risk (cf.38.2.2 d) and the financial statements.

Ultimate claims expenditure estimates (undiscounted amounts) – gross of reinsurance

(in millions of euros)

YEAR OF OCCURRENCE (N)/YEAR OF DEVELOPMENT	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	TOTAL
2014	599	719	748	710	684	672	670	664	649	645	
2015	593	756	639	600	590	574	577	564	559		
2016	582	720	622	608	600	611	584	579			
2017	604	697	597	548	537	514	503				
2018	632	730	598	562	523	517					
2019	642	784	653	623	593						
2020	653	509	353	358							
2021	622	555	432								
2022	809	764									
2023	843										
Cumulative gross claims	(79)	(401)	(345)	(281)	(548)	(497)	(488)	(568)	(542)	(641)	
Gross liabilities - AY from 2014 to 2023	764	363	87	77	45	20	14	11	17	4	1.402
Gross liabilities - AY before 2014											56
Total BE + RA undiscounted											**1.458**
Discounting											(66)
TOTAL GROSS LIABILITIES DISCOUNTED											**1.392**

The loss experience in 2023 began at a higher level than previous years due to progressive claims experience normalization and the economic uncertainty in Latin America and Western Europe.

Ultimate claims expenditure estimates (undiscounted amounts) – net of reinsurance

(in millions of euros)

YEAR OF OCCURRENCE (N)/YEAR OF DEVELOPMENT	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	TOTAL
2014	477	574	596	565	547	537	535	531	519	515	
2015	471	610	509	478	471	458	461	450	446		
2016	460	565	485	474	467	475	454	450			
2017	446	520	454	417	409	392	383				
2018	473	546	445	419	390	385					
2019	477	565	480	459	436						
2020	346	326	215	223							
2021	419	403	313								
2022	611	572									
2023	643										
Cumulative claims net of reinsurance	-61	-309	-249	-165	-404	-370	-373	-442	-433	-512	
Liabilities net of reinsurance - AY from 2014 to 2023	581	263	64	57	32	15	11	9	14	3	1.049
Liabilities net of reinsurance - AY before 2014											44
Total BE + RA net undiscounted											**1.093**
Discounting											-52
TOTAL LIABILITIES NET OF REINSURANCE DISCOUNTED											**1,040**

Reconciliation between the Notes Development of ultimate claims and Analysis of the liquidity risk (cf.38.2 d) and the financial statements:

(in millions of euros)	DECEMBER 31, 2023
Undiscounted Best estimates	812
Discounting – Best estimates	(31)
Undiscounted Risk adjustment	647
Discounting – Risk adjustment	(36)
LIC – Liability for incured claims	**1,392**
Cash flows related to Provision for incurred claims	4
LIC - Liability for incurred claims net of cash flows	**1,395**
LRC – Liability for remaining coverage net of cash flows	**73**
TOTAL LIABILITIES ISSUED INSURANCE CONTRACTS	**1,468**

(in millions of euros)	DECEMBER 31, 2023
Undiscounted Best estimates – net of reinsurance	608
Discounting – Best estimates – net of reinsurance	(24)
Undiscounted Risk adjustment – net of reinsurance	484
Discounting – Risk adjustment – net of reinsurance	(29)
LIC – Liability for incured claims net of reinsurance	**1,040**
Cash flows related to Provision for incurred claims – net of reinsurance	(38)
LIC - Provision for incurred claims net of cash flows – net of reinsurance	**1,002**
LRC – Provision for remaining coverage net of cash flows – net of reinsurance	**82**
TOTAL LIABILITIES ISSUED INSURANCE CONTRACTS – NET OF REINSURANCE	**1,084**

b) Risk of debtor insolvency

Description of the risk	Potential impact on the Group
Insolvency risk is the risk of losses arising from non-payment by a debtor of amounts owed to one of the Group's policyholders.	*An overestimation of the quality of our debtors, poor management of debtor concentration 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.*

Risk management

The approval of the maximum amount of risk incurred on debtors is based on an analysis of their financial strength and an assessment of their capacity to pay amounts due to our policyholders in a given economic situation. This analysis is carried out by the Group's credit analysts and underwriters, who continually assess and monitor debtor solvency based on publicly available information and/or data collected directly from the debtors and/or using an internal assessment tool and a historical database.

The default risk of debtors (policyholders' clients) is analysed according to the concentration of exposures to a group of debtors. The Group provides unpaid receivables risk insurance covering nearly two million debtors worldwide. At December 31, 2023, the Group's average exposure to individual debtors increased but was contained, with the average risk per debtor close to €340,000.

The table below shows a breakdown of the Group's policyholders at December 31, 2023 according to the total outstanding credit risk incurred by the Group. Analysis of the number of debtors by amounts outstanding shows that the risk concentration is limited. For example, debtors to which the Group's exposure totals less than €5 million account for 48% of the Group's total exposure.

DEBTOR TOTAL EXPOSURE BRACKETS	OUTSTANDING AMOUNTS* *(in millions of euros)* 2023
€1 - €100,000	43,529
€101,000 - €200,000	29,428
€201,000 - €400,000	38,988
€401,000 - €800,000	49,703
€801,000 - €1.5 million	52,087
€1.5 million - €5 million	118,199
€5 million - €50 million	231,458
€50 million - €200 million	82,445
€200 million and more	39,303
TOTAL	**685,140**

** The outstandings shown are gross of reinsurance (direct business and in ward reinsurance) and correspond to the maximum amount of cover granted by the Group to its policyholders. They do not correspond to the ef fective use thereof by the policyholders.*

The risk of debtor insolvency can also be exacerbated by debtors' exposure to climate risk. Coface has incorporated a climate stress test as part of its annual own risk and solvency assessment (ORSA). In a scenario reflecting the risk of a delayed transition to a low-carbon economy, debtors operating in sectors the most exposed to transition risk (such as carbon intensive sectors) and whose financial strength is low or medium would be the most exposed. However, the share of these companies in Coface's portfolio is very low. As a result, the impact of this stress scenario on the Group's profitability and solvency is not material. For more information on how Coface manages environmental risks, please refer to Chapter 6 of the Universal Registration Document.

The Group is mainly exposed to small and medium-sized debtors and, to a certain extent, to larger debtors for larger amounts. Although the Group's exposures are covered by a reinsurance program, the default of a number of small and medium-sized debtors, each for amounts below the minimum amounts covered by the reinsurance program, could be borne directly by the Group. In addition, the default of certain debtors for a significant amount may exceed the upper limit of the reinsurance program. As a result, adverse developments in the economic situation of a debtor, internal defaults of debtors, or a failure in the Group's systems or processes leading to an incorrect assessment of the risk of insolvency of a debtor or group of debtors, may lead to an underestimation of this risk of default of one or more debtors, thereby increasing the claims presented to the Group, which may have a material impact on its operating income, liquidity and solvency margin.

Analysis of the insurance risk sensitivity

The table below present the impacts in net result and net equity of the variation of 1 point in loss ratio, 2 points and 5 points, with a unchanged level of premiums.

(in millions of euros)	HYPOTHESIS CHANGE	NET RESULT IMPACT		NET EQUITY IMPACT	
		GROSS OF REINSURANCE	NET OF REINSURANCE	GROSS OF REINSURANCE	NET OF REINSURANCE
Insurance and reinsurance contracts	Var. in loss ratio +1 point	(12)	(8)	(12)	(8)
	Var. in loss ratio: +2 points	(23)	(16)	(23)	(16)
	Var. in loss ratio: +5 points	(58)	(40)	(58)	(40)

The variation of +/- one point of gross accounting loss ratio at December 31, 2023 would have an impact of -12 millions of euros on the net result gross of reinsurance and -8 millions on the net result after reinsurance, -12 millions of euros on the net euity before reinsurance and – 8 millions on the net equity after reinsurance.

The Group considers that a variation of one point of loss ratio is consistent regarding the loss ratio observed on previous years.

Maximal exposure to credit risk

The disclosures "Analysis of the exposure by risk type at the closing date" included in the paragraph "Risk related to the management of the Group's exposure in its trade credit insurance business" are providing the informations related to the maximal exposure to credit risk within the group.

Risk related to the potential insolvency of its reinsurers

The Group's 2023 reinsurance treaties have been concluded with a pool of 24 reinsurance companies without any of them having a dominant exposure. All of the reinsurance companies on the 2023 panel are rated between A- and AA+ by one of the leading international rating agencies. The credit quality of the reinsurance treaties held that are assets is therefore very good.

38.2 Financial risk

a) Interest rate risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Interest rate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates.	Any significant fluctuation in the value of the Group's bond portfolio due to a change in interest rates may have a material adverse effect on the Group's ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

Risk management

The Group holds an investment portfolio composed mainly of listed financial instruments. Its portfolio allocation is mainly focused on debt products (almost all at fixed rates), as shown in the table below. The Group's portfolio of assets also enables it to meet some of its liquidity needs.

04

	AS AT DEC. 31					
		2023		2022		2021
INVESTMENT PORTFOLIO (FAIR VALUE)*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Shares	80	2.4%	85	2.9%	233	7.6%
Bonds	2269	68.9%	2,265	77.1%	2,115	69.0%
Loans, deposits and other financial investments**	764	23.2%	367	12.5%	507	16.5%
Investment property	180	5.5%	220	7.5%	213	6.9%
TOTAL	**3294**	**100.0%**	**2,937**	**100.0%**	**3,068**	**100.0%**

* *Excluding non-consolidated subsidiaries.*
** *Including units in money market UCITS.*

The Group's investment policy aims to respect legal and regulatory requirements while generating regular income with limited risk.

Inflation slowed in 2023, but it nevertheless remained above central bank targets. On the macroeconomic front, growth was surprisingly strong in the United States while Europe avoided the severe recession expected at the beginning of the year. Central banks in advanced economies continued to raise their interest rates, with the cycle widely perceived to be over at the end of the year. Meanwhile, some central banks in emerging economies were already starting to lower theirs.

In this environment of rising interest rates and economic uncertainty, the Group continued to reduce the risk in its portfolio in 2023 by lowering its exposure to assets the most at risk from the economic slowdown (credit, emerging markets and real estate) in favour of developed countries' sovereign bonds. Cash levels remained high throughout the year as a precautionary measure.

The listed equity portfolio was restructured into a long-term investment segment classified at fair value through other comprehensive income not reclassified to profit or loss (FV OCI NR). Bond investments will be recognised at fair value through other comprehensive income reclassified to profit or loss (FV OCI-R).

At December 31, 2023, the fair value of the Group's investment portfolio (excluding non-consolidated subsidiaries) amounted to €3,294 million, up €357 million *versus* year-end 2022 due to the reinvestment of the €300 million Coface bond (in money market mutual funds and sovereign bonds) and the rise in the infrastructure equity segment.

The bond portfolio is mainly invested in government bonds (57.8% at end-December 2023) and investment grade corporate bonds (40.3% at end-December 2023) [1]. These investments were made in accordance with a clear risk policy with a particular focus on issuer quality, interest rate sensitivity, and the spread of issuers and geographic regions in the investment mandates granted to the Group's dedicated asset managers.

The average rating of the bond portfolio at the end of 2023 was A, with nearly 95.6% of securities rated BBB or above.

1) *According to the Standard & Poor's rating scale, all bonds rated at least BBB- are considered investment grade, and bonds with a rating of BB+ or lower are considered to be high yield debt.*

BREAKDOWN BY RATING* OF BONDS IN THE BOND PORTFOLIO (FAIR VALUE)	AT DECEMBER 31, 2023 *(in €m)*	*(as a %)*
AAA	235	10.4%
AA – A	1255	55.3%
BBB	680	30.0%
BB – B	95	4.2%
CCC and below	4	0.2%
TOTAL	**2,269**	**100.0%**

The Group is exposed to interest rate risk on its bond investments, which includes:

- interest rate risk representing the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates; and
- spread risk arising from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level of credit spreads relative to the interest rates at which sovereign bonds are issued.

The modified duration of the Group's bond portfolio is capped at 5 [1] in the Group's internal investment policy. At December 31, 2023, the bond portfolio's modified duration was 2.9, down 0.3 compared with the end of 2022. The Group's exposure to interest rate risk and, consequently, to spread risk, therefore remains limited.

However, fluctuations in interest rates have a direct impact on the market value and return on the Group's investments since unrealised gains or losses and the return on securities held in its portfolio depend on the level of interest rates.

Interest rates are highly sensitive to a number of external factors, including monetary and fiscal policies, domestic and international economic and political environments, and investors' risk aversion.

The risk associated with a significant drop in interest rates is that either the portfolio's average rate decreases (in which case reinvestments are made at lower rates) or the portfolio's duration increases (which may make the portfolio more sensitive to future interest rate fluctuations). The risk associated with rising interest rates is a fall in the market value of the bond portfolio, which may lead the Group to record unrealised losses.

At December 31, 2023, the Group considered that an increase in interest rates of 100 basis points would have an impact of €66.7 million on the fair value of its portfolio (excluding hedging activities).

Sensitivity of the portfolio to variation in interests rates at December 31, 2023 [1]

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+100 PBS	-100 BPS	+100 BPS	-100 BPS
Bonds	-1	+1	-52	+52

(1) Hors effet de couverture éventuel.

Sensitivity of the insurance and reinsurance contracts to variation in interests rates at December 31, 2023

Credit-insurance, Coface's core activity, is a short-term business, that is why the liabilities show a short tem duration. It limits the risks linked to the interests rates variation.

(in millions of euros)	ACCOUNTING VALUE AS AT DEC. 31, 2023	IMPACT INCREASE IN INTEREST RATES OF 100 BPS	IMPACT DECREASE IN INTEREST RATES OF 100 BPS
Technical liabilities net of reinsurance	1,084	(13)	13

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+100 PBS	-100 BPS	+100 BPS	-100 BPS
Technical liabilities net of reinsurance	-	-	10	(10)

1) A bond's modified duration measures its loss of value in the event of a rise in interest rates. Thus, a bond with a modified duration of 4 will see its market value decrease by 4% if interest rates rise by 1%.

b) Real estate risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Real estate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of real estate assets.	Any significant change in the value of the Group's real estate portfolio due to real estate market trends may have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below). The change is recognised directly in the Group's financial income (IFRS 9) because the funds are recognised at fair value through profit or loss.

Risk management

The Group's real estate portfolio consists of property used for its operating activities and investments having real estate as their underlying assets.

At December 31, 2023, the fair value of the Group's real estate exposure was €237 million, with €57 million in real estate assets used for its operations and €180 million in real estate investment funds invested in real estate assets linked to various economic sectors in Europe. Investment in real estate investment funds accounts for a limited portion of the Group's investment portfolio (5.5%) due to the low liquidity of this asset class.

Some real estate assets in the investment portfolio were reallocated from offices and retail to residential properties.

The rental income of the real estate portfolio is exposed to variations in the indices used to calculate rents (for example, the cost of construction index in France), risks related to the rental market (changes in supply and demand, vacancy rates, impact on market rental values or lease renewals) and the risk of default by leaseholders.

The value of real estate assets is exposed to the risk of obsolescence due to changes in applicable regulations, which could lead to impairment losses in the event of a sale of the assets or additional expenditure to restore the value of the assets.

In 2023, the impact of this asset class on financial income was -€28.9 million.

The following table assesses the portfolio's sensitivity to a downturn in the real estate market:

Sensitivity of the portfolio to the decline in the real estate market at December 31, 2023

(in millions of euros)	MARKET VALUE AS AT DEC. 31, 2023	IMPACT OF A 10% DECLINE IN THE REAL ESTATE MARKET	IMPACT OF A 20% DECLINE IN THE REAL ESTATE MARKET
Real estate assets	180	(18.0)	(36.0)

Sensitivity of the portfolio to the variation in the real estate market at December 31, 2023

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+10%	-10%	+10%	-10%
Real estate assets	14	(14)	14	(14)

c) Foreign exchange risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Foreign exchange risk is the risk of loss resulting from adverse changes in exchange rates.	Given its global presence, the Group is exposed to exchange rate fluctuations that may affect its profitability, financial position, liquidity and solvency margin. This could have an impact on the Group's operating income (for example, turnover from subsidiaries or liabilities denominated in specific currencies) and on the value of the Group's assets (for example, through direct investments in assets denominated in foreign currencies).

Risk management

At December 31, 2023, 36.4% of the Group's consolidated turnover was denominated in currencies other than the euro (mainly the currencies of the United States, the United Kingdom, Singapore and Hong Kong) thus exposing the Group to foreign exchange risk. Emerging countries account for 15% of the Group's revenue, with the three biggest countries being Israel 2%, Brazil 2% and Poland 4%.

Most of the Group's investments are denominated in euros. At December 31, 2023, more than 80% of its investments were denominated in euros and the exposure to foreign exchange risk (mainly in US dollars, Singapore dollars, pounds sterling and Hong Kong dollars) was therefore limited. The absolute weight of emerging currencies in the portfolio is 2.7%, with the most significant countries being Chile, with 0.7% and Brazil, with 1.0%.

However, the following types of foreign exchange risk have been identified by the Group:

- *Operations*: fluctuations in exchange rates may have consequences on the Group's operating income due to the translation of foreign currency transactions, the settlement of balances denominated in foreign currencies and a mismatch between monetary assets and liabilities in foreign currencies. To reduce the impact of this mismatch, the Group uses derivatives to hedge its positions against foreign exchange fluctuations in sensitive currencies, particularly during periods of heightened volatility on the capital markets. However, it is never possible to fully align monetary assets and liabilities and a potential impact on profits and losses may be recorded as a result of fluctuations in exchange rates and since these transactions are not subject to hedge accounting under IFRS;
- *Conversion*: the Group publishes its consolidated financial statements in euros, but some of its income and expenses, as well as its assets and liabilities, are denominated in currencies other than the euro. As a result, fluctuations in the exchange rates used to convert these currencies into euros may have a significant impact on reported turnover from one year to the next. In particular, the significant volatility of emerging currencies against the euro may significantly alter the contribution of the countries concerned to the Group's turnover;
- *Hyperinflation*: the Group is exposed to significant inflationary risks, especially in Argentina, Brazil, Israel and Turkey. In the absence of currency hedging (which is too costly), there is a real risk of a massive devaluation of assets. Hyperinflation thus generated a loss of €10.9 million in income [1].

Any significant change in the exchange rates for currencies in which the Group operates or manages its assets is therefore likely to have an adverse effect on its cash flows, solvency margin and financial position as well as the value of its portfolio.

Sensitivity of the net result and net euity to a variation in Foreign exchange rates at December 31, 2023 [1]

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+10%	-10%	+10%	-10%
USD				
Technical reserves net of reinsurance	14	(16)	19	(19)
Financial assets	(11)	11	(20)	20
HKD				
Technical reserves net of reinsurance	0	0	0	0
Financial assets	0	0	-5	5
GBP				
Technical reserves net of reinsurance	0	0	5	-5
Financial assets	0	0	-5	5

(1) Excluding any hedging impact.

1) Two contributing entities: Coface Service Argentina and Coface Saporta (Turkey).

d) Liquidity risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (1)
Liquidity risk arises from the fact that of not being able to sell its securities due to the non-existence or narrowness of a market for them.	Adverse conditions on the capital markets could have a significant impact on the Group's ability to fund its factoring business.

(1) Significant inherent impact 2023/Low residual impact 2023.

Risk management

The Group has a commercial credit insurance business, which is the core of its business model, but has also developed a factoring business in Germany and Poland.

Through this business, the Group acquires and finances its clients' trade receivables, thereby generating a significant liquidity requirement insofar as it does not have an internal source of financing. For example, the liquidity used to fund this activity amounted to more than €2.4 billion at December 31, 2023. To finance its factoring activity on a sustainable basis, the Group has a diversified and resilient refinancing program, consisting of a trade receivables securitisation program of up to €1,300 million (increased from €1,200 million at December 31, 2022), and a commercial paper program for up to €700 million (unchanged since December 31, 2022) as well as several credit lines and overdraft facilities for a maximum of €1,787 million. The Group's refinancing program is oversized and guaranteed for a much longer maturity than the underlying short-term trade receivables it finances. It includes back-up facilities for its market financing solutions such as the commercial paper and securitisation programs.

Any substantial downgrade of the credit ratings of the Group or one of its entities or any non-compliance with the obligations set out in the financing agreements could have a material adverse effect on the Group's ability to fund its factoring business due to the loss of financing available under existing credit facilities or difficulties in renewing these credit lines. In addition, any market event leading to the unavailability of the debt market or the commercial paper market, as sometimes happens during a financial crisis, could compromise the Group's ability to obtain adequate funding and lead to a decline in business and consequently a loss of revenue.

Liquidity tensions related to the payment of claims to its policyholders and/or the failure of some of its reinsurers to meet their obligations could cause the Group to record a loss in value of its portfolio. Significant disposals required within a few days and carried out urgently on illiquid assets or involving high execution costs could impact the value of the portfolio in sudden or adverse market scenarios, thereby having consequences for the Group's solvency margin and/or net income.

The Group's investment portfolio must be sufficiently liquid to meet significant cash requirements at all times. For this reason, it consists mainly of debt products (which represent the bulk of the Group's overall asset allocation) with a fixed rate and short duration, in line with the Group's liabilities. In addition, the Group allocates a significant portion of its assets to highly liquid money market instruments, which accounted for 23.2% of the investment portfolio at December 31, 2023 (loans, deposits and other financial investments), corresponding to €764 million at this date. Under current market conditions and according to the Group's assessment, this amount could be fully available in less than 15 days.

The following table presents the breakdown of the duration of the Group's bond portfolio:

BREAKDOWN OF THE BOND PORTFOLIO BY DURATION	AT DECEMBER 31, 2023	
	(in €m)	*(as a %)*
< 1 year	425	18.7%
1-3 years	939	41.4%
3-5 years	447	19.7%
5-10 years	372	16.4%
> 10 years	87	3.8%
TOTAL	**2,269**	**100.0%**

At December 31, 2023, 60.1% of the bond portfolio had a duration of less than three years.

This short duration allows the Group to have regular access to liquid assets that may be allocated to operating needs if necessary or to make regular reinvestments in market securities.

As an insurer, the Group must regularly pay claims and has implemented liquidity management policies for its investment portfolio as well as clear rules for monitoring its reinsurers' default risk.

Analysis of the maturities of the risk liquidity

The table below presents the undiscounted estimates of future cash flows (or *Best estimates*) by maturity date. The total of the liabilities represent 811 millions of euros of which 560 millions of euros, representing 69% of the total, are with a maturity date equal or inferior to 1 year. Credit- Insurance, core business activity is short term, that is why the insurance liabilities duration is short. It limits the liquidity risk.

The estimates of future cash flows, when they are realised, are fully payable on demand.

AS AT 31 DECEMBRE 2023 *(in millions euros)*	**UNDISCOUNTED ESTIMATES OF FUTURE CASH FLOWS**						
	<= 1 YEAR	**1 - 2 YEARS**	**2 - 3 YEARS**	**3 - 4 YEARS**	**4 - 5 YEARS**	**> 5 YEARS**	**TOTAL**
Liabilities - Issued insurance contracts	560	151	31	24	22	23	811
TOTAL	**560**	**151**	**31**	**24**	**22**	**23**	**811**

e) Equity risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (1)
Equity risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities.	Any significant change in the value of the Group's equity instruments due to a decline in the equity markets may therefore have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below).

(1) Medium inherent impact 2023 / Low residual impact 2023.

Risk management

At December 31, 2023, equity investments accounted for 2.4% of the Group's investment portfolio, compared with 2.9% at the end of 2022.

This exposure is concentrated in the eurozone, in line with the Group's core business.

The recognition of shares at FV OCI NR in accordance with the Group's implementation of IFRS 9 limits the impact of changes in the value of shares in the portfolio on the balance sheet. This approach is justified as these are long-term investments bearing significant dividends. As a result, the equity portfolio is extremely stable and has no impact on the Group's financial income besides the dividends received.

Equity prices may be affected by risks affecting the market as a whole (uncertainty over general economic conditions, such as expected growth trends, inflation, interest rate fluctuations, sovereign risk, etc.) and/or by risks affecting a single asset or a small number of assets. This may result in a fall in the price of equity instruments held by the Group and may have an impact on its realised or unrealised capital gains and losses.

The following table assesses the portfolio's sensitivity to changes in the equity market:

Sensitivity of the portfolio to changes in equity markets at December 31, 2023

(in millions of euros)	**MARKET VALUE AS AT DEC. 31, 2023**	**IMPACT OF A 10% FALL IN EQUITY MARKETS (1)**	**IMPACT OF A 20% FALL IN EQUITY MARKETS (1)**
Shares	80	(8.0)	(16.1)

	NET RESULT IMPACT		**NET EQUITY IMPACT**	
(in millions of euros)	**+20%**	**-20%**	**+20%**	**-20%**
Shares	1	(1)	12	(12)

(1) Medium inherent impact 2023 / Low residual impact 2023.

38.3 Reinsurance risk

a) Residual reinsurance risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (1)
The main reinsurance risk is a lack of coverage available on the market, which would reduce the Group's risk appetite for future uncovered extreme credit events.	Under certain adverse circumstances, reinsurance treaties may not be renewed in full or extended in line with the development of the Group's activities, which may have an adverse impact on the Group's solvency margin and operating income.

(1) Medium inherent impact 2023 / Low residual impact 2023.

Risk management

This risk may increase due to changes in the economic cycle, a poor financial performance by the Group, or a decline in the attractiveness of the credit insurance and bonding segments in relation to other risk segments that could be considered to be more profitable by the reinsurance market.

The Group has structured its reinsurance program as follows:

- two proportional treaties covering 23% of its exposure. The renewal dates for these two-year quota share treaties are 12 months apart, so half of the coverage is already secured for the following year regardless of the outcome of the renewal in progress. Proportional coverage aims to protect the Group against a significant increase in the frequency of claims;
- a proportional treaty covering 27% of its exposure to bonding and Single Risk insurance. This 27% is in addition to the ceded reinsurance rate of 23%, bringing the share on bonding and Single Risk to 50%;
- after the quota shares, the residual exposure is covered by two excess of loss treaties aimed at covering the Group against the default of a significant exposure or the accumulation of losses related to small and medium-sized exposures. This coverage aims to protect the Group against an exceptional risk with a very high adverse financial impact;
- in the Long-Term, the Group's residual exposure is also covered by a two year stop loss reinsurance treaty covering the Group against a combination of exceptional events.

If one or more reinsurance treaties cannot be renewed or are renewed for a lower coverage amount, the Group will incur more risks than expected, which may increase the final share of the losses it will have to finance and may have a negative impact on its solvency and operating income. In the event of serious losses, reinsurance companies may increase premiums, which may also have a direct impact on the Group's operating income.

The Group faced a capacity shortage at the end of 2008 and could only partially place its proportional reinsurance program and the overall cost of the reinsurance program was significantly higher than in the previous year. If a similar event occurs in the future with the current reinsurance structure, this may have a negative impact on the Group's solvency margin.

4.3 PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 Balance sheet

Assets

(in thousands of euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022
Fixed assets			
Intangible assets	4.1.1	-	-
Financial assets		-	-
Interests in related companies	4.1.2	1,507,584	1,502,744
Loans to affiliates and subsidiaries	4.1.3	766,991	465,466
		2,274,574	**1,968,211**
Current assets			
French government and other authorities		2,052	3,850
Group and Subsidiaries Tax		0	0
Coface current account		705,336	708,498
Miscellaneous receivables		11,805	8,391
	4.1.4	**719,193**	**720,739**
Investment securities			
Treasury shares	4.1.5	12,591	10,900
Cash at bank and in hand	4.1.6	919	1,243
Prepaid expenses	4.1.7	376	589
		733,079	**733,472**
Deferred charges	4.1.8	33	230
Loan repayment premiums	4.1.9	7,959	3,681
Foreign exchange assets		**3,397**	**6,816**
TOTAL ASSETS		**3,019,043**	**2,712,409**

Equity and liabilities

(in thousands of euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022
Equity			
Capital		300,360	300,360
Share capital premiums		723,517	723,517
Other reserves		31,450	31,450
Retained earning		99,527	0
Income for the year		208,001	326,480
	4.2.1-4.2.2	**1,362,855**	**1,381,806**
Provisions for liabilities and charges	**4.2.3**		
Provision for liabilities		3,397	6,816
Provision for charges		6,693	5,859
		10,090	**12,675**
Debts			
Bank borrowings and debts [(1)]		640,477	614,343
Other bond issues		840,354	538,770
Sundry borrowings and debts		150,198	150,201
Trade Notes and accounts payable		3,638	3,414
Other payables		5,810	0
Group and Subsidiaries Tax		1,891	4,280
	4.2.4	**1,642,369**	**1,311,008**
Foreign currency translation reserve – liabilities		**3,729**	**6,920**
TOTAL EQUITY AND LIABILITIES		**3,019,043**	**2,712,409**

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4.3.2 Income statement

(in thousands of euros)	NOTES	DEC. 31, 2023	DEC. 31, 2022
Operating income (I)		**5,153**	**4,654**
Rebilled expenses and other income		5,153	4,654
Operating expenses (II)		**(7,667)**	**(9,193)**
Other purchases and external expenses		(3,390)	(5,245)
Other expenses		(4,080)	(3,518)
Depreciation and amortisation		(197)	(430)
Operating income (I-II)	**5.1**	**(2,514)**	**(4,539)**
Financial income (III)		**269,554**	**373,694**
Investment income		209,386	347,862
Other financial income		53,352	25,330
Reversal of provision for exchange		6,816	503
Financial expenses (IV)		**(59,981)**	**(43,382)**
Interest and similar expenses		(56,584)	(36,566)
Charges for FX losses		(3,397)	(6,816)
Financial income (III-IV)	**5.2**	**209,572**	**330,312**
Non-recurring income (V)		**0**	**0**
On capital transactions		0	0
On management transactions		**0**	**0**
Non-recurring expenses (VI)	**5.3**	**0**	**(38)**
On capital transactions		0	0
On management transactions		0	(38)
Non-recurring income (V-VI)		**0**	**(38)**
Income tax (income)	**5.4**	**943**	**745**
NET INCOME FOR THE YEAR		**208,001**	**326,480**

4.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

NOTE 1 SIGNIFICANT EVENTS

Acquisition of North America data analytics boutique rel8ed

On January 30, 2023, Coface announced the acquisition of North American data analytics boutique Rel8ed. The acquisition brings new, rich data sets and analytics capabilities, which will benefit Coface trade credit insurance as well as the Company's business information customers and teams.

Issuance tier 2 Note ssuccess of its debt management exercise

On November 28, 2023, COFACE SA announced the issuance of €300,000,000 tier 2 Notes bearing a fixed interest rate of 5.750 percent., due on November 28, 2033.

NOTE 2 ACCOUNTING PRINCIPLES

Accounting principles and policies

The financial statements for the year ended have been prepared in accordance with generally accepted accounting principles and the French General Chart of Accounts (regulation ANC No. 2014-03 of the Accounting regulation Committee in accordance with the principles of prudence and business continuity).

Financial assets

Equity securities are reported in the balance sheet at cost. A depreciation is recorded when the realisable value (determined according to the restated equity, income, future outlook and value in use for the Company) is less than the acquisition value. The realisable value is determined using a number of indicators (revalued equity, expected results generated by holdings, future outlook, value in use).

The value in use is determined using the discounted cash flow method. Cash flow projections were derived from the three-year business plans drawn up by the Group's operating entities as part of the budget process and approved by Coface Group management.

These projections are based on the past performance of each entity and take into account assumptions relating to Coface's business line development. Coface draws up cash flow projections beyond the period covered in its business plans by extrapolating the cash flows over two additional years.

The assumptions used for growth rates, margins, cost ratios and claims ratios are based on the entity's maturity, business history, market prospects, and geographic region.

Under the discounted cash flow method, Coface applies a discount rate to insurance companies and a perpetuity growth rate to measure the value of its companies.

Receivables and payables

Receivables and payables are valued at their face value. They are depreciated through a provision to account for potential collection difficulties.

Issuing charges

According to the French General Chart of Accounts (Article 361-2), the costs linked to the hybrid debt issued must, in principle, be distributed according to the characteristics of the loan. These costs were recorded in deferred charges and amortised on a straight-line basis for the term of the loan, *i.e.* 10 years.

Consistency of methods

The annual financial statements are comparable to those of the previous year (consistency of accounting methods and time period principle).

The balance sheet, income statement and Notes are expressed in euros.

NOTE 3 OTHER DISCLOSURES

a) Tax consolidation Group

On January 1, 2015, COFACE SA opted for the tax consolidation regime by consolidating French subsidiaries that are more than 95% owned, whether directly or indirectly (Compagnie française d'assurance pour le commerce extérieur, Cofinpar, Cogeri and Fimipar).

The tax consolidation agreements binding the parent company to its subsidiaries are all strictly identical and stipulate that:

- each company shall calculate its tax as if there were no tax consolidation, and the parent company alone shall be liable for the payment of corporate income tax;
- the parent company shall recognise tax savings in income and shall not reallocate them to subsidiaries unless the subsidiary leaves the Group.

The option is valid for five years starting from January 1, 2015 with tacit renewal of the option every five years.

b) Staff and managers

COFACE SA has no staff on its payroll and has no pension commitment.

c) Off-balance sheet commitments

- Commitments received:
  - €700 million,
  - It is about a syndicated loan with seven banks (Société Générale, Natixis, CACIB, BNP Paribas, HSBC, BRED and La Banque Postale), undrawn at December 31, 2024,
  - €226,6 million,
  - It is a joint guarantee given by *Compagnie française d'assurance pour le commerce extérieur* to the benefit of investors in the subordinated debt (maturity 10 years);
- Commitments given: €1,542 million.

COFACE SA has given a joint and several guarantee to Coface Finanz, a company indirectly owned by COFACE SA, in respect of amounts due from Coface Poland Factoring in repayment of the loan granted to the latter, up to a maximum of €500 million. This joint and several guarantee has never been exercised since 2012.

COFACE SA has issued a joint and several guarantee to cover the commitments of Coface Finanz and Coface Poland Factoring in respect of the bilateral lines of credit taken out with ten banks. €1,054 million as of December 31, 2023 (€1,042 million in 2022). This joint and several guarantee has never been exercised.

NOTE 4 ANALYSIS OF THE MAIN BALANCE SHEET ITEMS (IN EUROS)

4.1 Assets

4.1.1 Intangible assets

No intangible assets have been booked in the accounts as of December 31, 2023.

4.1.2 Interests in related companies and companies with capital ties

RELATED COMPANIES *(In Thousands Of Euros)*	DEC. 31, 2022	ACQUISITIONS	DISPOSALS	DEC. 31, 2023
Compagnie française d'assurance pour le commerce extérieur	1,337,719			1,337,719
Coface Re	165,025	4,839		169,864
TOTAL	**1,502,744**	**4,839**		**1,507,583**

4.1.3 Loans to affiliates and subsidiaries

RELATED COMPANIES *(in thousands of euros)*	**AMOUNT**	**INTEREST**	**TOTAL**
Compagnie française d'assurance pour le commerce extérieur (end 2024)	187,000	5,939	192,939
Compagnie française d'assurance pour le commerce extérieur (end 2032)	268,000	4,450	272,450
Compagnie française d'assurance pour le commerce extérieur (end 2033)	300,000	1,602	301,602
TOTAL	**755,000**	**11,991**	**766,991**

A new loan of €300 million was granted on the same day (November 28, 2023) for 10 years, at an annual interest rate of 5.75%.

4.1.4 Other receivables

(in thousands of euros)	**DEC. 31, 2023**	**UP TO 1 YEAR**	**FROM 1 TO 5 YEARS**	**DEC. 31, 2022**
French government and other authorities	2,052	2,052	0	3,850
Coface current account	705,336	705,336	0	708,498
Coface Poland EUR current account	*0*	*0*	*0*	*226*
Coface Finanz EUR current account	*549,000*	*549,000*	*0*	*509,926*
Coface Finanz USD current account	*97,287*	*97,287*	*0*	*108,938*
Compagnie Française d'assurance pour le commerce extérieur EUR current account	*59,233*	*59,233*	*0*	*89,408*
Compagnie Française d'assurance pour le commerce extérieur USD current account	*(183)*	*(183)*	*0*	*0*
Miscellaneous receivables	11,850	11,850	0	8,391
Group and Subsidiary in tax consolidation	*0*	*0*	*0*	*0*
Other receivables	*646*	*646*	*0*	*13*
To be invoice	*8,646*	*8,646*	*0*	*5,859*
Natixis liquidity agreement	*2,462*	*2,462*	*0*	*2,519*
OTHER RECEIVABLES	**719,193**	**719,193**	**0**	**720,739**

4.1.5 Treasury shares

NUMBER OF SHARES HELD	**DEC. 31, 2022**	**ACQUISITIONS**	**DISPOSALS**	**DEC. 31, 2023**
Liquidity agreement	110,437	2,949,968	2,947,193	113,212
Bonus share awards	1,005,681	350,000	295,991	1,059,690
Share buyback plan	0	0	0	0
	1,116,118	**3,299,968**	**3,243,184**	**1,172,902**

Liquidity agreement

With effect from July 7, 2014, Coface appointed Natixis to implement a liquidity agreement for COFACE SA shares traded on Euronext Paris, in accordance with the charter of ethics of the French financial markets' association (*Association française des marchés financiers* – AMAFI) dated March 8, 2011 and approved by the AMF on March 21, 2011.

The Group had allocated €5 million (reduced by €2 million in 2017) to the liquidity account for the purposes of the agreement, which is for a period of 12 months and has been renewed by tacit agreement annually in July since 2015.

The liquidity agreement is part of the share buy-back programme decided by the Board of Directors' meeting of June 26, 2014. The liquidity agreement dated July 2, 2014, originally concluded with Natixis, was transferred as of July 2, 2018 to ODDO BHF for a term of twelve (12) months, automatically renewable.

Bonus share award

Since its IPO in 2014, the Coface Group has granted bonus shares to certain corporate officers or employees of COFACE SA subsidiaries.

In 2023, the Board of Directors decided to grant 336,513 free shares. This allocation completes the 2021 and 2022 plans, for which 408,403 and 320,849 shares were allocated respectively.

At December 31, 2023, the Group's treasury shares had a gross and net value of €12,591,145 broken down as follows:

- liquidity agreement: €1,310,429.
- bonus share award: €11,280,716.

Under French standards, the acquisition of shares under a bonus share award constitutes a component of remuneration. The provision should be recognised in staff costs by crediting the line item "Provisions for expenses" and be spread out, where delivery of the shares is conditional upon the beneficiaries working for the Company at the end of a future period set by the plan.

Accordingly, this charge will be recognised in the accounts using the acquisition price spread over the vesting period, namely three years. As COFACE SA did not acquire sufficient shares, it must also take into consideration the number of missing shares multiplied by the share price on the last day of the financial year to calculate the amount of this charge. At the end of 2023, the "Provision for charges" amounted to €6,693,151.

4.1.6 Cash at bank and in hand

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Natixis	919	1,243

4.1.7 Prepaid expenses

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Expenses related to the syndicated loan	376	589

4.1.8 Deferred charges

(in thousands of euros)	GROSS 2023	AMORTISATION	NET 2023
Expenses linked to subordinated debt	230	197	33

Deferred charges include costs linked to the issuance of the subordinated debt in 2014 amortised over a period of 10 years. The residual term at December 31, 2023 is three months.

4.1.9 Loan reimbursement premiums

(in thousands of euros)	GROSS 2023	AMORTISATION	NET 2023
Premium linked to subordinated debt (end 2024)	134	114	19
Premium linked to subordinated debt (end 2032)	3,547	365	3,182
Premium linked to subordinated debt (end 2033)	4,798	40	4,758
TOTAL	**8,479**	**519**	**7,959**

4.2 Liabilities

4.2.1 Changes in equity

(in euros)	DEC. 31, 2022	APPROPRIATION OF EARNINGS	TRANSACTIONS FOR THE YEAR	DISTRIBUTION	INCOME FOR THE YEAR	DEC. 31, 2022
Share capital (NV = €2)	300,359,584					300,359,584
Number of shares	150,179,792					150,179,792
Share premium	723,517,174					723,517,174
Legal reserve	31,449,646					31,449,646
Other reserves	0					0
Retained earnings	0	326,479,873		(226,952,825)		99,527,048
Income for the year	326,479,873	(326,479,873)			208,001,241	208,001,241
TOTAL	**1,381,806,276**	**0**	**0**	**(226,952,825)**	**208,001,241**	**1,362,916,980**

COFACE SA's total equity stands at €1,362,916,980.

The share premiums are made up of contribution premiums and issue premiums (including €471,744,696 in unavailable premiums) and share issuance rights in the amount of €15,725.

In accordance with the vote held at the Annual shareholders' Meeting of May 16, 2023, €99,527,048 of 2022's income were allocated to retained earnings.

It was decided to distribute a dividend of €226,952,825 by drawing on retained earnings and share premiums.

4.2.2 Composition of capital

SHAREHOLDERS	DEC. 31, 2023		DEC. 31, 2022	
Financial market and other	68.5%	102,891,911	68.6%	102,990,329
Arch Capital Group	29.9%	44,849,425	29.9%	44,849,425
Group Employee funds	0.8%	1,265,554	0.8%	1,223,920
Treasury shares	0.8%	1,172,902	0.7%	1,116,118
Number of shares	**100.0%**	**150,179,792**	**100.0%**	**150,179,792**
Nominal value *(in euros)*		2		2

4.2.3 Provisions for liabilities and charges

(in thousands of euros)	DEC. 31, 2022	ADDITIONS	REVERSALS	DEC. 31, 2023
Provision for FX losses	6,816	3,397	6,816	3,397
Provision for bonus share award	5,859	6,693	5,859	6,693
TOTAL	**12,675**	**10,090**	**(12,675)**	**10,090**

4.2.4 Debts

(in thousands of euros)	UP TO 1 YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS	DEC. 31, 2023	DEC. 31, 2022
Bank borrowings and debts	**640,477**			**640,477**	**614,343**
Commercial paper: discounted fixed rate	646,287			646,287	615,819
CP accrued interest	(5,810)			(5,810)	(1,476)
Other bond issues	**240,354**		**600,000**	**840,354**	**538,770**
Subordinated bonds	226,600		600,000	826,000	526,000
Accrued interest	13,754			13,754	12,170
Sundry borrowings and debts	**150,198**			**150,201**	**150,201**
Coface borrowing (Compagnie française d'assurance pour le commerce extérieur)	150,000			150,000	150,000
Accrued interest on Coface borrowing	198			198	201
Coface cash advance and accrued interest	**0**			**0**	
Trade Notes and accounts payable	**3,638**			**3,638**	**3,414**
Group and subsidiaries	**1,891**			**1,891**	**4,280**
Other debts	**5,810**			**5,810**	**0**
TOTAL DEBTS	**1,042,368**	**0**	**600,000**	**1,642,368**	**1,311,008**

After approval by the Banque de France on November 6, 2012, COFACE SA issued €250 million in commercial paper (with a maturity of one to three months) on November 13, 2012. The amount raised was fully loaned to Coface Finanz through a cash agreement and all fees incurred were recharged.

The programme's maximum amount has been increased several times and stands at €700 million as of December 31, 2023.

At the end of 2023, the EUR and USD portions were €549 million and $107,5 million respectively, equivalent to €646.3 million in total.

On March 27, 2014, COFACE SA completed the issue of subordinated debt in the form of bonds for a nominal amount of €380 million (corresponding to 3,800 bonds with a nominal unit value of €100,000), maturing on March 27, 2024 (10 years), with an annual interest rate of 4.125%.

In December 2014, COFACE SA borrowed €110 million at a rate of 2.30% over a period of 10 years from Compagnie française d'assurance pour le commerce extérieur for the acquisition of Coface Re, followed in June 2015 by a second tranche of €40 million in order to send additional funds to Coface Re (see Note 4.1.2).

For the year ended December 31, 2023, the Group's financing liabilities, totalling €840.4 million, correspond to:

- a fixed rate subordinated Note (4.125%) issued on March 27, 2014 by COFACE SA for a nominal amount of €380 million and maturing on March 27, 2024;

- the securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Group's main operating entity;
- COFACE SA also completed a tender offer on September 21, 2022 to repurchase its guaranteed subordinated Notes issued in 2014, for an amount of €153.4 million, at a fixed purchase price of 103.625%;
- the nominal amount after the tender offer is now €226.6 million, still maturing on March 27, 2024;
- a new issuance on September 22, 2022 of €300 million in subordinated Notes at a fixed interest rate of 6.000%, maturing on September 22, 2032.
- a new issuance on November 28, 2023 of €300 million in subordinated Notes at a fixed interest rate of 5.750%, maturing on November 28, 2033.

Rating agency update:

- on May 19, 2023 AM Best confirmed its 'A' (Excellent) financial soundness rating (FSR) for *Compagnie française d'assurance pour le commerce international* (the Company) and Coface Re. These ratings are accompanied by a "stable" outlook;
- on September 28, 2023, Moody's upgraded Coface's A2 to A1 financial soundness rating (IFS). The outlook is stable;
- on November 9, 2023, Fitch confirmed Coface's Insurer Financial Strength (IFS) rating of 'AA-'. The outlook remains stable.

NOTE 5 ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

Operating income

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Operating income	**5,153**	**4,654**
Rebilling of insurance	1,544	1,563
Rebilling of free shares	3,609	3,091
Operating expenses	**(7,667)**	**(9,193)**
Other purchases and external expenses	**(3,390)**	**(5,239)**
Statutory Auditors' fees	(1,212)	(2,210)
Insurance Policy	(1,490)	(1,529)
Other Fees	(229)	(835)
Financial Information	(457)	(217)
Fees and commissions on services	(2)	(440)
Expenses related to the issuance of subordinated debt	0	0
Reception fees	0	(7)
Income tax, taxes, and similar payments	**0**	**(6)**
Other expenses	**(4,080)**	**(3,518)**
Attendance fees	(471)	(427)
Expenses linked to the bonus share award	(3,609)	(3,091)
Depreciation and amortisation	**(197)**	**(430)**
Amortisation of costs linked to subordinated debt	(197)	(430)
OPERATING INCOME	**(2,514)**	**(4,539)**

Financial income

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Financial income	**269,554**	**373,694**
Income from shares	**209,386**	**347,862**
Dividend	209,386	347,862
Other financial income	**53,352**	**25,330**
Loan interest	28,182	16,601
Interests linked to the CP programme and syndicated loan	23,094	6,527
Income on cash advance	271	0
Income on guarantees	1,780	1,714
Foreign exchange product	25	206
Income of liquidity contract	0	281
Reversal of provision for exchange	**6,816**	**503**
Financial expenses	**(59,981)**	**(43,382)**
Interest and similar expenses	**(56,584)**	**(36,566)**
Fees and commissions linked to the CP programme	(22,940)	(6,530)
Interest on bond loan	(28,931)	(24,639)
Interest on borrowings	(3,447)	(3,450)
Others financial costs	(7)	(713)
Interest on cash advance	0	0
Foreign exchange loss	(212)	(206)
Guarantee expenses	(453)	(676)
Depreciation on redemption premiums	(519)	(351)
Loss on liquidity contract	(75)	0
Charges for FX losses	**(3,397)**	**(6,816)**
FINANCIAL INCOME	**209,572**	**330,312**

The amount of dividends is made up of dividends received from Compagnie française pour le commerce extérieur in the amount of €131,417,439 and from COFACE RE in the amount of €77,968,677.

Non-recurring income

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
NON-RECURRING INCOME	**0**	**0**
Miscellaneous	0	0
NON-RECURRING EXPENSES	**0**	**(38)**
Miscellaneous	0	(38)
TOTAL	**0**	**(38)**

Income tax

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Accounting income before income tax	**207,058**	**325,735**
Deductions:	(226,519)	(354,174)
• dividend (parent/subsidiary regime)	(209,386)	(347,862)
• foreign currency translation reserve – liabilities	(6,920)	0
• foreign currency translation reserve – assets	(3,397)	(6,313)
• provision for exchange	(6,816)	0
Reintegrations:	19,155	18,107
• Share of costs 1% on Group dividend	1,314	2,999
• Share of costs 5% on Group dividend	3,898	2,398
• foreign currency translation reserve – assets	6,816	6,313
• foreign currency translation reserve – liabilities	3,729	6,396
Taxable income	**(306)**	**(10,333)**
• Corporate tax (rate 33 1/3%)	0	0
• 3% tax on dividends paid to external (outside the tax consolidation Group)	0	0
Corporate tax before tax consolidation	**0**	**0**
Net income from consolidated companies	**943**	**745**
Corporate income tax (income)	**943**	**745**

The application of the tax consolidation agreement resulted in a consolidation gain of €943,577 for financial year 2023, compared to a gain of €744,811 in 2022.

Statutory Auditors' fees

This information is available in the Coface Group consolidated financial statements as at December 31, 2023, in Note 35.

NOTE 6 INFORMATION REGARDING RELATED COMPANIES

The table below presents all items regarding related companies:

(in thousands of euros)	DEC. 31, 2022	DEC. 31, 2022
Balance Sheet – Assets	**2,988,159**	**2,682,459**
Interests in related companies	1,507,584	1,502,744
Loans to affiliates and subsidiaries	766,991	465,466
Compagnie française d'assurance pour le commerce extérieur current account	56,049	89,408
Coface Finanz current account	646,287	618,864
Coface Poland Factoring current account	0	226
Rebilling of free shares	6,693	5,750
To be invoice with Compagnie	1,095	0
To be invoice with Poland Factoring	254	0
To be invoice with Finanz	206	0
Balance Sheet – Equity & Liabilities	**152,089**	**154,481**
Sundry borrowings and debts	150,198	150,201
Group and Subsidiaries Tax	1,891	4,280
Income statement	262,530	370,933
Operating income	**4,048**	**4,654**
Operating expenses	0	0
Financial income	262,466	371,436
Financial expenses	(3,985)	(5,156)

NOTE 7 SUBSIDIARIES AND INTERESTS

	YEAR 2022			
	TURNOVER	NET EARNINGS OR LOSS	DIVIDENDS RECEIVED OR RECOGNISED BY THE COMPANY	EXCHANGE RATE DEC. 31, 2022
	(in €)			
Compagnie française d'assurance pour le commerce extérieur* 1, place Costes et Bellonte 92270 Bois-Colombes	1,432,891,808	369,144,487	131,417,439	1
Coface Re SA* Rue Bellefontaine 18 1003 Lausanne – Switzerland	369,860,904	110,701,189	77,968,677	1

** Unaudited accounts, currently in the process of certification.*

	AS OF DEC. 31, 2022					
	SHARE CAPITAL	RESERVES AND RETAINED EARNINGS	SHARE OF CAPITAL HELD	VALUE OF SECURITIES HELD		OUTSTANDING LOANS AND ADVANCES GRANTED BY THE COMPANY
				GROSS	NET	
	(in €)	(in €)	% (reported)	(in €)		
Compagnie française d'assurance pour le commerce extérieur* 1, place Costes et Bellonte 92270 Bois-Colombes	137,052,417	2,343,898	100%	1,337,719,300	1,337,719,300	150,198,493
Coface Re SA* Rue Bellefontaine 18 1003 Lausanne – Switzerland	15,000,000	265,261,075	100%	169,864,621	169,864,621	0

** Unaudited accounts, currently in the process of certification.*

NOTE 8 EVENTS AFTER THE REPORTING PERIOD

None

4.5 FIVE-YEAR SUMMARY OF COMPANY RESULTS

SA SDGP 41 was incorporated on March 23, 2000 and became COFACE SA (at the EGM held on July 26, 2007).

DETAILS *(in euros)*	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
I – Year-end Capital					
a) share capital	304,063,898	304,063,898	300,359,584	300,359,584	300,359,584
b) Number of issued shares	152,031,949	152,031,949	150,179,792	150,179,792	150,179,792
c) Number of bonds convertible into shares	-	-	-	-	-
II – Operations and income for the year					
a) Revenue excluding tax	2,477,628	3,734,093	1,043,302	4,653,864	5,152,710
b) Income before tax, depreciation, amortisation and provisions	132,968,042	(17,758,389)	80,528,202	325,735,062	207,119,952
c) Income tax	(978,886)	1,179,988	1,695,116	744,811	943,577
d) Income after tax, depreciation, amortisation and provisions	132,677,046	(18,938,377)	82,223,318	326,479,873	108,001,241
e) Distributed profits	0 (1)	82,900,339 (2)	225,269,688 (3)	226,576,784 (4)	193,708,957 (5)
of which interim dividends					
III – Earnings per share					
a) Income after tax, but before depreciation, amortisation and provisions	0.88	0.12	0.54	2.17	1.36
b) Income after tax, depreciation, amortisation and provisions	0.87	0.12	0.55	2.17	1.39
c) Dividend paid to each share	-	0.55	1.50	1.52	1.30

DETAILS *(in euros)*	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
IV – Personnel					
a) Average number of employees in the year	-	-	-	-	-
b) Payroll amount	-	-	-	-	-
c) Amount of sums paid in employee benefits	-	-	-	-	-

(1) In view of the scale of the public health crisis and following the vote at the Combined General Meeting of May 14, 2020, it was decided not to pay a dividend in res pect of the financial year ending December 31, 2019

(2) For 2020, a distribution of €0.55 per share,i.e. €82,900,339 (€81,976,242 excluding treasury shares), was distributed as voted by the Annual shareholders' Meeting of May 12, 2021.

(3) For 2021, a distribution of €1.50 per share,i.e. €225,269,688 (€224,028,658 excluding treasury shares), was distributed as voted by the Annual shareholders' Meeting of May 17, 2022.

(4) For 2022, a distribution of €1.52 per share,i.e. €226,576,784, will be submitted to the Annual shareholders' Meeting of May 16, 2023.

(5) For 2023, a distribution of €1.30 per share,i.e. €193,708,957, will be submitted to the Annual shareholders' Meeting of May 13, 2024.

4.6 OTHER DISCLOSURES

Pursuant to Article D.441-6 of the French Commercial Code, the table below sets out the payment terms of COFACE SA's suppliers showing bills received and not paid at the end of the financial year for which payment is in arrears:

SUPPLIERS' PAYMENT TERMS	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS OR MORE	TOTAL (1 DAY OR MORE)
(A) Late payment tranches					
Number of bills affected	-	1	-	-	-
Total amount of bills affected including VAT *(in €k)*	-	113	-	-	-
Percentage of total amount of purchases during the financial year	**-**	**1%**	**-**	**-**	**-**
(B) Bills excluded from (A) relating to disputed or unrecognised liabilities and receivables					
No bills excluded from these tables relating to disputed or unrecognised liabilities and receivables.					
C) Reference payment terms used (contractual or legal term – Article L.441-6 or Article L.443-1 of the French Commercial Code)					

4.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2023

To the Annual General Shareholder's Meeting of COFACE S.A.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of COFACE SA. for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and accounts committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to the changes in accounting principles resulting from the first-time application, of the IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" standards from January 1, 2023, as described in the notes 2 and 3 to the consolidated financial statements, as well as in other notes presenting the impacts of these changes.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key Audit matter 1:

Evaluation of the Impact of the first-time application of IFRS 17 "Insurance Contracts" on the Consolidated Balance Sheet and the Group's Equity at the Transition Date and on the Comparative Information as of December 31, 2022

Refer to notes 2.2 "Impacts as of January 1, 2022", 4.4 "Insurance and Reinsurance Technical Provisions" and 4.18 "Significant Judgments and Estimates" to the Group's consolidated financial statements.

IDENTIFIED RISK

The application of the IFRS 17 "Insurance Contracts" standard from January 1, 2023, has led to significant changes in the rules for the valuation of insurance liabilities and the presentation of the group's consolidated accounts. The transition date set by the standard is January 1, 2022.

The group presents in its financial statements the impact of this new accounting standard on the comparative information shown in the consolidated balance sheet and income statement, the statement of changes in consolidated equity, and the consolidated cash flow statement, in accordance with IAS 8. It also presents the effect of the first-time application of the standard on its equity as of January 1, 2022 in note 2.2 "Impacts as of January 1, 2022" and the main accounting method choices retained for the implementation of IFRS 17 in notes 4.4 "Insurance and Reinsurance Technical Provisions" and 4.18 "Significant Judgments and Estimates".

The application of IFRS 17 led to a positive overall impact of €91 million on the group's equity at the transition date, which is January 1, 2022. As of the same date, and after applying the new standard, the liabilities related to issued insurance contracts amount to €1,250 million.

This required new accounting and actuarial estimates, involving significant judgment from management, including:

- The methodologies and assumptions used to identify contracts falling within the scope of IFRS 17 and determine their level of aggregation.
- The procedures applied to identify onerous contracts at the transition date.
- The analyses that led to conclusions on the eligibility of issued insurance contracts for the simplified model based on the premium allocation approach ("PAA").
- The judgments exercised to define certain key parameters and valuation assumptions, particularly:
  - For liabilities for incurred claims ("LIC"), the valuation of the best estimate of provisions, costs attributable to claim management, discount rates, and the adjustment for non-financial risk.
  - For liabilities for remaining coverage ("LRC"), the base of retained premiums, deferred acquisition costs, and coverage duration.
- The methods used to present the standard's impact on the consolidated balance sheet and the group's equity at the transition date, and on the comparative information as of December 31, 2022.

We considered the evaluation of the impact of the first-time application of IFRS 17 "Insurance Contracts" on the consolidated balance sheet and the group's equity at the transition date and on the comparative information as of December 31, 2022 to be a key audit matter due to the significance of the changes required by the new standard in terms of assessing and accounting for insurance liabilities, the choice of accounting methods, and management's judgments used to determine certain key valuation assumptions.

AUDIT RESPONSE

With the support of our actuarial experts, we implemented the following audit procedures:

- We obtained an understanding of the process put in place by the group to implement IFRS 17 and examined the procedures used by the group to determine the impact of its adoption on the consolidated balance sheet and equity at the transition date and on the comparative information as of December 31, 2022;
- We assessed the appropriateness of the accounting method choices and judgments made by the group in light of the provisions of IFRS 17;
- We assessed the assumptions adopted by the group to conclude on the eligibility of issued insurance contracts for the simplified "PAA" or "Premium Allocation Approach" model;
- We examined, with the help of our actuarial experts, the key methodologies and judgments used to determine the actuarial evaluation models, including:
  - For liabilities for incurred claims ("LIC"), the valuation of the best estimate of provisions, costs attributable to claim management, and discount rates;
  - For liabilities for remaining coverage ("LRC"), the base of retained premiums, deferred acquisition costs, and coverage duration.
- Regarding the adjustment for non-financial risk:
  - We reviewed the methodology applied and its compliance with the standard and market practices.
  - We examined the segmentation by contract portfolio and reviewed the main assumptions used in the calculation of the risk adjustment, especially the change coefficients and the confidence levels selected by segment and attachment year.
  - We verified calculations on a sample basis.
- We implemented tests, on a sample basis, on key modeling data, assumptions and parameters and on the adjustments made in determining the impact of the first-time application of the standard on the consolidated balance sheet and the group's equity at the transition date, and the calculation of the balances carried forward in the comparative information as of December 31, 2022;
- We examined the disclosures in the notes to the group's consolidated financial statements.

Key Audit Matter No. 2

Valuation of Insurance Liabilities as of December 31, 2023

Refer to notes 4.4 "Technical Insurance and Reinsurance Provisions", 4.18 "Significant Judgments and Estimates", 15 "Technical Liabilities Relating to Insurance and Reinsurance Contracts", and 38 "Risk Management" to the group's consolidated financial statements.

IDENTIFIED RISK

As of December 31, 2023, insurance liabilities were evaluated in accordance with IFRS 17 "Insurance Contracts". They amounted to €1,468 million, compared to €1,433 million as of December 31, 2022.

The accounting methods and the assumptions used for their estimation are described in notes 4.4 "Technical Insurance and Reinsurance Provisions" and 4.18 "Significant Judgments and Estimates". These notes specifically mention that the group has chosen to evaluate all its insurance contract portfolios using the simplified model based on the "PAA" or "Premium Allocation Approach" model.

With the application of the "PAA" model, the book value of insurance contracts at the closing date corresponds to the sum of:

- Liabilities for incurred claims ("LIC"), estimated based on the best estimate valuation of provisions for claims that will be settled after the risk expires and any recovery action, costs attributable to the management of these claims, and a non-financial risk adjustment ("Risk Adjustment") that takes into account the level of confidence chosen by the group
- Liabilities for remaining coverage ("LRC"), estimated based on the amount of premiums reduced by contract acquisition costs.

If contracts are identified as onerous at any time during the coverage period, a loss is immediately recognized in P&L against the liabilities for the remaining coverage ("LRC").

We considered the evaluation of insurance liabilities as of December 31, 2023 to be a key audit matter because it involves a significant degree of judgment, particularly when applying accounting methods and procedures to determine the eligibility of insurance contracts for the "PAA" model, identifying onerous contracts and determining certain key model assumptions and parameters.

AUDIT RESPONSE

We implemented the following audit procedures:

- We obtained an understanding and assessed the control system, including IT, related to the estimation of insurance liabilities as of December 31, 2023.
- We verified the correct application of accounting method choices made by the group in connection with the first-time application of IFRS 17
- We assessed, at the closing date, the conditions for maintaining the eligibility of issued insurance contracts for the simplified "PAA" or "Premium Allocation Approach" model.
- We assessed the methods and assumptions implemented by the group to evaluate the profitability of contracts and identify those that are onerous.
- With the support of our actuarial experts, we analyzed and assessed the reasonableness of certain key parameters used to value insurance liabilities at the closing date, including:
  - The "Best Estimate" valuation of provisions for claims, the costs attributable to the management of claims, discount rates, and the non-financial risk adjustment for liabilities for incurred claims ("LIC").
  - The base of premiums retained, the deferred acquisition costs, and the coverage period for the liabilities with respect to the remaining coverage ("LRC").
- Regarding the determination of the non-financial risk adjustment:
  - We examined the methodology applied and verified its compliance with the standard and market practices,
  - We examined the segmentation by contract portfolio and reviewed the main assumptions used in the calculation of the non-financial risk adjustment, especially the change coefficients and the confidence levels chosen by segment and attachment year,
  - We implemented, with our actuarial experts, our own evaluation of the change coefficients and the overall confidence level, and reconciled them with those chosen by management,
  - We independently recalculated, with our actuarial experts, the non-financial risk adjustment.
- We tested, on a sample basis, the reliability of the data used as a basis for calculating the insurance liabilities;
- We independently recalculated, with the support of our actuarial experts, the insurance liabilities for a sample of contracts.
- We implemented analytical procedures on the model output results and reconciled them with the accounting.
- We reviewed the disclosures in the notes to the group's consolidated financial statements.

Key Audit Matter No. 3

Impact of the First-Time Application of IFRS 9 "Financial Instruments" and Valuation of Financial Investments of Insurance Activities

Refer to notes 3. "First-Time Application of IFRS 9 'Financial Instruments'", 4.5. "Financial Assets according to IFRS 9, applicable from January 1, 2023, for the insurance portfolio", 4.18. "Significant Judgments and Estimates, §. iii Financial Assets" and 3 "Investments of Insurance Activities" to the group's consolidated financial statements.

IDENTIFIED RISK	*AUDIT RESPONSE*
The investments of insurance activities represent one of the most significant items on the consolidated balance sheet. As of December 31, 2023, their net book value was €3,341 million. As indicated in note 3. "First-Time Application of IFRS 9 'Financial Instruments'", the Coface group has applied for the first time since January 1, 2023 IFRS 9. This introduces new principles for the classification and valuation of financial instruments reflecting their management model and the contractual cash flow characteristics, and a new methodology for the impairment of financial assets taking into account expected future losses. In the group's consolidated accounts, the application of this new standard led to a modification in the classification of financial assets on the balance sheet and notably the recognition at fair value through profit or loss of those securities which were previously recognized at fair value through other comprehensive income. The impact of the first-time application of IFRS 9 on opening equity is not significant (€159K as of January 1, 2023). In accordance with IFRS 9, the group also recorded impairment for expected credit losses ("ECL"). This impairment amounted to €422K as of January 1, 2023 and €391K as of December 31, 2023. Moreover, the valuation at the closing date of financial assets held by the group involves a significant part of judgment, particularly regarding unlisted equities, non-consolidated equity investments, and investment properties that are valued using models relying on unobservable market data. We considered the impact of the first-time application of IFRS 9 and the valuation of insurance investments as of December 31, 2023 to be a key audit matter due to: • The relative importance of applying IFRS 9 in terms of classification, valuation, and impairment of financial assets. • The significant judgment exercised by management in valuing the investment portfolio as of December 31, 2023. • The material balance of this financial statement item at the end of the fiscal year.	Regarding the first-time application of IFRS 9 "Financial Instruments", we implemented the following audit procedures: • We reviewed the compliance of the rules applied by the group to analyze its financial assets and determine their accounting classification according to the criteria defined by the standard. • For debt instruments, we verified the appropriateness of the accounting classification in relation to the underlying economic model and contractual characteristics ("SPPI" tests). • We tested a sample of securities to corroborate the group's conclusions on accounting classification. • We verified that fair value changes have been appropriately recorded in profit or loss or in equity, according to the security classification. • We obtained an understanding of the procedures used to determine the "ECL" provision (especially segmentation into homogeneous risk groups, default probabilities, losses in case of default), and reviewed their compliance with IFRS 9. • We recalculated the "ECL" provision based on the main assumptions mentioned above, and examined the results' consistency. • We reviewed the disclosures in the notes to the group's consolidated financial statements. Regarding the valuation of insurance activities' investments at the closing date, we verified that the values retained by management are based on an appropriate justification of the valuation method and the numerical inputs used, according to the relevant securities. For valuations based on market inputs: • We verified the market prices used; For valuations based on non-observable market inputs: • We obtained and analyzed the business plans established by management, and assessed the relevance and justification of the assumptions and parameters adopted; • We verified the consistency of the main assumptions used with the economic environment; • We reviewed the consistency of the forecasts used for previous periods with the corresponding actual data for a sample of securities; • We assessed the adequacy and appropriateness of the disclosures in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report.

We precise that it is not our role to report the matters related to the sincerity and the concordance with the consolidated financial statements of Solvency II information extracted from the report required under the article L.356-23 of the insurance code (*code des assurances*).

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L.225-102-1 of the French Commercial Code (code de commerce), is included in the Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be reported by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of COFACE SA by the Annual General Meeting, on May 14, 2020 for Mazars and on May 3, 2007 for Deloitte & Associés. The previous auditors were Deloitte & Associés or another entity of the Deloitte network, whose original appointment details could not be determined.

As at December 31, 2023, Mazars was in the 4th year of total uninterrupted engagement and Deloitte & Associés was in the 17th year and 10th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and accounts committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated

financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and accounts committee

We submit a report to the Audit and accounts committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and accounts committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit and accounts committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 à L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and accounts committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Mazars	Deloitte & Associés
Jean-Claude PAULY	Damien LEURENT
Partner	*Partner*

4.8 STATUTORY AUDITORS' REPORT ON THE STATUTORY FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the statutory financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2023

To the Annual General Shareholders' Meeting of COFACE SA.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying statutory financial statements of COFACE SA for the year ended December 31, 2023.

In our opinion, the statutory financial statements give a true and fair view of the assets and liabilities and of the financial position of the COFACE SA as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and accounts committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the statutory financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de Commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the statutory financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the statutory financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the statutory financial statements.

Valuation of equity securities

IDENTIFIED RISK	*OUR RESPONSE*
The amount of participations in affiliated companies with a participating interest amounted to € 1,507 million euros. As mentioned in note 2.1 – Accounting principles standards, the equity securities appearing in the balance sheet are recognized at their acquisition date and subsequently depreciated based on their value in use. The latter is estimated by management on the basis of estimates based on forecasts. The estimate of the value in use of these securities requires the judgment of the management in its choice of items to consider, including the profitability prospects of the entities whose securities are held by COFACE S.A. We considered that the depreciation of equity securities constitutes a key audit matter due to the part of management judgment involved in the evaluation of the value in use, which uses assumptions of future results taking into account the maturity of the entity, the history of the activity and the market prospects and the country in which the entity is established. The potential impact on the statutory financial statements concerns the existence of a provision for depreciation of equity securities not recognized at the closing.	To assess the reasonableness of the valuation of impairment provisions on equity securities, our work has focused on verifying that the value in use estimates determined by the management was based on an appropriate rationale for the valuation method and the quantified elements used. In order to do this: • We obtained and analysed business plans and discussed with the management on its forecasts; • We analysed the consistency of the main assumptions used with the economic environment; • We compared the consistency of the forecasts used in the prior periods with the actual outcomes; • We assessed the need to recognize an impairment and, if applicable, we verified its calculation.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the statutory financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the statutory financial statements of the information given in the management report of the Board of directors and in the other documents with respect to the financial position and the statutory financial statements provided to shareholders.

We attest the fair presentation and the consistency with the statutory financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L. 225-37-4 and L.22-10-10 and L22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the statutory financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the statutory financial statements intended to be includedin the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the statutory financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the statutory financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the statutory financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of COFACE SA by the Annual General Meeting, on May 14, 2020 for Mazars and on May 3rd, 2007 for Deloitte & Associés. The previous auditors were Deloitte & Associés or another entity of the Deloitte network, whose original appointment details could not be determined.

As at December 31, 2023, Mazars was in the 4th year of total uninterrupted engagement and Deloitte & Associés was in the 16th year and 10th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the statutory financial statements

Management is responsible for the preparation and fair presentation of the statutory financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the statutory financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The statutory financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the statutory financial statements

Objectives and audit approach

Our role is to issue a report on the statutory financial statements. Our objective is to obtain reasonable assurance about whether the statutory financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the statutory financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the statutory financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the statutory financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the statutory financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and accounts committee

We submit a report to the Audit and accounts committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and accounts committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the statutory financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and accounts committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 à L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Mazars	Deloitte & Associés
Jean-Claude PAULY	Damien LEURENT
Partner	*Partner*

6 RISK
CATEGORIES

12 MAIN
RISK FACTORS

RISK GOVERNANCE
& INTERNAL CONTROL SYSTEM

3 LINES
OF DEFENCE

5

MAIN RISK FACTORS AND RISK MANAGEMENT WITHIN THE GROUP

5.1 SUMMARY OF MAIN RISKS

The Group operates in a fast-changing environment that gives rise to numerous external risks, in addition to the risks inherent in the conduct of its businesses. This chapter identifies the significant risk factors to which the Group believes it is exposed and explains how they are managed.

Despite a complex economic environment marked by geopolitical and economic tensions, the Coface Group maintained discipline in its risk management.

The table below presents the main risks to which Coface is exposed. It was prepared using the risk map, which is reviewed annually by general management and the Board of Directors' Risk Committee. The risk map is based on a qualitative risk analysis aimed at assessing the intrinsic risk and residual impact of each risk factor, taking into account the corresponding level of control implemented within the Group.

In 2022, the risk mapping assessment methodology was adjusted according to the type of risk assessed to ensure a uniform view of all risks:

- a bottom-up approach for assessing operational risks, providing a hierarchical view of inherent and residual risks by selecting them according to their degree of criticality and their probability of occurrence;
- a top-down approach based mainly on expert analysis. This is used for risks other than operational risks, in this case credit, strategic, financial and reinsurance risks and those incorporating the ESG dimension (Environmental, Social and Governance factors). In the same way as the bottom-up approach, the methodology for assessing non-operational risks is based on a hierarchical assessment of risks based on the probability of occurrence of the risk and its impact, according to a rating scale comprising four levels (high, significant, medium, low). The analysis is supplemented by discussions with experts taking into account risk mitigating factors such as controls, procedures, governance, systems or resources. In 2023, the analysis was strengthened by taking into account the reviews carried out in each region as well as quantified risk indicators, such as risk appetite indicators, the impact on the capital requirement (SCR) or the income statement, offering an in-depth insight into the Group's potential risks. Finally, these risks have been prioritised according to an internal calculation methodology that takes into account the level of inherent risk and its management. This allows us to rank the main risk factors as described below.

The exposure to these different risks is described in more detail in Section 5.2 of this report.

The risks considered to have a major inherent impact are listed below:

RISK CATEGORIES	MAIN RISK FACTORS	INHERENT IMPACT	RESIDUAL IMPACT	CHANGE IN THESE RISKS BETWEEN 2022 AND 2023
Credit risk	Risk related to the management of the Group's exposure in its trade credit insurance business	High	Medium	↓
	Risk of debtor insolvency	Significant	Medium	→
Financial risks	Interest rate risk	Significant	Medium	→
	Real estate risk	Significant	Significant	↑
	Foreign exchange risk	Significant	Significant	↑
Strategic risks	Risk related to geopolitical conditions	High	High	→
	Risk related to market conditions	Significant	Significant	↓
Reinsurance risks	Residual reinsurance risk	Significant	Medium	→
Operational and compliance risk	Risks related to information systems and cybersecurity (non-financial performance disclosures)	High	Significant	→
	Modelling risk	Significant	Medium	→
	Compliance risk	Significant	Medium	→
Climate change risks	Climate change risks	Medium	Low	→

Before making a decision to invest in the Company's shares, prospective investors should consider carefully all the information set out in this document, including the risks described below. As of the date of this report, these risks, were they to occur, are those the Group believes could have a material adverse effect on the Group, its business, its financial position, its solvency, its operating results or outlook, and which are material in making an investment decision. Prospective investors should nonetheless Note that the risks described in this chapter may not be comprehensive, and that there may be additional risks that are not currently known or whose occurrence, as of the date of this Document, is not considered likely to have a material adverse effect on the Group, its business, its financial position, its operating results or outlook.

5.2 DEFINITION AND MEASUREMENT OF RISKS

Risk factors related to the Issuer

/ BREAKDOWN OF THE GROUP'S OVERALL EXPOSURE BY BUSINESS LINE (IN €BN)

	2023		2022	2021
BY BUSINESS LINE	*(in €bn)*	*(as a %)*	*(in €bn)*	*(in €bn)*
Credit insurance	685.1	96.5%	666.9	587.6
Bonding	15.5	2.2%	14.7	13.5
Single Risk Insurance (1)	3.5	0.5%	3.5	2.7
Other*	6.1	0.9%	4.6	4.3
TOTAL	**710.2**	**100%**	**689.7**	**608.1**

** The Latitudine exposure (supervised discretionary credit limit) at Coface Italy and the bonding reinsurance business have been incorporated into the risk management tools since December 2021.*

The data and charts on exposures provided below relate to credit insurance, which accounts for more than 96% of total amounts outstanding.

5.2.1 Credit risk

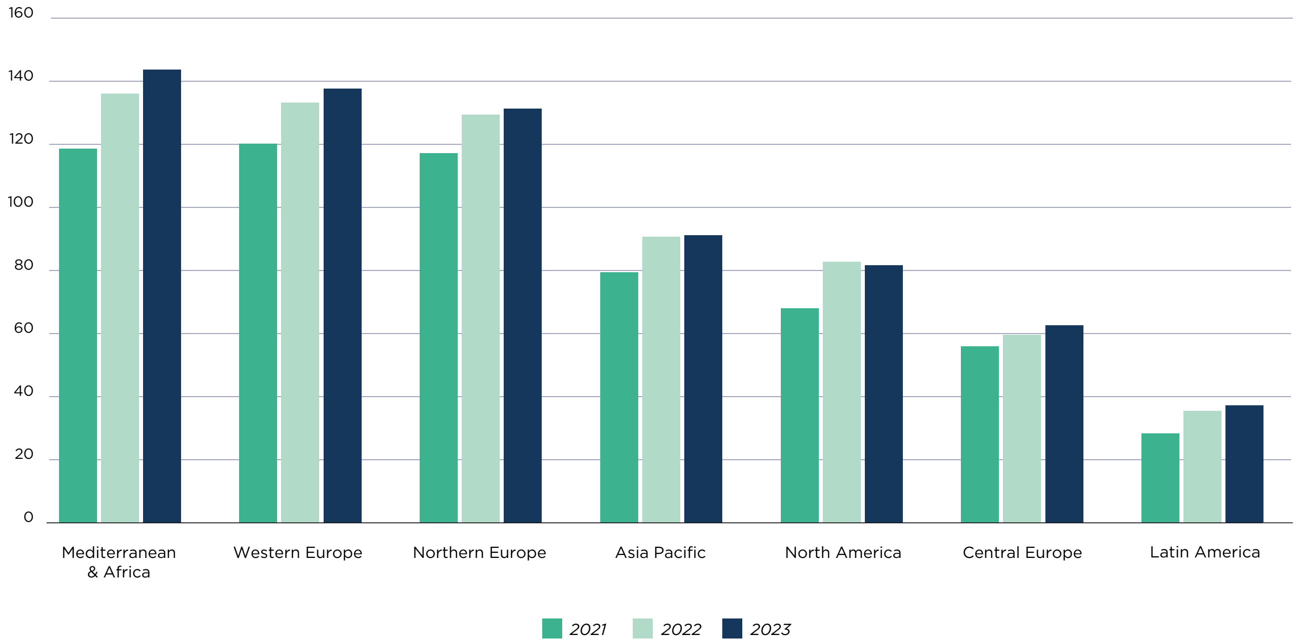
a) Risk related to the management of the Group's exposure in its trade credit insurance business

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
As part of its trade credit insurance activities, the Group allocates its exposures between clients operating in a wide range of economic sectors and established in different countries around the world.	*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 MANAGEMENT	
In this regard, the Group manages its exposures and determines the maximum amount of risk that it is willing to accept for each group of debtors based on the underlying level of risk related to the economic sector concerned and/or the location of those groups of debtors.	The Group significantly increased its exposure in 2021 as the Covid-19 pandemic receded. Its exposure continued to rise in 2022 in an environment of high inflation that increased the turnover of Coface's clients. Growth stabilised in 2023 (+2.7%), reflecting risk management efforts and the preventive action carried out as the loss experience normalised, as well as the economic slowdown seen mainly in the second half of the year. The Group's exposure thus stood at €685 billion at the end of 2023.

1) Single Risk is a special type of insurance that covers both political risks and commercial risks (i.e. payment default). This type of policy is designed specifically for complex, long-term projects. The insurer defines a tailor-made contract with the customer.

The chart below shows a breakdown of the level of exposure by region for the periods ended December 31, 2021, 2022 and 2023 respectively:

/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURES BY GEOGRAPHIC REGION



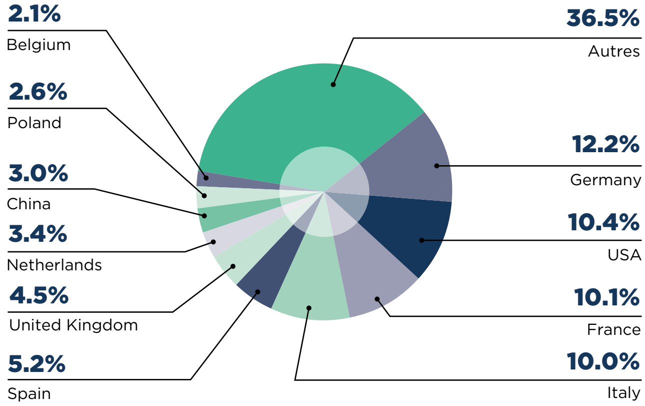
All of the Group's regions recorded an increase in exposure, with the exception of North America, where it decreased by 1.3%. The Mediterranean and Africa region, which is the group's largest region in terms of exposure, posted an increase of 5.7%, followed by Central Europe with 5.1% and Latin America with 4.6%; however, this region's exposure remains the smallest in the Group.

The geographical breakdown of risk is monitored according to the Group's country risk assessment, which estimates the average credit risk of companies in a given country using a risk scale ranging from A1 (the highest rating) to E (the lowest rating). The concentration of exposure on the lowest-rated countries is constantly monitored as part of Coface's risk appetite.

In addition, the risk management actions implemented in response to Russia's invasion of Ukraine reduced exposure to Russian debtors to €640 million at the end of 2022, then to less than €430 million at the end of 2023 (representing 0.06% of the Group's total exposure), *i.e.* a decrease of more than 90% compared to the pre-invasion level. Claims notifications on Russian debtors remained at a moderate level during 2022 and 2023 and had no significant impact on the Group's loss ratio. Coface is continuing to reduce its activity in Russia while preserving debt collection and risk management capabilities in the region.

At December 31, 2023, the top ten countries accounted for 63.5% of credit insurance exposures, stable against at December 31, 2022. Germany, which accounts for 12.2% of the Group's risks, remains the country in which the Group has the biggest exposure. More than 80% of the debtors covered by credit insurance policies are located in OECD countries.

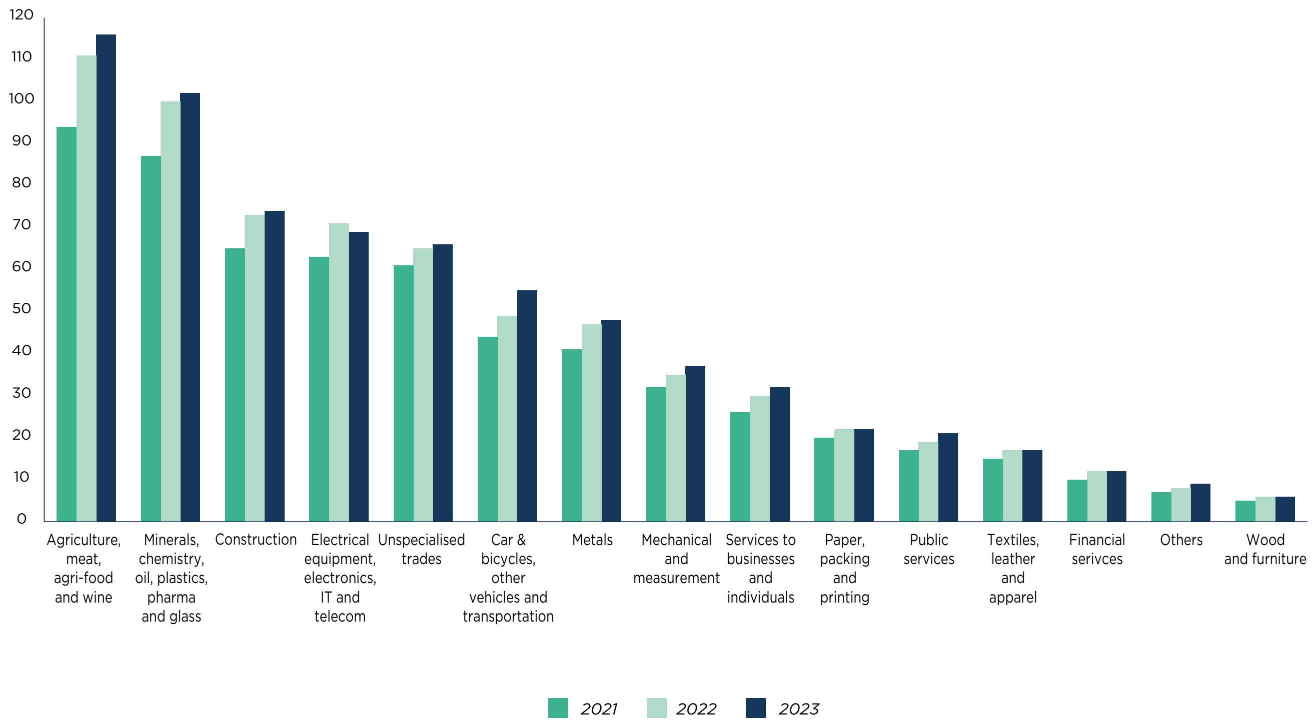
/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURE BY COUNTRY AT DECEMBER 31, 2023



The Group's exposure is also diversified by economic sector. Exposure increased slightly in most sectors. The concentration on the largest sector, namely agriculture, increased slightly to 16.9% of total exposure. The biggest increase was in the transport sector, which had declined sharply during the pandemic.

The chart below shows a breakdown of the level of exposure by economic sector for the periods ended December 31, 2021, 2022 and 2023 respectively:

/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURE BY ECONOMIC SECTOR AT DECEMBER 31, 2023 (IN € BILLION)



At December 31, 2023, more than 95% of the Group's total exposure consisted of short term risks. The maximum credit term stipulated in its policies rarely exceeds 180 days.

However, an adverse change in the economic cycle (at a global, sector, geographical or country level) resulting from:

(i) a financial or health crisis, such as the global Covid-19 pandemic in 2020;

(ii) a failure of the Group's management systems, processes or governance;

(iii) a poor assessment of the risks associated with an economic sector, geographical area or country;

could lead to delays in reducing exposures and/or an overestimation of the quality of exposures to the economic sector, geographical area or country concerned. In such an event, the Group's credit risk would increase and it could experience a sharp rise in paid claims, which would have an impact on its loss ratio, operating income, liquidity and solvency margin.

b) Risk of debtor insolvency

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Insolvency risk is the risk of losses arising from non-payment by a debtor of amounts owed to one of the Group's policyholders.	An overestimation of the quality of our debtors, poor management of debtor concentration 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.

RISK MANAGEMENT

The approval of the maximum amount of risk incurred on debtors is based on an analysis of their financial strength and an assessment of their capacity to pay amounts due to our policyholders in a given economic situation. This analysis is carried out by the Group's credit analysts and underwriters, who continually assess and monitor debtor solvency based on publicly available information and/or data collected directly from the debtors and/or using an internal assessment tool and a historical database.

The default risk of debtors (policyholders' clients) is analysed according to the concentration of exposures to a group of debtors. The Group provides unpaid receivables risk insurance covering nearly two million debtors worldwide. At December 31, 2023, the Group's average exposure to individual debtors increased but was contained, with the average risk per debtor close to €340,000.

The table below shows a breakdown of the Group's policyholders at December 31, 2023 according to the total outstanding credit risk incurred by the Group. Analysis of the number of debtors by amounts outstanding shows that the risk concentration is limited. For example, debtors to which the Group's exposure totals less than €5 million account for 48% of the Group's total exposure.

DEBTOR TOTAL EXPOSURE BRACKETS	OUTSTANDING AMOUNTS* *(in millions of euros)* 2023
€1 - €100,000	43,529
€101,000 - €200,000	29,428
€201,000 - €400,000	38,988
€401,000 - €800,000	49,703
€801,000 - €1.5 million	52,087
€1.5 million - €5 million	118,199
€5 million - €50 million	231,458
€50 million - €200 million	82,445
€200 million and more	39,303
TOTAL	**685,140**

** The outstandings shown are gross of reinsurance (direct business and inward reinsurance) and correspond to the maximum amount of cover granted by the Group to its policyholders. They do not correspond to the effective use thereof by the policyholders.*

The risk of debtor insolvency can also be exacerbated by debtors' exposure to climate risk. Coface has incorporated a climate stress test as part of its annual own risk and solvency assessment (ORSA). In a scenario reflecting the risk of a delayed transition to a low-carbon economy, debtors operating in sectors the most exposed to transition risk (such as carbon intensive sectors) and whose financial strength is low or medium would be the most exposed. However, the share of these companies in Coface's portfolio is very low. As a result, the impact of this stress scenario on the Group's profitability and solvency is not material. For more information on how Coface manages environmental risks, please refer to Chapter 6 of this document.

The Group is mainly exposed to small and medium-sized debtors and, to a certain extent, to larger debtors for larger amounts. Although the Group's exposures are covered by a reinsurance program, the default of a number of small and medium-sized debtors, each for amounts below the minimum amounts covered by the reinsurance program, could be borne directly by the Group. In addition, the default of certain debtors for a significant amount may exceed the upper limit of the reinsurance program. As a result, adverse developments in the economic situation of a debtor, internal defaults of debtors, or a failure in the Group's systems or processes leading to an incorrect assessment of the risk of insolvency of a debtor or group of debtors, may lead to an underestimation of this risk of default of one or more debtors, thereby increasing the claims presented to the Group, which may have a material impact on its operating income, liquidity and solvency margin.

5.2.2 Financial risk

a) Interest rate risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Interest rate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates.	Any significant fluctuation in the value of the Group's bond portfolio due to a change in interest rates may have a material adverse effect on the Group's ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

RISK MANAGEMENT

The Group holds an investment portfolio composed mainly of listed financial instruments. Its portfolio allocation is mainly focused on debt products (almost all at fixed rates), as shown in the table below. The Group's portfolio of assets also enables it to meet some of its liquidity needs.

	AS AT DEC. 31					
	2023		2022		2021	
INVESTMENT PORTFOLIO (FAIR VALUE)*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Shares	80	2.4%	85	2.9%	233	7.6%
Bonds	2269	68.9%	2,265	77.1%	2,115	69.0%
Loans, deposits and other financial investments**	764	23.2%	367	12.5%	507	16.5%
Investment property	180	5.5%	220	7.5%	213	6.9%
TOTAL	**3294**	**100.0%**	**2,937**	**100.0%**	**3,068**	**100.0%**

*. *Excluding non-consolidated subsidiaries.*
*** Including units in money market UCITS.*

The Group's investment policy aims to respect legal and regulatory requirements while generating regular income with limited risk.

Inflation slowed in 2023, but it nevertheless remained above central bank targets. On the macroeconomic front, growth was surprisingly strong in the United States while Europe avoided the severe recession expected at the beginning of the year. Central banks in advanced economies continued to raise their interest rates, with the cycle widely perceived to be over at the end of the year. Meanwhile, some central banks in emerging economies were already starting to lower theirs.

In this environment of rising interest rates and economic uncertainty, the Group continued to reduce the risk in its portfolio in 2023 by lowering its exposure to assets the most at risk from the economic slowdown (credit, emerging markets and real estate) in favour of developed countries' sovereign bonds. Cash levels remained high throughout the year as a precautionary measure.

The listed equity portfolio was restructured into a long-term investment segment classified at fair value through other comprehensive income not reclassified to profit or loss (FV OCI NR). Bond investments will be recognised at fair value through other comprehensive income reclassified to profit or loss (FV OCI-R).

At December 31, 2023, the fair value of the Group's investment portfolio (excluding non-consolidated subsidiaries) amounted to €3,294 million, up €357 million *versus* year-end 2022 due to the reinvestment of the €300 million Coface bond (in money market mutual funds and sovereign bonds) and the rise in the infrastructure equity segment.

The bond portfolio is mainly invested in government bonds (57.8% at end-December 2023) and investment grade corporate bonds (40.3% at end-December 2023) [1]. These investments were made in accordance with a clear risk policy with a particular focus on issuer quality, interest rate sensitivity, and the spread of issuers and geographic regions in the investment mandates granted to the Group's dedicated asset managers.

The average rating of the bond portfolio at the end of 2023 was A, with nearly 95.6% of securities rated BBB or above.

1) *According to the Standard & Poor's rating scale, all bonds rated at least BBB- are considered investment grade, and bonds with a rating of BB+ or lower are considered to be high yield debt.*

BREAKDOWN BY RATING* OF BONDS IN THE BOND PORTFOLIO (FAIR VALUE)	AT DECEMBER 31, 2023	
	(in €m)	*(as a %)*
AAA	235	10.4%
AA – A	1255	55.3%
BBB	680	30.0%
BB – B	95	4.2%
CCC and below	4	0.2%
TOTAL	**2,269**	**100.0%**

The Group is exposed to interest rate risk on its bond investments, which includes:

(i) interest rate risk representing the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates; and

(ii) spread risk arising from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level of credit spreads relative to the interest rates at which sovereign bonds are issued.

The modified duration of the Group's bond portfolio is capped at 5 [(1)] in the Group's internal investment policy. At December 31, 2023, the bond portfolio's modified duration was 2.9, down 0.3 compared with the end of 2022. The Group's exposure to interest rate risk and, consequently, to spread risk, therefore remains limited.

However, fluctuations in interest rates have a direct impact on the market value and return on the Group's investments since unrealised gains or losses and the return on securities held in its portfolio depend on the level of interest rates.

Interest rates are highly sensitive to a number of external factors, including monetary and fiscal policies, domestic and international economic and political environments, and investors' risk aversion.

The risk associated with a significant drop in interest rates is that either the portfolio's average rate decreases (in which case reinvestments are made at lower rates) or the portfolio's duration increases (which may make the portfolio more sensitive to future interest rate fluctuations). The risk associated with rising interest rates is a fall in the market value of the bond portfolio, which may lead the Group to record unrealised losses.

At December 31, 2023, the Group considered that an increase in interest rates of 100 basis points would have an impact of €66.7 million on the fair value of its portfolio (excluding hedging activities).

b) Real estate risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Real estate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of real estate assets.	Any significant change in the value of the Group's real estate portfolio due to real estate market trends may have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below). The change is recognised directly in the Group's financial income (IFRS 9) because the funds are recognised at fair value through profit or loss.

RISK MANAGEMENT

The Group's real estate portfolio consists of property used for its operating activities and investments having real estate as their underlying assets.

At December 31, 2023, the fair value of the Group's real estate exposure was €237 million, with €57 million in real estate assets used for its operations and €180 million in real estate investment funds invested in real estate assets linked to various economic sectors in Europe. Investment in real estate investment funds accounts for a limited portion of the Group's investment portfolio (5.5%) due to the low liquidity of this asset class.

Some real estate assets in the investment portfolio were reallocated from offices and retail to residential properties.

The rental income of the real estate portfolio is exposed to variations in the indices used to calculate rents (for example, the cost of construction index in France), risks related to the rental market (changes in supply and demand, vacancy rates, impact on market rental values or lease renewals) and the risk of default by leaseholders.

The value of real estate assets is exposed to the risk of obsolescence due to changes in applicable regulations, which could lead to impairment losses in the event of a sale of the assets or additional expenditure to restore the value of the assets.

In 2023, the impact of this asset class on financial income was -€28.9 million.

1) A bond's modified duration measures its loss of value in the event of a rise in interest rates. Thus, a bond with a modified duration of 4 will see its market value decrease by 4% if interest rates rise by 1%.

The following table assesses the portfolio's sensitivity to a downturn in the real estate market:

SENSITIVITY OF THE PORTFOLIO TO THE DECLINE IN THE REAL ESTATE MARKET AT DECEMBER 31, 2023

(in millions of euros)	MARKET VALUE AS AT DEC. 31, 2023	IMPACT OF A 10% DECLINE IN THE REAL ESTATE MARKET	IMPACT OF A 20% DECLINE IN THE REAL ESTATE MARKET
Real estate assets	180	(18.0)	(36.0)

c) Foreign exchange risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Foreign exchange risk is the risk of loss resulting from adverse changes in exchange rates.	Given its global presence, the Group is exposed to exchange rate fluctuations that may affect its profitability, financial position, liquidity and solvency margin. This could have an impact on the Group's operating income (for example, turnover from subsidiaries or liabilities denominated in specific currencies) and on the value of the Group's assets (for example, through direct investments in assets denominated in foreign currencies).

RISK MANAGEMENT

At December 31, 2023, 36.4% of the Group's consolidated turnover was denominated in currencies other than the euro (mainly the currencies of the United States, the United Kingdom, Singapore and Hong Kong) thus exposing the Group to foreign exchange risk. Emerging countries account for 15% of the Group's revenue, with the three biggest countries being Israel 2%, Brazil 2% and Poland 4%.

Most of the Group's investments are denominated in euros. At December 31, 2023, more than 80% of its investments were denominated in euros and the exposure to foreign exchange risk (mainly in US dollars, Singapore dollars, pounds sterling and Hong Kong dollars) was therefore limited. The absolute weight of emerging currencies in the portfolio is 2.7%, with the most significant countries being Chile, with 0.7% and Brazil, with 1.0%.

However, the following types of foreign exchange risk have been identified by the Group:

- *Operations*: fluctuations in exchange rates may have consequences on the Group's operating income due to the translation of foreign currency transactions, the settlement of balances denominated in foreign currencies and a mismatch between monetary assets and liabilities in foreign currencies. To reduce the impact of this mismatch, the Group uses derivatives to hedge its positions against foreign exchange fluctuations in sensitive currencies, particularly during periods of heightened volatility on the capital markets. However, it is never possible to fully align monetary assets and liabilities and a potential impact on profits and losses may be recorded as a result of fluctuations in exchange rates and since these transactions are not subject to hedge accounting under IFRS;
- *Conversion*: the Group publishes its consolidated financial statements in euros, but some of its income and expenses, as well as its assets and liabilities, are denominated in currencies other than the euro. As a result, fluctuations in the exchange rates used to convert these currencies into euros may have a significant impact on reported turnover from one year to the next. In particular, the significant volatility of emerging currencies against the euro may significantly alter the contribution of the countries concerned to the Group's turnover;
- *Hyperinflation*: the Group is exposed to significant inflationary risks, especially in Argentina, Brazil, Israel and Turkey. In the absence of currency hedging (which is too costly), there is a real risk of a massive devaluation of assets. Hyperinflation thus generated a loss of €10.9 million in income [1].

Any significant change in the exchange rates for currencies in which the Group operates or manages its assets is therefore likely to have an adverse effect on its cash flows, solvency margin and financial position as well as the value of its portfolio.

1) *Two contributing entities: Coface Service Argentina and Coface Saporta (Turkey).*

d) Liquidity risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP [1]
Liquidity risk arises from the fact that of not being able to sell its securities due to the non-existence or narrowness of a market for them.	Adverse conditions on the capital markets could have a significant impact on the Group's ability to fund its factoring business.

RISK MANAGEMENT

The Group has a commercial credit insurance business, which is the core of its business model, but has also developed a factoring business in Germany and Poland.

Through this business, the Group acquires and finances its clients' trade receivables, thereby generating a significant liquidity requirement insofar as it does not have an internal source of financing. For example, the liquidity used to fund this activity amounted to more than €2.4 billion at December 31, 2023. To finance its factoring activity on a sustainable basis, the Group has a diversified and resilient refinancing program, consisting of a trade receivables securitisation program of up to €1,300 million (increased from €1,200 million at December 31, 2022), and a commercial paper program for up to €700 million (unchanged since December 31, 2022) as well as several credit lines and overdraft facilities for a maximum of €1,787 million. The Group's refinancing program is oversized and guaranteed for a much longer maturity than the underlying short-term trade receivables it finances. It includes back-up facilities for its market financing solutions such as the commercial paper and securitisation programs.

Any substantial downgrade of the credit ratings of the Group or one of its entities or any non-compliance with the obligations set out in the financing agreements could have a material adverse effect on the Group's ability to fund its factoring business due to the loss of financing available under existing credit facilities or difficulties in renewing these credit lines. In addition, any market event leading to the unavailability of the debt market or the commercial paper market, as sometimes happens during a financial crisis, could compromise the Group's ability to obtain adequate funding and lead to a decline in business and consequently a loss of revenue.

Liquidity tensions related to the payment of claims to its policyholders and/or the failure of some of its reinsurers to meet their obligations could cause the Group to record a loss in value of its portfolio. Significant disposals required within a few days and carried out urgently on illiquid assets or involving high execution costs could impact the value of the portfolio in sudden or adverse market scenarios, thereby having consequences for the Group's solvency margin and/or net income.

The Group's investment portfolio must be sufficiently liquid to meet significant cash requirements at all times. For this reason, it consists mainly of debt products (which represent the bulk of the Group's overall asset allocation) with a fixed rate and short duration, in line with the Group's liabilities. In addition, the Group allocates a significant portion of its assets to highly liquid money market instruments, which accounted for 23.2% of the investment portfolio at December 31, 2023 (loans, deposits and other financial investments), corresponding to €764 million at this date. Under current market conditions and according to the Group's assessment, this amount could be fully available in less than 15 days.

The following table presents the breakdown of the duration of the Group's bond portfolio:

BREAKDOWN OF THE BOND PORTFOLIO BY DURATION	AT DECEMBER 31, 2023	
	(in €m)	*(as a %)*
< 1 year	425	18.7%
1-3 years	939	41.4%
3-5 years	447	19.7%
5-10 years	372	16.4%
> 10 years	87	3.8%
TOTAL	**2,269**	**100.0%**

At December 31, 2023, 60.1% of the bond portfolio had a duration of less than three years.

This short duration allows the Group to have regular access to liquid assets that may be allocated to operating needs if necessary or to make regular reinvestments in market securities.

As an insurer, the Group must regularly pay claims and has implemented liquidity management policies for its investment portfolio as well as clear rules for monitoring its reinsurers' default risk.

1) *Significant inherent impact 2023/low residual impact 2023.*

e) Equity risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP [1]
Equity risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities.	Any significant change in the value of the Group's equity instruments due to a decline in the equity markets may therefore have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below).

RISK MANAGEMENT

At December 31, 2023, equity investments accounted for 2.4% of the Group's investment portfolio, compared with 2.9% at the end of 2022.

This exposure is concentrated in the eurozone, in line with the Group's core business.

The recognition of shares at FV OCI NR in accordance with the Group's implementation of IFRS 9 limits the impact of changes in the value of shares in the portfolio on the balance sheet. This approach is justified as these are long-term investments bearing significant dividends. As a result, the equity portfolio is extremely stable and has no impact on the Group's financial income besides the dividends received.

Equity prices may be affected by risks affecting the market as a whole (uncertainty over general economic conditions, such as expected growth trends, inflation, interest rate fluctuations, sovereign risk, etc.) and/or by risks affecting a single asset or a small number of assets. This may result in a fall in the price of equity instruments held by the Group and may have an impact on its realised or unrealised capital gains and losses.

The following table assesses the portfolio's sensitivity to a decline in the equity market:

/ SENSITIVITY OF THE PORTFOLIO TO CHANGES IN EQUITY MARKETS AT DECEMBER 31, 2023

(in millions of euros)	MARKET VALUE AS AT DEC. 31, 2023	IMPACT OF A 10% FALL IN EQUITY MARKETS [1]	IMPACT OF A 20% FALL IN EQUITY MARKETS [1]
Shares	80	(8.0)	(16.1)

(1) Excluding any hedging impact.

5.2.3 Strategic risk

a) Risks related to market and geopolitical conditions

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
The risk associated with market and geopolitical conditions can be defined as "all events or decisions of a political or administrative, national or international nature that may result in economic, commercial or financial losses for the company, whether it is an importer, exporter or foreign investor".	Business failures were low during the post-pandemic recovery but are expected to increase, which could lead to higher credit losses for the Group and/or a loss in value of its investments. In addition, the economic environment has become less favourable. The war in Ukraine has also intensified downward pressure on global growth.

RISK MANAGEMENT

The global economic slowdown continued in 2023. Global inflation remained high, although it slowed due to an easing in commodity and manufactured goods prices. Against this backdrop, the main central banks continued to raise their key rates until the summer. Many governments have at least partially withdrawn support measures for businesses and households due the deterioration in their public accounts.

The war in Ukraine continued to weigh on business and consumer confidence, particularly in Europe due to the immediate proximity of the military operations. The conflict between Israel and Hamas in Gaza from October reinforced this trend.

China's post-COVID recovery was sluggish due to the decline in its real estate sector which was hampered by massive private sector debt, and poor exports, particularly to Europe. Apart from net energy exporters, emerging economies suffered from sluggish Chinese demand, a strong dollar and the resulting funding difficulties.

With the reduction in aid and the tightening of credit conditions, the rise in business failures was confirmed in most advanced economies. In 2022, they returned to or exceeded pre-pandemic levels in most countries.

1) Medium inherent impact 2023/low residual impact 2023.

In 2024, the global economic slowdown is expected to continue (+2.2%, after +2.6% in 2023 and +3.1% in 2022). However, the second half of the year should see the start of a recovery. Financing conditions will remain tight despite likely rate cuts by central banks, which are now implementing or accelerating their quantitative tightening (QT).

The fight against inflation is not over, with core inflation rates still above central banks' targets, especially as wage growth is strong and labour markets remain tight. Commodity prices are not expected to rally sharply despite persistent supply constraints, notably due to the slowdown in demand. However, they will remain above pre-pandemic levels. At the global level, inflation will fall by more than interest rates, leading to a rise in real rates over the year as a whole, particularly at the long end of the yield curve, given the reduction in central bank balance sheets and the still substantial supply of paper by national treasuries (public deficits still very high).

Most countries will experience a sharp slowdown in 2024. This is particularly true in the United States, as the additional savings accumulated by households during Covid are drying up and wage growth has begun to lose momentum. The uncertainty surrounding the outcome of the November elections will also certainly slow the reduction in savings. The extent of the Chinese slowdown in a context of weak external demand and relatively sluggish household consumption will depend on the extent of the support the authorities provide. However, Europe is expected to accelerate slightly, thanks in particular to the expected (hoped for) rebound of the German economy after the contraction recorded in 2023. Overall, the global economy will be driven mainly by the emerging Asian economies, despite the slowdown in China.

This still gloomy economic outlook for 2024 is likely to push business failures even higher. The catch-up effect linked to the artificial survival of certain companies, thanks to public aid during the three Covid years, is expected to continue. In addition, continued tighter financial conditions will put company balance sheets to the test as they have to refinance their debts, with higher interest charges adding to a likely contraction in margins.

Risks, mainly to the downside, weigh on this outlook.

The first are of a geopolitical nature. An intensification of the war in Ukraine and the Black Sea, with renewed supply disruption, could lead to a further rise in the prices of agricultural commodities, but also of energy, especially if Western sanctions against Russia are tightened. An intensification and extension of the conflict between Israel and Hamas could also have an impact on energy prices, as much of the world's oil and gas passes through the neighbouring straits of Hormuz and Bab-el-Mandeb. Many shipowners have already stopped using the Red Sea and Suez Canal route in response to attacks by Yemeni Houthi rebels influenced by Iran, resulting in an increase in freight rates. An escalation in the South China Sea or near Taiwan, particularly at the end of the year (US elections), is still possible, while relations between China and the United States remain tense. More generally, greater audacity inspired by Russian aggression may lead to territorial aggression wherever borders are disputed.

The outcome of the US presidential election is likely to interact with and intensify these risks. In addition to the United States, around forty countries (representing 42% of the population and 60% of the world's GDP) are holding national elections in 2024. While many of them are unlikely to bring major surprises or present no domestic or external risk, this is not the case with elections planned for example in South Africa, Bangladesh, and Pakistan.

Alongside these political and geopolitical risks there is the return, or rather the intensification, of climate risk, with in particular the El Niño phenomenon, which began in the second half of 2022 and will continue into 2024, causing periods of intense drought and/or flooding depending on the region. Crops of certain foodstuffs, such as rice in Asia, could be severely affected.

The materialisation of some of these risks could lead to a further rise in commodity prices and an upturn in global inflation and could call into question the monetary easing currently anticipated by the market. Many governments, particularly in emerging and developing countries, faced with the depletion of budgetary resources after a succession of short-term crises, are already being forced to implement consolidation measures. They would struggle to find the means to ease the impact of a new shock on their people, even at the risk of deteriorating an already precarious political and social situation.

b) Risks related to changes in the regulations governing the Group's activities

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (1)
Regulatory risk arises in the event of non-compliance with the applicable regulations and can result in regulatory and financial penalties.	If the Group is unable to comply with regulatory changes, new accounting standards or tax reforms, this could have a negative impact on its business or its financial position.

RISK MANAGEMENT

A significant portion of the Group's business is subject to the obtaining of approvals and licences issued by the public authorities in charge of supervising and controlling credit insurance and factoring activities. Under its strategy of sustained and profitable growth, the Group is developing new activities in certain countries and must obtain all the approvals, licences and authorisations necessary to carry out these activities. For example, in 2019, the Group launched a new credit insurance offering in Greece through a local branch that had to obtain the necessary local and European authorisations.

Any major difficulty encountered in obtaining such authorisations could delay or jeopardise its establishment in these new countries. Similarly, the non-renewal, suspension or loss of these authorisations could have a material adverse effect on its business, operating results, financial position and outlook.

In addition, the patchwork of regulatory regimes, capital standards and reporting requirements resulting from work on new capital requirements, as well as possible changes to solvency and capital adequacy requirements, such as the regulatory framework established by Solvency II or the forthcoming Insurance Recovery and Resolution directive, could increase compliance risk, operational complexity and regulatory costs.

Tighter controls and higher capital requirements aimed at further strengthening the protection of policyholders and/or financial stability could affect the calculation of the local solvency margin and have a material adverse impact on the Group by increasing its external financing requirements and, as such, raising its funding costs. Insurance supervisors have broad administrative powers over many aspects of the insurance industry and the Group is unable to predict the timing or form of future regulatory initiatives.

In addition, changes in accounting standards could have a significant impact on the Group by affecting the accounting treatment of certain assets and liabilities and thereby modifying the consolidated financial statements from one year to the next. These changes may have an operational and financial impact, particularly on information systems. Changes in accounting standards may also change investors' perception of the Group's results and financial statements without being related to changes in the Group's activities.

Changes in tax laws and regulations or their interpretation may have a negative impact on the Group's performance, including its financial results and business model. In particular, legislative or regulatory changes may reduce the risk appetite of third parties and impact certain Group activities.

The Group carries out constant legal and regulatory monitoring to take into account regulatory and accounting changes and to maintain compliance.

c) Risk of deviating from the strategic plan

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (2)
The risk of deviating from the strategic plan is reflected in all the risks associated with strategic choices to adapt to the competitive environment.	Failures in the management or implementation of the strategic plan could have a negative impact on the Group's results and competitiveness and investors' perception, as well as on the level of dividend payments to its shareholders.

RISK MANAGEMENT

Under the leadership and oversight of senior management, the new "Power the Core" strategic plan, for the period 2024-2027, was drawn up with the support of the Group's regions and functional divisions, to ensure its relevance and optimum buy-in from operational teams. A dedicated organization has been set up to monitor implementation and minimize the risk of deviation.

The strategic plan includes the following through-the-cycle financial targets for the Group:

- An undiscounted combined ratio at ~78%;
- A RoATE of 11.0% through-the-cycle (at the current level of interest rate environment);
- A solvency ratio towards the upper end of the 155%-175% target range
- A payout ratio of at least 80% of net income
- An additional contribution from Business Information services to group RoATE of 50bp starting in 2027

In addition to risk factors related to market conditions, risks associated with achieving the Group's strategic objectives could arise from the occurrence of :

- risk factors likely to have an impact on the Group, such as the strategy or development of other credit insurance players;
- endogenous factors such as a product launch that does not meet its market or generates excessive risks;

1) *Medium inherent impact 2023/Low residual impact 2023.*

2) *Significant inherent impact 2023/low residual impact 2023.*

- delays in certain investment, adaptation or transformation projects;
- shortcomings in steering the strategic plan.

If the plan is not implemented as planned, the Group may need to adjust one or more of the strategic indicators provided to the market, which could have an impact on:

- its ability to pay dividends to its shareholders;
- the perception of its activities by the capital markets and investors in general, thereby putting pressure on the market value of its financial instruments and having a negative impact on its results or competitiveness.

d) Reputational risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP (1)
Reputational risk is the risk that an internal or external event adversely affects stakeholders' perception of and confidence in the Group. It may also arise if there is a divergence between stakeholders' expectations and the Group's results.	Adverse events affecting the Group's reputation may compromise the Group's ability to take on a risk, sell services and/or obtain competitive reinsurance terms.

RISK MANAGEMENT

Errors in the management of its investment portfolio or mismanagement of its exposures to certain geographical areas, economic sectors or debtors, particularly in a situation of economic uncertainty (see risk factor 5.2.1 "*Risk related to the management of the Group's exposure in its insurance business*"), serious IT failures affecting, for example, clients or partners or causing data leaks (see risk factor 5.2.5 "*Risks related to information systems and cybersecurity*"), or inadequate management of its environmental, social and governance policy could generate reputational risk for the Group and affect its ability to underwrite a risk and/or obtain competitive reinsurance terms.

The deterioration of the Group's reputation may also affect its ability to finance its activities, particularly its factoring business, or increase its financing cost. Due to these factors, a deterioration in the Group's reputation could affect its solvency margin, cash flows and operating income.

Reputational risk management is closely linked to the overall mapping of the Group's risk exposures. Identifying risks with a potential impact on the Group's reputation is essential in order to establish appropriate preventive measures. Coface's operations (such as handling customer complaints) also limit reputational risk.

5.2.4 Reinsurance risk

a) Residual reinsurance risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
The main reinsurance risk is a lack of coverage available on the market, which would reduce the Group's risk appetite for future uncovered extreme credit events.	*Under certain adverse circumstances, reinsurance treaties may not be renewed in full or extended in line with the development of the Group's activities, which may have an adverse impact on the Group's solvency margin and operating income.*

RISK MANAGEMENT

This risk may increase due to changes in the economic cycle, a poor financial performance by the Group, or a decline in the attractiveness of the credit insurance and bonding segments in relation to other risk segments that could be considered to be more profitable by the reinsurance market.

The Group has structured its reinsurance program as follows:

- two proportional treaties covering 23% of its exposure. The renewal dates for these two-year quota share treaties are 12 months apart, so half of the coverage is already secured for the following year regardless of the outcome of the renewal in progress. Proportional coverage aims to protect the Group against a significant increase in the frequency of claims;
- a proportional treaty covering 27% of its exposure to bonding and Single Risk insurance. This 27% is in addition to the ceded reinsurance rate of 23%, bringing the share on bonding and Single Risk to 50%;
- after the quota shares, the residual exposure is covered by two excess of loss treaties aimed at covering the Group against the default of a significant exposure or the accumulation of losses related to small and medium-sized exposures. This coverage aims to protect the Group against an exceptional risk with a very high adverse financial impact;
- in the Long-Term, the Group's residual exposure is also covered by a two year stop loss reinsurance treaty covering the Group against a combination of exceptional events.

If one or more reinsurance treaties cannot be renewed or are renewed for a lower coverage amount, the Group will incur more risks than expected, which may increase the final share of the losses it will have to finance and may have a negative impact on its solvency and operating income. In the event of serious losses, reinsurance companies may increase premiums, which may also have a direct impact on the Group's operating income.

The Group faced a capacity shortage at the end of 2008 and could only partially place its proportional reinsurance program and the overall cost of the reinsurance program was significantly higher than in the previous year. If a similar event occurs in the future with the current reinsurance structure, this may have a negative impact on the Group's solvency margin.

1) *Medium inherent impact 2023/low residual impact 2023.*

5.2.5 Operational and compliance risk

a) Risks related to information systems and cybersecurity

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
The risk related to information systems and cybersecurity arises from all internal or external risks of a malicious or non-malicious nature related to the use of digital technologies and affecting the confidentiality, integrity or availability of data and information systems.	Like any company, the Group is exposed to cyber attacks or other security vulnerabilities in its IT systems and infrastructure, or in those of its third-party service providers, which could disrupt its activities, cause significant financial losses, harm its reputation and expose it to possible sanctions from the regulatory authorities.

RISK MANAGEMENT

As part of its trade credit insurance activities, the Group allocates its exposures between clients operating in a wide range of economic sectors and established in different countries around the world.

As dependency on technology and digital infrastructure and third parties increases, the risks associated with information systems and cybersecurity are important for the Group. Information system risks may occur in project, design or production phases, and may be caused by technical or human errors, negligence or a lack of control or skills. Cybersecurity risks are mainly caused by internal or external malicious acts, for example, cyber attacks. These actions and the risks associated with the information system could lead to a breach of the confidentiality, integrity or availability of the Group's in-house or outsourced information systems.

The Group is exposed to cyber attacks or major failures in information systems affecting its systems or those of its third-party service providers, which may disrupt its activities (credit insurance, factoring, bonding, debt collection, business information). These attacks may vary greatly in terms of their sophistication and execution. The main types of attack include:

- *Phishing or spear phishing*: scams by e-mail, social networks, SMS, voice calls, etc. could result in financial transactions or cause viral infection of information systems, leading to direct financial loss, disclosure of confidential information or the loss of integrity of our systems;
- *Data leakage*: data could be stolen or made public in breach of the Group's regulatory or contractual obligations;
- *Data diddling*: data could be deleted or corrupted, resulting in business interruption, loss of business and extended disruption due to the complexity of returning to a normal situation;
- *Ransomware*: key infrastructure components (such as Active Directory [1]) could be attacked, leading to the partial or complete interruption of the Group's information systems. The Group may receive ransom demands and its activity could be suspended for several weeks;
- *System failure, loss of internet access or electricity supply*: systems and applications could be slowed or interrupted, resulting in lost productivity and repair costs;
- *Failure of a key supplier*: for accidental or malicious reasons – these failures could disrupt the activity and require the implementation of possibly complex alternative or isolation solutions;
- *Distributed Denial of Service (DDoS)*: the Group may be the target of DDoS attacks resulting from malicious attempts to disrupt the normal traffic of its data centres or internet portals by overloading the systems or their surrounding infrastructure with internet traffic from multiple sources. The Group's data centres or internet portals could become unavailable in the event of a successful DDoS attack.

Any of the above could cause significant damage to the Group's systems or data and could therefore lead to financial losses for the Group, harm its reputation and give rise to client complaints. This type of cyber attack may also result in a breach of the legal responsibility of the Group's executives and could also give rise to regulatory sanctions depending on the sensitivity of the data or the location of the system that is successfully attacked.

The Group's risk management strategy for information systems and cybersecurity is based on a comprehensive governance framework organised according to the three lines of defence in compliance with the regulations applicable to the Group and leading international standards.

1) *The main objective of Active Directory is to provide centralised identification and authentication services to a network of computers.*

This framework consists of a set of cybersecurity risk policies validated by the Group's Board of Directors and reviewed annually, a set of operational procedures aligned with these policies, a set of level one and level two controls aligned with indicators and a risk taxonomy in accordance with the recommendations of the ACPR in particular.

The Head of IT Security represents the first operational line of defence, in the business Technology department. The Group Information Systems Security Manager represents the second line of defence, in the Risk division. Internal Audit is the third line of defence.

An Information Systems Security and business Continuity Committee meets quarterly to steer the management of information systems security and business continuity.

The Group has also committed to a program to comply with DORA (Digital Operational Resilience Act), extending the information systems and cybersecurity risk management framework already in place:

- this risk management is based on the following main pillars approved by general management or the Group Risk and Compliance Committee: The protection of our critical infrastructures and our data: a strategic cybersecurity plan is used to manage investments in this area based on maturity assessments, the risk mapping and independent assessments (red team, penetration tests, code review, phishing simulations, etc.);
- Management of our critical suppliers: particular attention is paid to drawing up an inventory of our external or intra-group IT suppliers, risk management is adapted to their criticality throughout the contractual relationship, including the assessment and monitoring of their security levels and their gradual integration into our IT continuity tests;
- CYBER resilience: a comprehensive crisis system has been implemented to identify major cyber attack scenarios for the Group, manage the crisis and recover as quickly as possible. This system is regularly updated on the basis of lessons learned from simulations organised with members of the crisis system up to the highest level of management.

A cyber risk awareness and digital resilience plan is also implemented throughout the year, notably through mandatory awareness-raising sessions, the results of which are monitored by general management.

b) Modelling risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Modelling risk is the potential loss caused by model-based decisions and, in particular, errors in the development, implementation or use of these models.	The Group uses a number of models to carry out its activities. In certain circumstances, some models may no longer behave as expected, resulting in an inadequate assessment of its level of loss.

RISK MANAGEMENT

In performing its activities, the Group uses a number of models such as macroeconomic or stochastic models, debtor default prediction models, financial risk projection models to calculate premiums, and a partial internal model to calculate its regulatory capital requirement.

These models are based on estimates and assumptions that may prove incorrect. Some data may be incomplete or imperfect, and execution systems and procedures may have limitations or weaknesses, which could lead to errors in the pricing of insurance premiums in relation to the risk incurred for a given debtor, in the Group's assessment of the quality of its exposure in certain geographical areas or economic sectors, in the establishment of technical provisions [1] or in the Group's management of its asset portfolio.

In order to build up technical reserves for claims, the Group makes estimates based on various modelling techniques, using internal and external tools. Modelling results and the related analyses are subject to the various assumptions, expert judgements, modelling errors and limitations inherent in any statistical analysis. Differences may be observed retrospectively between the Group's estimates and the actual cost of claims.

The technical reserves recognised in the IFRS financial statements cover simulated differences in reserve risk with a sufficient margin.

Furthermore, the Group's internal risk policy specifies that the level of reserves (all business lines and years combined) must at least equal the 90% quantile of the distribution of reserves for claims. At December 31, 2023, accounting reserves exceeded the 90% quantile, thereby protecting the Group from a reserve shortfall in nine cases out of ten.

The modelling techniques used to estimate accounting reserves are also used to determine how these reserves will be run off over time (in series of future cash flows).

Since the implementation of IFRS 17, these run-off assumptions have allowed the discounting of accounting reserves, which are therefore subject to the risk of interest rate fluctuations.

As a result, if the models no longer behave as initially expected, this could have an impact on the Group's loss ratio, financial forecasts, solvency margin, cash flows, earnings and reputation.

Risk is monitored first and foremost through controls implemented by the teams in charge of model specification, but also by the users of the models within the business divisions. In addition, the main models used within the Group, such as those used to assess technical provisions, regulatory capital or the probability of default of debtors, are subject to dedicated governance structures. The model validation team within the Group Risk Department implements independent controls to monitor the quality of the models, with results reported to the Group Risk and Compliance Committee.

1) Details of technical reserves are provided in note 38 to the consolidated financial statements.

c) Compliance risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Compliance risk is defined as the risk of non-compliance with laws and regulations or internal policies and rules that may lead to sanctions, financial losses and damage the Group's reputation.	Through its international activities, the Group could be exposed to the risk of violation of economic sanctions and the breach of laws and regulations covering corruption, money laundering and terrorist financing, or external fraud, which could expose it to regulatory fines, financial losses and reputational harm.

RISK MANAGEMENT

As an entity supervised by the *French Prudential Supervision and Resolution Authority* (**ACPR**), Coface Group must comply with French, national and international laws, regulations, and professional and ethical standards relating in particular to economic sanctions, anti-money laundering and counter-terrorist financing measures, the fight against corruption, and other local financial crime regulations applicable to its activities.

Since it does business in more than 100 countries, the Group must comply with international sanctions regulations issued in particular by the United Nations, the European Union, France and the Office of Foreign Assets Control (OFAC) of the US Treasury Department. In particular with regard to anti-corruption laws and regulations, the Group must comply with the provisions of the Sapin II law in France, the US Foreign Corrupt Practices Act (FCPA) and other local laws such as the UK Bribery Act.

Any breach of these laws and regulations could expose the Group to regulatory fines, financial losses and reputational harm that could have a direct and material impact on its business.

The Group has put in place a compliance program to mitigate its exposure to compliance risk, notably through a control plan and an employee training and awareness-raising system. In addition, compliance with international sanctions is monitored on a daily basis.

d) Outsourcing risk

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP [1]
The risk associated with outsourcing is the risk of a disruption in business continuity, poor service quality, information system security breaches, fraud or the risk of supplier disputes.	*The Group relies on a wide range of service providers in conducting its activities. The use of outsourcing may have consequences for its financial performance, relationship with clients or reputation. Outsourcing risk covers both the outsourcing of activities covered by regulations and outsourcing outside the regulatory framework to external or internal service providers in the shared Service Centres.*

RISK MANAGEMENT

Outsourcing may expose Coface to several types of risks, including:

- the sub-performance of the outsourced service in relation to the Group's standards;
- vulnerability in the selection, assessment and management of a service provider;
- disruption of the business continuity system;
- leak of confidential data;
- fraud by a supplier;
- the risk of money laundering, terrorist financing or corruption;
- the risk of non-compliance with international sanctions.

Due to these issues, policies cover the selection, governance and supervision of outsourced services. In addition, a control environment enables the Group to ensure compliance with the regulatory requirements applicable to such outsourcing.

Since the entry into force of the Solvency II Regulation, the outsourcing of important or critical functions and/or activities is strictly governed by the regulations applicable to insurance companies.

To date, the material or critical activities outsourced by the Group concern the financial investment management activity and the hosting of information systems. Certain actuarial services are also outsourced by various Group entities.

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.

1) *Significant inherent impact 2023/medium residual impact 2023.*

5.2.6 Climate change risks

DESCRIPTION OF THE RISK	POTENTIAL IMPACT ON THE GROUP
Climate risk refers to potential hazards, disturbances or damage caused by climate change.	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 – covered in Chapter 6 – and the impact of climate risks on the company's operations and profitability). 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.

RISK MANAGEMENT

There are two key climate risk categories:

- physical risk: the frequency of occurrence of exceptional weather events (fires, floods, storms, etc.). This depends on the country's exposure to this type of event (measured notably by taking into account long-term projections of agricultural yields, rising temperatures in the country, rising sea levels, etc.) and its sensitivity, measured by indicators of geographical, demographic and social structure (such as the share of the rural population and the population over 65, and the poverty rate) and the dependence on other countries for goods that will become rarer with climate change (share of imports in total farming produce, water and energy). The main threat of climate change is the increase in the frequency and violence of extreme weather events with massive financial consequences;
- transition risk: faced with climate risk, investors are seeking to protect the long-term value of their assets by positioning themselves as players in the ecological transition to help steer the economy towards a low-carbon model. This has resulted in a selection of entities implementing an increasing decarbonisation strategy, in line with the requirements of the ecological transition. 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 parent company ORSA, a stress test on climate risk was performed again in 2023, mainly focused on transition risk. This test confirmed that the environmental impact on Coface's solvency was not material.

5.3 RISK GOVERNANCE

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

In this context, 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. The purpose of these systems is to ensure:

(i) that risks of all kinds are identified, assessed and controlled;

(ii) that transactions and behaviour comply with the decisions taken by the governance bodies and observe laws and regulations as well as the Group's values and internal rules. With regard to financial and management information more specifically, their purpose is to ensure that this information accurately reflects the Group's situation and activity; and

(iii) that these operations are carried out with a focus on efficiency and the efficient use of resources.

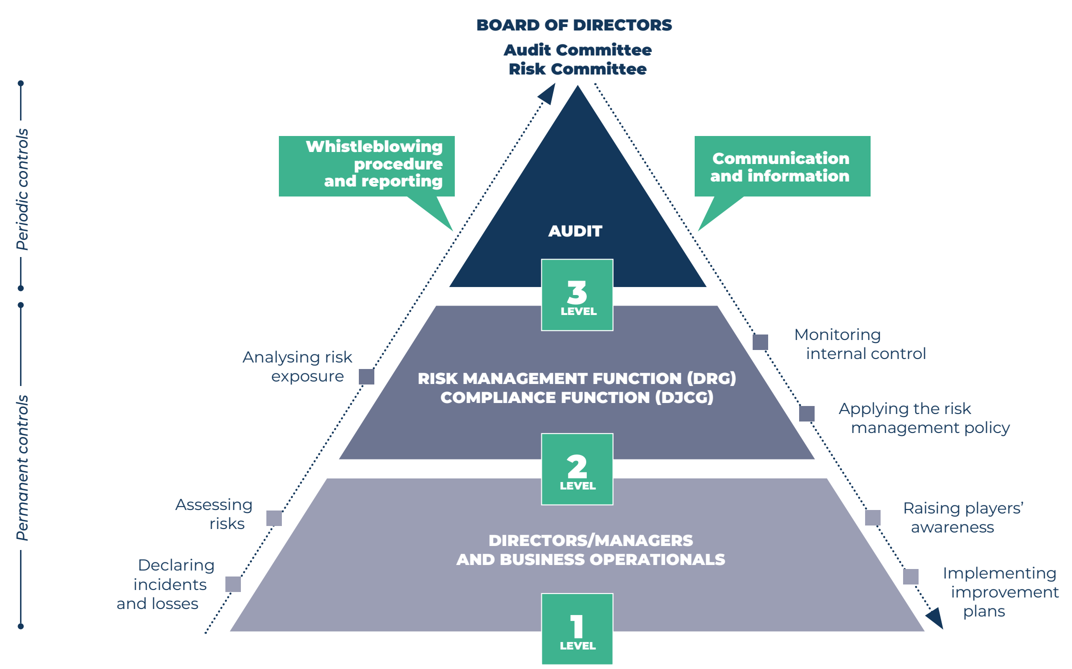
Lastly, this system provides managers with access to the information and tools required for the proper analysis and management of these risks. It also ensures the accuracy and relevance of the Group's financial statements as well as the information disclosed to financial markets.

5.3.1 Internal control system

Risk governance uses an internal control system compliant with the provisions of the Solvency II Directive 2009/138/EC and the French decree of November 3, 2014 on the internal control of companies active in banking, payment services and investment services and subject to ACPR supervision.

It is divided into three lines of defence that structure the Group's risk management and internal control policy as presented below:

/ RISK MANAGEMENT LINES OF DEFENCE



First line of defence: risk assessment and incident management

The operational functions are in charge of the proper assessment of the risks generated by their activities as well as for level one controls that enable them to ensure the correct execution of their operations. To do this, they have their own governance, most often based on risk-taking delegation systems and operational committees where risks are assessed and decisions made in accordance with the Group's operating rules. Their risk assessment and management work is laid out by the control functions on an annual basis, in particular through level one control plans.

Second line of defence: independent control by the risk management function and the compliance function

The risk management and compliance functions establish a strong risk management culture within the company and are responsible for ensuring that the risks identified by the operational functions are effectively managed, in particular through the preparation of a risk map and level two control plans.

These two functions work closely together with the support of a dense network of more than one hundred risk and/or compliance officers in the Group's various countries. To do this, they have a centralised tool used in all entities to manage and launch level one and level two control plans, record operational or compliance incidents, update the risk map and business continuity plans and monitor action plans intended to address identified weaknesses.

Third line of defence: the audit function

The internal audit function provides an independent assessment of the efficiency of the risk management mechanism and more broadly, of all the Group's activities and processes, following a multi-year audit plan.

Role of the key functions

The Solvency II regulatory framework grants the Chief executive officer and, as applicable, the Deputy Chief executive officer, the status of executive directors of a group. It authorises the appointment by the Board of Directors of one or more other executive directors.

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 its 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. 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.

Since 2017, 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.

Risk management function

Under the responsibility of the Chief Risk Officer, the risk management function, including the internal control function, covers all the Group's risks and reports to the Group Risk and Compliance Committee.

It is tasked with assessing the relevance and effectiveness of the internal control system. Regarding Solvency II, it works closely with the actuarial function and is responsible for drafting reports and for prudential oversight. To perform its duties, the risk management function has direct access to Board meetings.

It ensures that risk policies are defined in accordance with regulatory requirements and monitors their application. The policies are reviewed annually by senior management, then approved by the Board of Directors. They are then communicated to all the Group's entities, thereby helping to forge a common risk culture.

The risk management function, including the internal control function:

- implements and monitors the risk management system;
- monitors the Group's overall risk profile and identifies and assesses emerging risks;
- Reports on risk exposure and advises the Board of Directors on risk management matters;

  defines and monitors the Group's appetite [1] for such risks: the risk appetite takes into account six dimensions through 18 indicators;
- validates the partial internal model and other operational models;
- updates the mapping of risks to which Coface is exposed, working closely with the operational functions;
- contributes to improving and formalising level one control activities implemented by operational staff;
- performs level two checks on operational risks, with the exception of compliance risks;
- ensures that continuity plans are regularly tested in all entities;
- collects data on incidents and losses from the various entities.

The Group's Risk Management Department leads a network of seven regional risk managers for each region. The regional risk managers also lead a network of correspondents in the countries within their geographic scope. Specifically, these correspondents are responsible for performing the centrally established level two controls at local level, verifying compliance with Group rules and monitoring the progress of action plans.

1) The risk appetite represents the risk levels the Group wants to and can accept, with the purpose of reaching its strategic objectives and achieving its business plan.

Compliance function

The compliance function is in charge of developing best practices and preventing compliance risk within all Coface Group companies.

The compliance function's scope includes:

- financial crime prevention:
  - prevention of money laundering and terrorist financing,
  - compliance with embargoes, asset freezes and other international financial sanctions,
  - fraud prevention, prevention of active/passive corruption and influence peddling (Sapin II law);
- protection of clients and third parties:
  - Business ethics,
  - relations with suppliers;
- data protection and confidentiality;
- professional ethics (management of conflicts of interest);
- prevention of agreements or arrangements between competitors;
- compliance with laws and regulations applicable to insurance activities.

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 structure of the internal audit function is based on a reporting line to the Group Audit Director.

An internal audit policy defines the purview of the 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 reporting on them:

- the quality of the financial position;
- the level of risks effectively incurred;
- the quality of organisation and management;
- 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;
- compliance with laws, regulations and the Group's rules (compliance). 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; and
- the effective implementation of the recommendations of prior audit missions, whether they derive from the proceedings of the Group's audit function or from external audits by the supervisory authorities.

Assignments are set out in an audit plan approved by the 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.

The independence of the audit function is inherent in its mission. There should be no interference in the definition of its field of action, in the fulfilment of its proceedings or in the disclosure of the results of those proceedings.

The Group Audit Director has full authority to refer matters to the Chairman of the Audit Committee and has free access to the Audit Committee. If 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 Supervision and Resolution Authority) of any breaches observed.

The Group Audit Department has no operational activity. It neither defines nor manages the mechanisms that it controls. The internal auditors have no other responsibility under any other function. Lastly, the Group Audit Department has access to all the information required to carry out its duties.

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. It is tasked with advising senior management and supporting its efforts to ensure the Group's Long-Term solvency and profitability and with overseeing compliance with Solvency II requirements, such as the recording of reserves. To perform its duties, the actuarial function has direct access to Board meetings.

The actuarial function is the point of reference for actuarial matters for several Group departments (Finance, Information, Commercial, Marketing and Claims & Collections) in all Group entities. In particular, it informs the Board of Directors on the appropriateness of the calculation of technical provisions.

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

- coordinating the calculation of technical provisions;
- ensuring the appropriateness of the methodologies, underlying models and assumptions used in the calculation of technical provisions;
- assessing the adequacy and quality of data used in the calculation of technical provisions;
- comparing best estimates against experience;
- informing the administrative, management or supervisory bodies of the reliability and adequacy of the calculation of technical provisions;
- overseeing the calculation of technical provisions in the cases specified in Article 82 of the directive (approximations related to data quality issues in the estimation of technical provisions);
- expressing an opinion on the overall underwriting policy;
- expressing an opinion on the adequacy of reinsurance arrangements;
- contributing to the effective implementation of the risk management system referred to in Article 44. In particular, it ensures compliance with reserving and underwriting policies and the correct implementation of reinsurance.

5.3.2 Accounting control system

The accounting control system assigns some of the responsibility for controls to the Chief Financial Officer (CFO) of each region.

Local CFOs are responsible for:

a) the local accounting system (compliance with local regulations and Group rules);

b) IFRS financial statements as reported in the Group consolidation tool (compliance with IFRS regulations and Group rules);

c) financial risks, in particular compliance with the principle of matching of assets and liabilities in order to limit the financial risks on their balance sheets.

At Group level, the Group CFO is responsible for:

a) producing high quality financial information;

b) defining and monitoring the investment policy;

c) managing financial risks and establishing rules for managing other risks, with the Risk Department's support;

d) managing solvency, with regard to Solvency II in particular.

The Group's Accounting and Tax Department provides the regions with a control and reporting tool that enables proper oversight of reconciliations between management applications and the accounting tool.

Quarterly level 1 controls are formalised within the ENABLON tool:

- a list of controls to be carried out each quarter as well as instructions on the details and supporting documents requested;
- the results of controls carried out by the entities;
- proof of the controls performed.

This tool improves the tracking and formalisation of level one controls carried out on accounting processes in each country. An assessment of the controls is carried out every quarter.

This process provides a full audit trail and produces standardised, reliable data across the Group and the Company.

Processing of accounting and financial information

The Group's Accounting and Tax Department, reporting to the Finance Department, guarantees the quality of the financial information and is responsible for the control of the Group's accounting and tax information. It is also responsible for the production of the consolidated financial statements, the parent company financial statements, and the tax declarations of French entities (COFACE SA, parent company, Compagnie française d'assurance pour le commerce extérieur, Cofinpar, Fimipar and Cogéri).

Its tasks include:

- maintaining the general and ancillary accounts of entities located in France;
- accounting for operations, control and justification of operations;
- closing the quarterly accounts;
- producing consolidated financial statements;
- producing reports presenting the accounts: producing financial statements, internal reports and tax declarations;
- relations with the Statutory Auditors;
- preparing Group standards, regulatory oversight and strategic projects;
- setting and drafting Group accounting rules;
- drafting and monitoring accounting procedures;
- monitoring changes in accounting and tax regulations;
- assisting, training and providing technical support to subsidiaries and branches;
- producing analysis and reports on the impact of changes in scope on the consolidated financial statements;
- the accounting control system: monitoring the proper application of the standards and procedures in the Group;
- Group taxation.

Coordination with the Group's entities is based on the Group's functional matrix principles, under which the entities are delegated certain responsibilities pertaining to their scope. As such, the consolidated entities are responsible for producing the following, in accordance with their local standards and IFRS:

a) accounting information;

b) tax information;

c) regulatory information;

d) and corporate information.

They also monitor the production of consolidation packages according to the Group's standards and procedures.

Common tool for general accounting, consolidation and management control

The monthly management control report is entered in a separate tool. Quarterly reporting packages under French GAAP and IFRS are entered in another tool. The quality of the information received is improved through automatic reconciliation statements.

Additional controls are carried out at quarterly closing dates, especially using summary accounts and comparisons with management data. Consistency checks are carried out with the data received from management control reporting.

Overall controls are performed on consolidation operations:

- analytical review of the balance sheet and income statement,
- closure of the Company's equity,
- consistency check on the most significant items and entities,
- closure of the net book value of all branches,
- checking of intra-group transactions and their reconciliation,
- specific verification of reinsurance income; and
- specific checks on the breakdown of expenses by destination.
- this analytical review allows for a verification of the overall consistency of the accounts.

Disclosure requirements for financial and accounting information

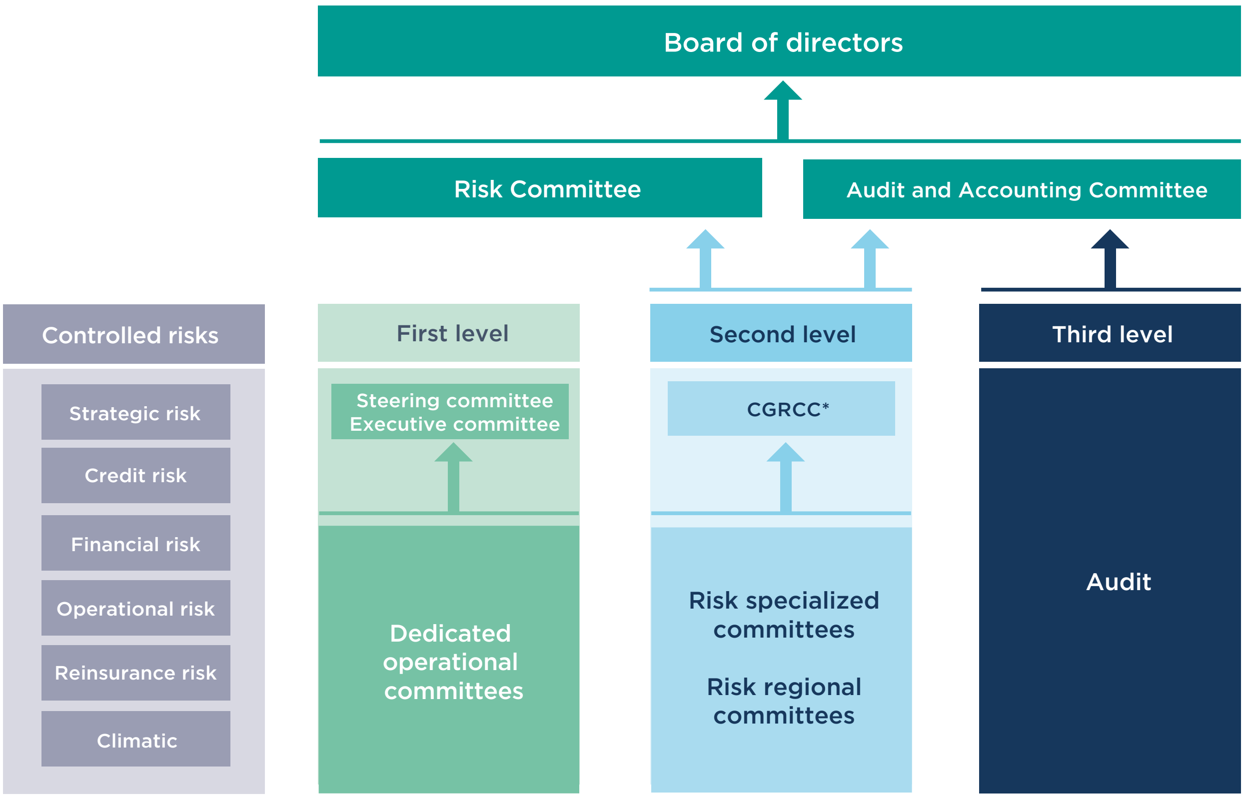
The Financial Communications Department, which reports to the Group Finance Department, produces, with the support of other departments, the financial information released to the financial markets, analysts and investors. The departments concerned provide the Financial Communications Department with contributions and reviews that help it mitigate the risk of material error or the release of inaccurate information.

5.3.3 Governance of the internal control system

Governance structure

The Group has implemented a risk management and control system that revolves around clear governance supported by a dedicated organisation based on the key functions described above. This is illustrated in the diagram below, which shows the link between the three lines of defence as described above and the committees that report to Coface's Board of Directors and senior management.

/ GOVERNANCE STRUCTURE



* *Coface Group Risk and Compliance Committee (CGRCC)*

Section 2.1.3 details the duties and activities of the Board of Directors and its specialised committees.

Governance under the authority of senior management relies on the Coface Group Risk and Compliance Committee, which in turn draws on specialised Risk Committees at the head office to address the major risk categories in accordance with ISO 3100-2018 (credit, financial, strategic, operational and reinsurance risk). In addition, the seven regions where Coface operates and Coface Re each have a regional Risk Committee, on which the Group is represented by the Chief Risk Officer and the Chief Compliance Officer.

The Group Risk and Compliance Committee is chaired by the Chief executive officer and meets at least every quarter with the members of the Group Management Committee, the Group's strategic and operational management body, the Group Chief Risk Officer, the Group Chief Compliance Officer, the Group Audit Director and the Head of the Actuarial Department. Representatives of the operational or functional departments concerned also attend depending on the matters at hand.

Below is a summary of the Committee's main duties and actions during 2023:

MAIN DUTIES OF THE GROUP RISK AND COMPLIANCE COMMITTEE	MAIN TOPICS REVIEWED IN 2023
• Review of the main risk management policies and procedures • Validation of regulatory reports • Review of ORSA assumptions and results for the purpose of their approval by the Board of Directors • Proposal and monitoring of risk appetite limits • Monitoring of the Group's risk exposure in all its dimensions • Review of the main conclusions of sub-committee meetings • Presentation by the compliance function of its activities • Regular approval of the performance and results of the partial internal model The Group Risk and Compliance Committee reports on its work to the Audit and Accounts Committee or to the Risk Committee, as appropriate.	• Validation of Solvency II risk policies and regulatory reports (SFCR, RSR) • Review and adaptation of ORSA scenarios, consideration of an additional scenario on geopolitical risk Sharing of analysis results • Review of risk appetite indicators and validation of action plans for indicators outside the appetite • Presentation of changes in the risk assessment methodology and validation of the risk mapping • Presentation of progress in the project to change the risk management tool • business continuity: reporting of test results, including in terms of cybersecurity Sharing of new operational guidelines on testing and crisis management • Modelling risk: Presentation of changes made to Coface's partial internal model and reporting of ACPR findings on model upgrades and remedial action proposed by Coface • reporting of the results of certification audits for the financial statements in each of the entities • Presentation and monitoring of changes in the company's data management strategy • Sharing of the actuarial function's conclusions on aspects pertaining to the technical provisions, reinsurance and underwriting • Cyber risk monitoring: exposure, strategy and sharing of the Group's policy • Sharing of analysis on the Group's degree of alignment with the European digital operational resilience regulation (Digital Operational Resilience Act) • Presentation of compliance policies, in particular a new procedure covering Customer Due Diligence, the conflicts of interest procedure and the ethics whistleblowing procedure • Monitoring of the closure of audit recommendations • Presentation of the level one and level two permanent control plan relating to operational and compliance risk, the results of controls and associated action plans • Monitoring of the Compliance Department's actions in terms of anti-money laundering and counter-terrorist financing, anti-corruption, fraud prevention, personal data protection and reviewing the main conclusions of the Fraud Committee and the Data Committee • Monitoring of international sanctions and their impact on the business • Monitoring of compliance training completion rates • Monitoring of compliance key performance indicators and compliance incidents as well as the remedial plans implemented • Presentation of penalties issued by the ACPR's Sanctions Committee, the French data protection agency (CNIL) and related complaints

2023 major points of interest

Against a backdrop of constantly evolving and increasingly sophisticated threats, the Group Risk and Compliance Committee maintains enhanced vigilance regarding the management of cybersecurity risks. Preventive measures have been taken in particular by raising employee awareness and conducting crisis simulations. Work to align with the DORA regulation, which is expected to be transposed in January 2025, is continuing.

Major work was carried out to strengthen the anti-money laundering and counter-terrorist financing system through the publication of a new group policy on Customer Due Diligence.

An initiative bringing substantial changes to our internal model was initiated in 2023 and work will continue in 2024.

In terms of risk monitoring, the Group has undertaken to replace the internal control system with a new solution enabling better optimisation of risk management through a dynamic view of risks and controls, the provision of automated reports and a refined consolidation of risk assessments at Group level. Work will continue throughout 2024.

5.4 OUTLOOK

The Group continues to rely on its teams to monitor the economic situation, which is deteriorating in emerging countries in particular, and the tense geopolitical situation, which could disrupt its business activity.

In this context, it will continue to manage its debtor risk carefully and prudently and, if necessary, will implement action plans to contain this risk, as it did in previous years. The structure of the reinsurance program over several years offers good visibility for the management of debtor risk.

With regard to financial and investment portfolio risks, the Group does not intend to significantly change its refinancing structure, which has proven its resilience, or its investment allocation, on which it will continue to act prudently. It will continue to invest in strengthening its risk management programs, including cyber risk, compliance risk and ESG (Environmental, Social and Governance) risk, in order to address the changes that are under way in these areas.

CSR STRATEGY INTEGRATED
INTO THE STRATEGIC PLAN

4,970 EMPLOYEES
IN 58 COUNTRIES

13% OF SINGLE RISK EXPOSURE
LINKED TO ESG (€428M)

- 36% REDUCTION IN EMISSIONS
LINKED TO RAIL AND AIR TRAVEL VS. 2019

6

STATEMENT ON NON-FINANCIAL PERFORMANCE

Coface's purpose is to facilitate trade in domestic and export markets. Supporting the development of "B2B" trade brings with it a responsibility that the Group places at the centre of its governance, operations and communication through its "***For Trade***" **baseline. At Coface, we believe in trade as a positive force for the world** and we want to actively contribute to it.

The Coface Group has made a commitment to cooperate in the field of corporate, environmental and societal issues for several years now. In 2003, it joined the **United Nations Global Compact**, through which it supports in its sphere of influence the ten principles of the Global Compact relating to human rights, international labour standards and the fight against corruption. Coface's Human Resources (HR) policy reflects its economic and corporate plan. It contributes to and accelerates the Coface Group's strategic transformations, while controlling its environmental impact and ensuring the engagement of its employees.

Since 2022, Coface has participated in the "**Business and Civil Society Meetings**" organised by Common Stake to forge a better understanding of civil society actors and share constructive views and thinking on current societal changes and those to be carried out for an ecological and social transition on various topics, such as the climate and the respect for human rights. These meetings take place in person and take the form of a half-day of debates, presentations and discussions, organised every two or three months.

/ RECOGNITION FROM NON-FINANCIAL AGENCIES

AGENCIES	RATING AND ASSESSMENT
MSCI ESG RATINGS (AAA)	**AAA** Leader
Moody's ESG Solutions	**57/100** Robust
Corporate ESG Performance – Rated by ISS ESG – Prime	**C** Prime status (2nd decile of insurers)
Morningstar Sustainalytics	**18** Low risk

In accordance with the requirements relating to the statement on non-financial performance, the Company this year is presenting its business model in the Section entitled "Overview of Coface" (Chapter 0), as well as the main non-financial risks and challenges relating to its business (see next page).

To reinforce its responsibility policy and make it a key component of its business activities, the Coface Group has mapped its non-financial risks since 2018. This mapping was revised and improved in the 2022 financial year to refine the qualification and quantitative assessment of risks, as well as their inclusion in the Group's overall strategy, supplementing the risk maps already monitored by the Group and presented in Chapter 5.

The process of non-financial risk mapping is detailed in paragraph 6.7.1.

The following table summarises the main non-financial risks identified by Coface. The nature of these risks and the policies implemented to address them, as well as the main indicators monitored by Coface, are detailed in Chapter 6.3.

Cross-reference table for the Universal Registration Document (URD):

BUSINESS MODEL	DESCRIPTION	URD REFERENCE
Main activities of the Group, organisation, business model, strategy and objectives		Chapter 0 - Overview of Coface

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI	2022	2023	URD REFERENCE
R.1 - Inadequate protection against data leaks • Risk of financial loss, damage to operating systems and damage to the Company's image **R.2** - Unsuitable cybersecurity solutions or poor management of a cybersecurity incident • Risk of financial loss, damage to operational systems and Company image, data leakage	• Policy on cybersecurity risk management; IT and cybersecurity risk mapping and control; an independent cybersecurity review; identity access management; IT asset management; project security; cybersecurity in supplier relationships; and cybersecurity for third parties	• Percentage of cybersecurity taken into account in purchasing • in projects • ability of Coface teams to detect cybersecurity incidents	*N/A*	• **79%** • **100%** • **85%**	6.2.4 d)
R.3 - Non-satisfaction of clients and partners • Risk to brand credibility and loss of market share, pressure on prices	• Programme to improve service quality	• Monthly survey response rate: • *NPS Q4*	• 11.4% • N/A	• **11.3%** • **51**	6.2.1
R.4 - CSR insufficiently integrated into the commercial policy • Risk of loss of business opportunities and competitiveness. In the long term, inability to meet the expectations of investors and clients	• Commercial exclusion policy • ESG projects covered by the Single Risk activity • consideration of environmental criteria in financial risk management • GBA as a tool for tracking our debtor portfolio	• Amount of ESG outstandings covered by the Single Risk activity at the end of the year ***(€m)***	• €350m	• **€428m**	6.2.2
R.5 - Investment in non-responsible assets from an environmental, governance or social standpoint • Asset depreciation and reputational risk	• Investment policy	• Percentage of portfolio rated F • Portfolio carbon emissions (1): ***(Scopes 1 and 2)*** • Percentage of green bonds:	• 0.61% • 68 tCO_2/€m • 2.9%	• **0.54%** • **56 tCO_2/€m** • **2.9%**	6.2.3
R.6 - *Fair practices*/Failure to control acts of corruption involving Coface employees or third parties as part of Coface's business activities • Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation	• Anti-Corruption Code • Revision of the code of conduct including whistleblowing, conflict of interest and gifts and benefits procedures • Employee training and awareness programme • Mapping of corruption risks (Group + local) • Third-party assessment system	• Number of corruption allegations reported to Compliance	• 2	• **1**	6.2.4 b. II. + Chapter 5

R.7 - *Fair practices*/Failure to fight against tax evasion by Coface and/or clients using a Coface solution
• Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation
	• Group tax policy adapted at regional level through seven regional tax correspondents and KYC (Know Your Customer)
	• Mandatory on a quarterly basis:
	  ◦ statements by country CFOs on financial arrangements and controls (DAC6) in Europe
	  ◦ global task-risk mapping
		• Number of alerts under DAC6 regulation, for the European Union
		• Result of regular tax audits
			• 0	• **0**	6.2.4 c)

1) *Historical data for 2022 have been recalculated a posteriori, to correspond to the new Amundi methodology.*

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI			URD REFERENCE
R.8 - Lack of diversity, inclusion and equal opportunities • Risk of not exploiting all the potential of the Company; legal sanctions; reputation; and a decline in the Company's performance/lack of innovation	• "Diversity, Equality & Inclusion" policy	• Percentage of women - among employees - among managers - and among Senior Management	• (54%) (41%) (34%)	• **(54%)** **(42%)** **(36%)**	6.3.3
		• Number of nationalities among employees:	• 80	• **84**	
		• *Gender Index* (1)	• 80/100	• **80/100**	
		• "My Voice Pulse" score on "DEI" questions	• 8.4/10	• **8.6/10**	
R.9 - Lack of attractiveness for Talents (recruitment and retention: development, onboarding of newcomers, etc.) • Risk of difficulty in recruiting and retaining Talents: risk of unsuccessful recruitment, high staff turnover, disengagement of employees that could lead to reputational risk and a decline in the Company's performance	• Group Human Resources strategy including a "Talent" component • Short-term assignment policy • International occupational mobility policy • Compensation policy	• Number of employees on international transfers during the year	• 95	• **100**	6.3.4
		• Turnover rate of employees identified as high-potential	• 8.3%	• **9%**	
		• Senior management: percentage of internal *vs.* external applicants among new appointments	• 64% *vs.* 36%	• **71% *vs.* 29%**	
		• "My Voice Pulse" engagement score	• 7.46/10	• **7.8/10**	
R.10 - Inappropriate management of Coface's carbon footprint • Reputational risk	• Carbon footprint assessment carried out for 2019 and planned for 2023 (in 2024), • carbon footprint reduction plan/trajectory • travel policy • vehicle policy • internal awareness campaigns • implementation of a reduction plan under way at different levels of the organisation • Implementation of a CSR dashboard under way to better collect and monitor carbon footprint data and automatically translate them into CO_2eq	• CO_2 consumption, Scopes 1, 2 and 3 - based on most recent carbon assessment (base year 2019): ***373 k tCO_2eq including investments (Scopes 1 and 2 of equities and corporate bonds - Amundi figures), operations and use of Coface credit insurance products***			6.4
		• Emissions related to electricity consumption	• 1,469 tCO_2eq	• **1,228 tCO_2eq**	
		• Train travel emissions	• 25 tCO_2eq	• **50 tCO_2eq**	
		• Air travel emissions	• 503 tCO_2eq (2)	• **516 tCO_2eq**	
		• Emissions related to fuel consumption	• 1,743 tCO_2eq	• **2,036 tCO_2eq**	
		• M^2 of office space	• 64,896	• **56,006**	

For greater clarity, the number of the risk will be referred to at the beginning of each chapter (R.1, R.2, etc.). These figures do not correspond to a risk hierarchy but rather to the order in which they are addressed in the chapters.

The statement on non-financial performance has been drawn up to meet the requirements of Articles L.225-102-1 and R.225-104 to R.225-105-2 of the French Commercial Code.

1) *The 2022 data has been recalculated a posteriori, to reflect the new methodology implemented in 2023.*

2) *Data corrected in 2023, retroactive to 2022.*

6.1 OVERVIEW OF COFACE'S CSR STRATEGY

The CSR strategy is an integral part of the Build to Lead strategic plan.

Since 2021, a Group CSR Manager has been responsible for enhancing Coface's CSR strategy and rolling it out in coordination with the various departments. The Group CSR Manager reports directly to Carole Lytton, Group General Secretary.

Work on enhancing the CSR strategy was organised at the beginning of 2021 and Coface decided to map the pillars of its CSR strategy relative to the UN Sustainable Development Goals (SDGs), a global benchmark in this area, so as to focus on desired global impacts.

The Group has prioritised 11 of the 17 SDGs, most of them selected for their relevance to Coface's business and the management of its employees.

Other SDGs, for example "quality of education", have been strongly prioritised given the management team's sensitivity to these issues. The latter has been chosen as a priority in the Company's future commitments with organisations around the world.

COFACE CORPORATE SOCIAL RESPONSIBILITY

3 pillars built on a culture of responsibility,
based on the United Nations' Sustainable Development Goals

/ THE APPROACH HAS BEEN RESTRUCTURED AROUND THREE PILLARS:

- A ***responsible insurer*** that harnesses its core businesses to contribute to a more sustainable world;
- A ***responsible employer*** to take into account Coface's social and societal impact, including employee development and engagement;
- A ***responsible enterprise*** that works to actively reduce its environmental footprint.

These three pillars are underpinned by a foundation called "***Driving the culture***", aimed at structuring the Group's ESG approach and developing a solid responsible culture among all Coface stakeholders through a communication plan. This last pillar is essential to the success of the first three.

The pillars will be explained in more detail in the sections below.

To facilitate the management of this CSR strategy and Coface's progress with regard to its CSR commitments, the Group sought to implement a data collection tool in 2023. During the implementation of the tool, the reporting practices of recent years were reviewed with a view to challenging and improving them. Workshops were organised with various contributors, in particular to review the relevant indicators for Coface, propose more granular indicators where possible, and harmonise data collection practices across countries and calculation methodologies, particularly between the annual report and the calculation of the carbon footprint.

The tool was also designed to start preparing for the new CSRD regulation, in particular with the GHG protocol methodology that will be followed for the next carbon review. Guidelines have thus been defined and included in the reporting protocol as well as in the data collection tool, as an input aid.

Based on the next carbon footprint assessment, the regions and countries in the reporting scope will benefit from clear and personalised GHG emission reduction targets so that they can steer their action plan and progress through the tool.

This tool was used to collect the data presented below and automatically translate the environmental data into equivalent CO_2 by incorporating the emission factors included in the ADEME databases.

6.2 COFACE, A RESPONSIBLE INSURER

A RESPONSIBLE INSURER

Main pillar themes:	
Client satisfaction	***R.3***
Integration of CSR into the commercial policy: • Commercial exclusion policy • Single Risk ESG projects • Consideration of environmental risk in credit risk assessment *(financial risk)* • GBA as a tool for tracking the environmental impact of the debtor portfolio	***R.4***
Environmental and social impact of investments	***R.5***
Fair practices: • Subcontracting and suppliers • Compliance (professional ethics, anti-corruption, fraud and money laundering, international sanctions and personal data) • Tax evasion • CSR-related legal watch • Data protection and cybersecurity	***R.6*** ***R.7***

Convinced that its core impact is generated by its business operations, Coface has decided to undertake several structural projects internally.

6.2.1 Client satisfaction

Coface's purpose is to facilitate B2B trade in domestic and export markets alike. All the items of value provided by Coface as a credit insurer – macro-economic risk analysis, the selection and supervision of commercial counterparties, insurance protection in the event of unpaid payments and the reduction of unpaid amounts through active recovery – contribute to this purpose. In times of economic difficulties, the increase in risks nevertheless leads to a tightening of the Group's underwriting policy, which inevitably impacts client satisfaction. This risk is regularly echoed in the economic press, as was the case during the economic crisis caused by the COVID-19 outbreak in 2020.

The Group's management in the various phases of the economic cycle hinges on striking the right balance between sound risk management and support of the business flows of insured clients. However, persistent client dissatisfaction could indicate a deviation from the Group's stated purpose, leading to a loss of market share, pressure on prices, a deterioration in the Company's results and at the same time a reduction in the Group's contribution to the smoothness of B2B trade. Which is why it is vital to manage and measure this risk.

To address the risk of a deterioration in client satisfaction, Coface has implemented a policy on the continuous improvement of service quality and communication with its clients. Coface thus acknowledges that, during delicate economic phases, supporting companies also involves knowing how to explain changes in guarantees to put clients in a position to manage their risks in the most informed manner possible. This policy on improving the quality of service and communication is assessed using a series of KPIs (including the Net Satisfaction Score, Net Promoter Score and Customer Experience Index) monitored on a monthly basis by the Service Quality Board, a cross-functional body responsible for managing service quality and client satisfaction.

This Group priority was confirmed by the appointment in 2021 of a Chief Operating Officer tasked with reinforcing Coface's programme on operational excellence and service quality and further improving the client experience.

To measure client satisfaction, the Group has chosen the Net Promoter Score (NPS) as a key indicator. Also known as the net recommendation rate, the NPS gives a voice to clients, calling on them to rate their likelihood of recommending the Company on a scale of 0 to 10 ("Would you recommend Coface to a friend or business partner?") This indicator is interesting because it indicates an attachment to the Company and is forward-looking.

The Net Promoter Score is measured every month with clients (excluding brokers) in credit insurance, the Group's main activity. It is based on a monthly survey with a rotating sample. Every month, around 10% of clients are surveyed, the monthly rotation serving to prevent excessive solicitation. By using this methodology, the Group obtained an average response rate (number of questionnaires validated/emails sent) of 11.3% in 2023, in line with the response rates generally observed for this type of survey. The various aspects of the survey (client countries, segments, distribution network) are sampled in a balanced manner for each wave to ensure that the results are comparable. However, the number of responses collected does not allow statistically reliable segmented analyses to be performed on a monthly basis. Any trends detected are therefore subject to qualitative additions, for example by calling "detractor" clients, which the Group has rolled out widely as part of its quality approach.

On a response scale of 0 to 10, respondents giving a score of between 0 and 6 are counted as "detractors" and respondents giving a score of 9 or 10 are counted as "promoters". Those attributing a score of 7 and 8 are considered as "passives". The NPS is the difference between the percentage of promoters and the percentage of detractors, oscillating on a scale from -100 (where all respondents chose a score of 6 and under) to +100 (where all respondents chose a score of 9 or 10).

For example, the following 100 responses generate an NPS of -29:

	NUMBER OF RESPONDENTS:	
Note 0	**3**	
Note 1	**1**	
Note 2	**1**	
Note 3	**8**	
Note 4	**7**	
Note 5	**19**	
Note 6	**12**	**51% detractors**
Note 7	21	
Note 8	6	passives
Note 9	**10**	
Note 10	**12**	**22% promoters**
	NPS = -29 (*I.E.* 22-51)	

NPS measured in 2023:

QUARTERLY AVERAGES	NET PROMOTER SCORE
Q1 2023	44
Q2 2023	46
Q3 2023	42
Q4 2023	51

The NPS fell at the beginning of the pandemic. But owing to the Group's ability to adapt, it then rose to a satisfactory level and had improved significantly by April 2021. Since 2022, the Group's average NPS has remained at historically high levels. This trend should be put into perspective with the relatively high coverage rates compared with the historical Coface average that the Group proposed over this period, themselves enabled by the extremely limited levels of insolvency in the economy despite price pressures and the instability corresponding to the conflict in Ukraine. It should be noted that this sustained support for clients in terms of risk acceptance has recognised as part of surveys even though inflationary pressures automatically increased the levels of coverage requested. Since mid-2023, the number of insolvencies has returned to normal in many markets, making it possible to envisage a reversal of trends on coverage rates and the NPS in the coming months. [1]

6.2.2 Integration of CSR into the commercial policy

a) Commercial exclusion policy

In commercial terms, Coface is duty bound to demonstrate irreproachable ethical standards, in particular through its **commercial exclusion policy**. The latter reflects the Group's determination to avoid non-ethical and/or non-responsible business activities, contribute to the Paris Agreement by withdrawing from thermal coal, and manage reputational risk.

This policy has been strengthened over the past four years.

For example, in **thermal coal**, a sector with a substantial contribution to climate change, Coface has made several commitments as part both of its credit insurance business and its single-risk and bonding activities:

Single Risk and bonding

- Coface has stopped providing single-risk credit insurance policies and bonding services for thermal coal extraction or thermal coal generation projects;
- Coface does not issue policies to insure sales of thermal coal by commodity traders.

Credit insurance

- Coface does not issue policies to insure sales of thermal coal by commodity traders or other types of companies;
- Coface does not issue insurance policies to transport, freight and logistics companies seeking to generate over 50% of their revenue through thermal coal.

More broadly, with regard to **fossil fuels**, Coface decided in 2023 to no longer take out new short-term credit insurance policies:

- Single Buyer policies to ensure the sale of oil or other fossil fuels (natural gas, oil or shale gas, etc.) or the sale of drilling/extraction equipment (related to these fossil fuels) or to cover a risk of non-payment on a debtor producing oil mainly from oil sands ("mainly" meaning more than 50% of its sales);
- Policies mainly covering bunkering or the sale of jet fuel (kerosene, aviation gasoline), ("mainly" here meaning more than 50% of the revenue to be insured);
- Policies with a financial institution and covering receivables resulting more than 50% from the sale of oil or other fossil fuels (such as natural gas, oil or shale gas) or from the sale of drilling/extraction equipment (related to these fossil fuels).

In addition, business conducted under the short-term credit insurance policies issued by Coface or its partners must not include activities related to fatal drugs (non-pharmaceuticals), gambling, pornography, or trade in endangered species.

Lastly, for all credit insurance, Single Risk and Bonding activities, and in addition to the underwriting framework for the strictly controlled defence industry as part of CSR directives (anti-personnel mines or cluster bombs, etc.) and the Group's compliance rules (list of country risk levels, KYC), an extremely restrictive underwriting policy is implemented in the defence industry sector in terms both of sensitive countries and sensitive equipment:

- a sensitive country is a non-OECD country, or any country not qualified as a full democracy or a "flawed" democracy (*i.e.* a hybrid regime and authoritarian regime) by *The Economist* in its democracy index; [2]
- sensitive equipment is constituted by lethal equipment (including weapons, ammunition, missiles, mortar canons, tanks, armed vehicles, rockets, war ships and submarines, and electronic missile guidance equipment).

Trucks, unarmed helicopters, bullet-proof vests, surveillance systems and other equipment are not considered as sensitive equipment.

1) *Coverage rate: for each insured customer, the ratio of "guarantee amounts granted to guarantee amounts requested".*

2) *https://en.wikipedia.org/wiki/Democracy_Index*

b) ESG projects in Single Risk

Single Risk accounts for approximately €25 million of Coface's total revenue of €1,868 million (as explained in part in Section 1.3.1 of Chapter 1).

In addition to the commercial exclusion policy, Coface decided in 2022 to roll out the resources to strengthen its support for financing and implementing long-term ESG projects by implementing more single-risk insurance solutions. Coface set an objective to double the budget allocated to supporting ESG projects around the world, with a view to reaching a minimum of €400 million of outstanding ESG projects by the end of 2025 (*vs.* mid-2022).

Single-risk solutions are hedging products that protect against long-term commercial and political risks. This decision therefore concerns the projects of companies, banks or multilateral institutions whose activity has been classified as having a positive environmental or social impact internally. These projects cover sectors such as renewable energy, energy efficiency, soft mobility, water treatment, health, education and microfinance. This demonstrates Coface's growing commitment to supporting initiatives with a positive environmental or social impact on economies through financial solutions.

In 2023, Coface initiated work to strengthen the process of identifying and documenting ESG projects in several phases:

1/ Establishing a definition of an ESG project:

- a project whose activity is included in the list of activities considered as ESG internally;
- a project for which an environmental and/or social report is available to demonstrate that measures have been put in place to mitigate any other possible negative impact of the project.

Environmental projects considered as ESG are compared with the sectors eligible for the European Taxonomy regarding the climate-change mitigation objective and the climate-change adaptation objective; only activities eligible for the European Taxonomy can be considered as ESG in the Single Risk project management tool, Sonata.

Social projects considered as ESG must be carried out in an emerging country [1].

2/ Strengthening of governance on decision-making

Projects are characterised as ESG according to the following process:

- estimation of a positive E, S or G impact from the sales representative managing the file and proposal of an ESG tag in the tool;
- qualitative analysis of documents by the daily Single Risk Committee Meeting, for each project;
- a third analysis by risk underwriters.

Since April 2023, the Sonata tool has been enhanced to adapt the classification of its business sectors and propose eligibility for the designation of an "ESG project". Sonata is used to monitor, approve and report on outstandings on these projects.

In terms of governance, the underwriting process, for which the daily Single Risk Committee incorporates the ESG classification of the transactions presented. Where applicable, the Group CSR Manager may take part. The final approval of the ESG criterion of the underlying transaction is entered (in the closing memo) in the Sonata application at the final stage of the process before the policy is signed.

In addition, the monthly committee will assess the progress of ESG outstandings, by impact class and type. The quarterly Group CSR Committee Meeting will also be responsible for monitoring ESG outstandings.

3/ Collection of enhanced documentation before signing the policy

Since April 2023, all documents justifying the file's ESG classification (for example, an environmental or societal report) have been filed with the other documents related to the file, in Sonata's electronic document management (EDM) database. Documentation for the historical stock of projects has not been enhanced.

The assets under management in ESG projects insured by Coface totalled some €200 million in summer 2022. These assets increased sharply in 2023 to reach €428 million at the end of the year, *i.e.* 13% of Single Risk outstandings.

Accordingly, Coface aims to revise its 2025 ambition upwards, to €500 million of outstandings ESG projects by the end of 2025. The decrease in the number of client requests for this type of project does not allow us to show greater ambition at this stage.

In addition to its goal on supporting ESG projects, the Single Risk Department is committed to limiting its coverage of projects in the oil and gas extraction sector (upstream oil and gas) to no more than €75 million.

c) Integrating environmental risk into the assessment of credit risk (financial risk)

As a credit insurance expert, Coface carries risks on companies operating in numerous countries and business sectors.

The environmental vulnerability of debtors that may lead to an increase in the volume of claims to be compensated is taken into account in the management of credit risk.

Certain themes in the new country risk assessment overlap with ESG themes, such as assessing a country's social fragility, political risk or quality of governance. From an environmental point of view, the methodology assesses a country's sensitivity to climate shocks, measured by indicators on geographical, demographic and social structure (including the share of the rural population, the percentage of the population aged over 65, and the poverty rate) and external dependence on goods that will become rarer with climate change (share of imports in total consumption of agricultural goods, water and energy).

1) as listed by the International Monetary Fund (World Economic Outlook Database - Groups and Aggregates (imf.org).

In addition, the Coface teams assess the financial risk represented by each debtor through an internal rating, the DRA, reflecting the likelihood of default in the short and medium term.

New environmental initiatives and regulations may have a broad array of impacts on businesses:

- *varying degrees of strategic reorientation;*
- *change in industrial process;*
- *change of suppliers, etc.*

These developments may call for substantial investment that impact Company profitability either temporarily or sustainably, at the risk of market loss or sanctions, for example.

These aspects form part of the entire set of information taken into account by Coface when analysing risk and deciding on hedging.

For example, the impacts of the current changes in the automotive sector vary substantially from one player to the next. Large carmakers are investing huge sums to alter their ranges (for some companies, in addition to considerable penalties for past activities). These manufacturers are demonstrating a strong capacity for change and resilience to changes in the market. The same cannot be said of small and less flexible subcontractors that are already under pressure in terms of finances, lack the capacity to make these changes, and whose business is structurally on the way out.

This resilience assessment is fully integrated into financial analysis and the usual credit risk monitoring tools.

d) The GBA as a tool for tracking the environmental impact of the debtor portfolio

As a credit insurer, Coface does not finance companies or its projects and does not intervene directly in commercial transactions between the insured party and its client. However, the outstandings guaranteed by Coface concern companies having their own environmental impact. The Coface Group has thus decided to implement a tool to measure the environmental impact of the debtors making up its guaranteed exposure. In addition to decisions on commercial exclusions, this tool could also contribute to steering Coface's business towards more environmentally responsible activities and thereby reduce reputational risk or investor withdrawals.

In this respect, Coface has developed an internal system for assessing companies in the form of an "environmental" index designed to rate businesses according to their environmental impact.

This assessment is imperfect for now as no comprehensive environmental database exists for medium-sized companies, *i.e.* the majority of Coface's debtors. But the assessment system does provide an initial measure of this impact.

Coface designed the new solution with KPMG to establish a structured and documented approach able to cover the entire portfolio. The assessment comprises two aspects:

- a generic rating based on the debtor's country;
- a further standard rating focused on its sector of activity.

Coface then combines these two ratings to produce a "standard" overall environmental rating for a debtor. To refine the assessment, a debtor-specific aspect may be added where *ad hoc* information is available.

Coface thus separates financial analysis (including the impacts of environmental policy) from purely environmental assessment.

This environmental vision is transcribed in the **GBA** (Green Business Assessment), which overviews the debtor portfolio and outstanding guaranteed amounts. In 2022, the Company monitored the trend in the average score of the portfolio, which remains stable.

The Company continued to improve the methodology in 2023, in particular by updating certain country and sector databases.

6.2.3 Environmental and social impact of investments

The Group is exposed to changes in environmental standards and the corresponding regulations that could impact its investment activities, financial performance and reputation.

Coface is required to invest part of its premiums in diversified investment vehicles to cover potential future claims.

In addition to the financial risks that these investments entail, Coface may invest in environmental or socially non-responsible assets such as the shares or bonds of companies failing to comply with environmental and social criteria, as well as real estate and infrastructure projects that could harm biodiversity. These risks could lead to a significant temporary or long-term depreciation of assets and undermine the trust of Coface's partners and clients, which in turn could generate a drop in revenue, the withdrawal of investors or a negative impact on the Company's image.

Coface has been a signatory of the UN Principles for Responsible Investment (UN PRI) since February 17, 2023. As a PRI signatory, Coface undertakes to:

- incorporate ESG issues into investment analysis and decision-making processes;
- be an active shareholder and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosures on ESG issues by the entities in which we invest;
- promote the acceptance and implementation of the Principles in the investment industry;
- work together to enhance our effectiveness in implementing the Principles;
- report on activities and progress towards implementing the Principles.

As part of its commitment to achieving carbon neutrality by 2050, Coface has also joined the Net Zero Asset Owner Alliance (NZAOA). Launched in 2019 by the United Nations, the Net Zero Asset Owner Alliance is an international group of investors having committed to transitioning their investment portfolio to carbon neutrality by 2050.

Global strategy and approach

Coface's investment strategy is based on two areas:

- a financial framework that respects a strategic asset allocation to achieve objectives of profitability, capital consumption and portfolio liquidity;
- a socially responsible investment framework that aims to achieve a net zero trajectory by 2050.

To invest available funds in investments complying with its financial risk and socially responsible investment frameworks, Coface called upon Amundi, the European leader in asset management, to which it has delegated the management of its investment portfolio since 2016. Mindful of the potential social and/or environmental impact of its investments, Coface has asked Amundi to assist it in its ESG approach in this investment portfolio. Because it operates in an international environment with divergent SRI practices and standards, the Group wanted to rely on a single repository; it therefore relies on Amundi's teams to implement and calculate SRI indicators for its portfolio.

Coface implements its non-financial approach based on four pillars, which will be detailed in the rest of the document:

- **Engagement strategy**

Coface applies its engagement strategy through voting rights and dialogue with the 20 largest issuers in terms of carbon contribution. The process of engagement through dialogue is broken down into several milestones to ensure that the engagement undertaken with the issuer is effectively monitored.

- Milestone 0: definition of the engagement, objectives, Key Performance Indicators (KPIs) and the engagement period,
- Milestone 1: the issuer is contacted; the engagement begins,
- Milestone 2: (a) the engagement remains unanswered, (b) the issue is acknowledged, but it is too early to see progress, (c) strategy/response shared by the issuer for the issue raised, but the KPI is not yet reached,
- Milestone 3: (a) the engagement has not been adequately addressed, (b) progress is noted but deemed insufficient to end the engagement (c) the engagement has been successful, the KPIs having been achieved.

- **Exclusion and restriction strategy**

Coface applies an exclusion and restriction policy to restrict, reduce or exclude issuers and sectors whose activities may not comply with its risk framework. In addition to restrictive and sector-based exclusion policies, Coface relies on Amundi's ESG ratings to limit the weight of issuers with the poorest ratings in this area.

- **Decarbonisation strategy**

Coface is committed to shrinking the carbon footprint of its listed equity and corporate bond portfolio by 30% between 2020 and 2025 (Scopes 1 and 2).

This scope corresponds to issuers able to quantify their issues, which distinguishes them from sovereign issuers or real estate funds, for example.

- **Transition financing strategy**

Coface does not act as a direct investor in projects or financial transactions (but instead in dedicated funds or mandates). However, it is working to integrate energy transition financing into its portfolio (renewable energies, energy efficiency) by communicating the weight of its green bonds. These "green" [1] bonds, which finance projects with an environmental impact, comply with the common framework of the Green Bond Principles [2]. In accordance with regulatory requirements, Coface also publishes information on the eligibility and alignment of its financial assets with the European Taxonomy in Section 6.6.1.

a) Engagement strategy

Coface, through delegated managers voting at the Shareholders' Meetings of companies held in the portfolio, contributes to and encourages dialogue with the management teams on best practices based on the initiatives implemented on these topics.

Here are some concrete examples of best practices discussed with management at Annual General Meetings:

- Gender diversity on the Board of Directors:

Example of Neste Corp: Amundi is particularly attentive to the feminization of Boards of Directors, including in countries not subject to regulatory obligations. It is now internationally recognized as good practice for Boards of Directors to be made up of at least 33% women directors. Specific expectations have therefore been communicated to the Company, which has been informed of the intention to vote against the re-election of certain directors, due to the lack of diversity on the Board.

- Board independence:

Example of LVMH Moet Hennessy Louis Vuitton SE: Amundi expects Boards of Directors to have a diverse composition with a sufficient number of independent directors, *i.e.* at least 50% for non-controlled companies or at least one-third in the case of controlled companies, taking into account all directors. Board committees should also have a majority of independent members and be devoid of executives. Specific expectations have therefore been communicated to the Company, which was informed of the intention to vote against the re-election of certain directors considered non-independent under Amundi policy, due to the Board's lack of independence.

1) Not all green bonds are green investments in the sense of the European Taxonomy.
Strictly speaking, a "green investment" must be aligned with the Taxonomy, i.e. :
- make a substantial contribution to one or more environmental objectives
- not cause significant harm to any of the environmental objectives;
- be carried out in compliance with certain minimum guarantees (human and social rights).

2) The Green Bonds Principles aim to significantly increase the transparency needed to monitor investments in environmental projects, while improving the possibilities for assessing their impact.

- Multiple directorships:

Example of Unilever Plc: Amundi recommends that executive directors should not hold more than two other directorships outside their group, and that non-executive directors should not hold more than four directorships. Amundi is also vigilant about the need for the Chairman of the Board and the Chairmen of the various committees, particularly the Audit Committee, to be available at all times. In view of the growing importance of these functions and the workload they entail, Amundi recommends that the number of mandates acceptable for a director exercising one of these functions be further reduced. Specific expectations have therefore been communicated to Unilever, which has been informed of an intention to vote against the re-election of a director considered to have an excessive number of mandates.

Amundi provides an annual report on Voting Rights, containing the following information:

- overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and main opposition topics);
- the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (broken down by company, country and opposition topic).

Prior to these votes and where necessary, Coface can initiate discussions with Amundi's specialised teams to gather analyses on proposed resolutions and discuss the associated vote recommendations.

Amundi transmits its voting policy annually to the Group, to include the best corporate governance, social responsibility and environmental practices. Coface reviews this policy annually and ensures that it reflects its commitments.

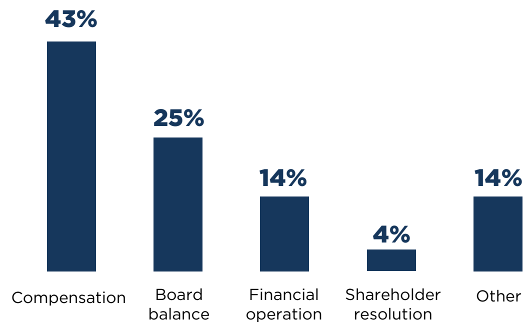
Starting this year, Coface will endeavour to communicate the number of climate resolutions voted on. These resolutions cover the following topics:

- In terms of management resolutions:
  - climate-related proposals,
  - reporting on the climate transition plan,
- In terms of shareholder resolutions:
  - climate change report,
  - greenhouse gas emissions,
  - actions concerning climate change,
  - expenditure relating to climate change,
  - proposals calling for an advisory vote on the climate action plan,
  - development of renewable energies,
  - publication of a 2 °C degree scenario analysis,
  - disclosure of fossil-fuel financing,
  - restriction of fossil-fuel financing,
  - political activities and disclosure,
  - lobbying on climate change.

Review of voting rights

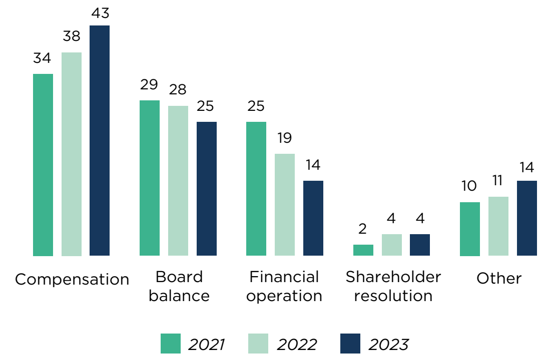
The percentage of opposition votes exercised by Amundi on behalf of Coface at Shareholders' Meetings held in 2023 are presented in the table below by topic.

/Opposition votes on share positions held directly (%)



Source: Amundi

/History of opposition votes on share positions held directly (%)



Source: Amundi

Commitment to the top 20 contributors to the carbon footprint

In 2023, Coface's manager, Amundi, initiated a dialogue with all of the top 20 issuers in terms of carbon contribution on ESG and climate aspects.

As part of the "ESG" dialogue initiated by Amundi, the main themes involved concern social cohesion, biodiversity and governance.

As part of the "Climate" dialogue initiated by Amundi, the two main themes involved, the Net Zero Transition and the Science-based Targets Initiative Transition, aim to support issuers in reducing their CO_2 emissions by defining commitments and key performance indicators.

Number of climate resolutions voted on

In 2023, Coface participated in voting on four climate resolutions. Coface voted in favour of two resolutions aimed at combating climate change. Coface abstained from voting on the two remaining resolutions.

- EDP-Energias de Portugal SA (management resolution) – Favourable
- Schneider Electric SE (management resolution) – Favourable
- Amundi SA (management resolution) – Abstention
- ENGIE SA (shareholder resolution) – Abstention

b) Exclusion and restriction strategy

Coface's strategy on investment restrictions and exclusions is based on two pillars and an indicator overseen by Coface's Board of Directors. In 2023, Coface, *via* its asset manager Amundi, updated its responsible investment policy.

Exclusion measures in force

Coface complies with the Ottawa and Oslo conventions and has excluded the following activities from its investments:

- anti-personnel mines;
- cluster bombs;
- chemical weapons;
- biological weapons;
- depleted uranium weapons;
- violation of one or more of the 10 principles of the UN Global Compact.

With regard to the investment scope, Coface has excluded from its universe:

- nuclear weapons companies involved in the production of essential components for nuclear weapons or dedicated components and companies generating more than 5% of their revenue from the production or sale of nuclear weapons (non-essential components);
- companies that develop or plan to develop new mines, power plants or infrastructure relating to thermal coal.

Gradual exclusion measures

Phasing out coal is key to decarbonizing our economies. This is why Coface has committed to phasing out thermal coal from its investments by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

Restrictive measures in force

Thermal coal

Regarding mining:

- companies generating over 20% of their revenue from thermal coal extraction;
- companies with an annual thermal coal extraction greater than or equal to 70MT with no intention of reduction (to be verified *via* the Company's disposal programme).

Regarding the production of electricity from thermal coal:

- companies generating over 50% of their revenue from thermal coal extraction and electricity generation from thermal coal;
- companies whose revenue related to the production of electricity from thermal coal accounts for between 2% and 50% of total revenue, with no intention of reducing this proportion (to be verified *via* the Company's disposal programme).

Tobacco

- companies that manufacture complete tobacco products, including cigarette manufacturers, where these products generate more than 5% of revenue.

Unconventional hydrocarbons

- companies generating more than 30% of their revenue from the exploration and production of the unconventional hydrocarbons listed below: shale oil, shale gas, oil sands.

An indicator monitoring the ESG quality of the portfolio

Since 2017, Amundi has produced a quarterly report on the average ESG rating of the Coface portfolio (A to G rating) and a breakdown of assets by ESG rating. The score is based on 37 criteria, including 16 generic criteria and 26 specific sector criteria.

Of Coface's overall investment portfolio, 84.6% (+5.2 points compared with 2022) is considered to be significant from an ESG perspective. In 2023, Coface expanded its significant scope to include all money market funds. Based on the new significant scope, nearly 91% (-3.4 points compared with 2022) of the portfolio has an ESG rating. Unlisted assets remain excluded from the Coface scope as their ESG ratings are considered too subjective at this stage.

Since 2018, the exclusion measures described above have been added to Coface's decision to refrain from investing directly in securities issued by a G-rated issuer, which is the worst rating on the Amundi scale. When an issuer's rating deteriorates to G, the investment line is immediately sold at market value.

Lastly, Coface's Board of Directors decided in 2021 to limit the weight of F-rated assets to less than 3% of its rated portfolio, which is part of its restriction strategy. At December 31, 2023, this indicator stood at 0.54%, a slight improvement from last year.

c) Decarbonisation strategy of the listed equity and corporate bond portfolio by 2025

Coface uses Amundi's methodology to monitor the carbon footprint of its portfolio in three scopes:

- Scope 1: all direct emissions from sources owned or controlled by the Company;
- Scope 2: all indirect emissions resulting from the purchase or production of electricity, steam or heat;
- Scope 3: Trucost data including upstream only (gradual integration of the entire Scope 3 to come)

As Scope 3 measurement is not yet fully reliable and stabilised, the NZAOA, which Coface recently joined, provides for carbon reduction commitments based solely on Scopes 1 and 2 (with the gradual incorporation of Scope 3). Coface is seeking to align with the approach developed by the Net Zero Alliance to calculate its decarbonisation trajectory.

In 2022, Coface raised its 2025 decarbonisation target from -20% to -30% (in TCO_2/€m invested) for its listed equity and corporate bond portfolio (Scopes 1 and 2) based on 2020.

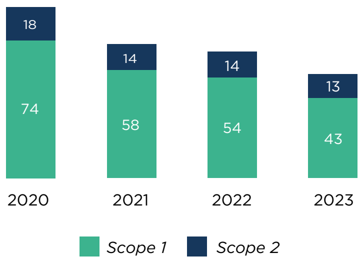
In the absence of stabilised methodologies and sufficient data, investments in sovereign bonds, infrastructure and real estate assets are not affected by Coface's decarbonisation objectives.

Note that due to the methodological improvements made by Amundi and carbon data providers, Coface's historical carbon footprint was recalculated in 2022 to reflect these changes.

Coface measures its carbon footprint in absolute and relative value terms against a benchmark portfolio close to the portfolio's strategic allocation [1].

/Carbon footprint per million euros invested in Scopes 1 and 2: 56 eq. tonnes CO_2/€m

At end- 2023, the carbon footprint (Scopes 1 and 2) of the listed equity and corporate bond portfolio (look-through view) in absolute value amounted to 56 tonnes of CO_2 equivalent per million euros invested, down 39% compared with 2020.



Source: Amundi

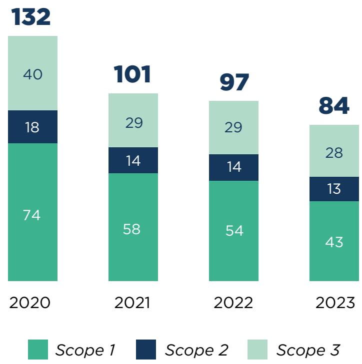
Note: The historical data for 2020, 2021 and 2022 have been recalculated a posteriori to correspond to the new Amundi methodology.

/Carbon footprint per million euros invested Scopes 1, 2 and 3: 84 eq. tonnes CO_2/€m

To monitor its carbon footprint, and in accordance with the French decree on the assessment of greenhouse gas emissions (BEGES), Coface also reports on Scope 3 carbon emissions for its investment portfolio.

As the measurement of Scope 3 emissions is not yet fully reliable and stable, this is likely to change in future reports.

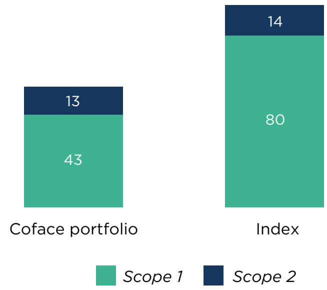
At end-2023, the carbon footprint (Scopes 1, 2 and 3) of the listed equity and corporate bond portfolio (look-through view) in absolute value was 84 tonnes of CO_2 equivalent per million euros invested.



Source: Amundi

Note: The historical data for 2020, 2021 and 2022 have been recalculated a posteriori to correspond to the new Amundi methodology.

Compared with a benchmark portfolio close to the portfolio's strategic allocation (the composition of which is described below), the carbon footprint (Scopes 1 and 2) of Coface's investment portfolio (listed equities and corporate bonds) was nearly 40% lower in 2023 per million euros invested.



Source: Amundi

Index: 85% ML Euro broad +10% MSCI EMU +5% The BOFA ML Global Hy.

d) Transition financing strategy

As a credit insurer and short-/medium-term investor, Coface strives to integrate the financing of the ecological and energy transition into its investment portfolio (renewable energies, energy efficiency), based on the weight of its green bonds. Green bonds [2], which finance projects with an environmental impact, comply with the common framework of the Green Bond Principles [3].

The short duration of its portfolio, consistent with that of its liabilities, does not allow Coface to invest an overly large share of its assets in long-term investments that could favour the energy transition. Nevertheless, and as much as possible, Coface is working to increase the weight of assets favouring the transition in its portfolio.

At December 29, 2023, the weight of green bonds stood at 2.92% of Coface's overall portfolio, *i.e.* €98 million in outstandings (market value). Outstandings were up €11 million compared with last year.

1) *The benchmark portfolio is composed as follows: 85% ML EURO BROAD + 10% MSCI EMU + 5% THE BOFA ML GLOBAL HY*

2) *Not all green bonds are green investments in the sense of the European Taxonomy.*
Strictly speaking, a "green investment" must be aligned with the Taxonomy, i.e. :
- contribute substantially to one or more of the environmental objectives;
- not cause significant harm to any of the environmental objectives;
- be carried out in compliance with certain minimum guarantees (human and social rights).

3) *The Green Bonds Principles aim to significantly increase the transparency needed to monitor investments in environmental projects, while improving the possibilities for assessing their impact.*

e) Next steps

NZAOA is structured around four specific objectives:

- engagement;
- sector;
- decarbonisation;
- financing of the transition.

Each NZAOA member investor must choose at least three out of four objectives, with Engagement being mandatory.

As part of joining the NZAOA, Coface has selected the following objectives:

- engagement with the top 20 contributors to carbon emissions;
- decarbonisation with the intermediate 2025 and 2030 targets approved by Coface, respectively -30% (2025) and between -40% to -60% (2030) based on 2020;
- financing of the transition: Coface has not yet defined specific indicators to manage this objective. Work is planned in early 2024 to determine tangible transition-financing indicators for liquid and illiquid assets.

It should be noted that recent accessions to the UNPRI and the NZAOA will require the production of specific reports for the coming years.

6.2.4 Fair practices

As indicated in Chapter 5, the Coface Group, overseen by the French Prudential Supervisory and Resolution Authority (ACPR), must comply with the law and regulations applicable in the countries where the Group is established or operates.

Any violation of laws, regulations, rules and internal standards may potentially expose Coface to the risk of sanctions, fines, financial losses and reputational damage having a direct and significant impact on its business in the short, medium or long term.

Coface is also exposed to external fraud. This may take various forms, including cyberattacks and fraud committed by insured clients or their debtors, potentially generating a direct loss for the Group.

As a member of the United Nations Global Compact, Coface follows the principles stated therein relating to the protection of human rights:

- to promote and respect the protection of international human rights law in its sphere of influence; and
- to ensure that it is never complicit in human rights violations.

a) Subcontracting and suppliers

The outsourcing of important or critical functions and/or activities is strictly governed by the regulations applicable to insurance companies since the entry into force of the Solvency II Regulation. In this respect, since 2016, the Company has issued a Group policy aimed at identifying "material or critical" activities and defining the fundamental principles for resorting to outsourcing, the terms of any contract drafted for such outsourcing and the control procedures related to the outsourced activities and functions.

Approved by the Company's Board of Directors in 2016, and reviewed annually since then, this policy, in accordance with applicable regulations, considers as important or critical operational activities

(i) the following four key functions (see also Section 5.3.1 "Internal Control System"):

- the risk management function,
- the compliance function,
- the internal audit function, and
- the actuarial function; as well as

(ii) other functions whose interruption is likely to have a significant impact on the Company's activity or its ability to effectively manage risks, or whose interruption is likely to jeopardise the conditions of its authorisation relative to some of the items detailed in the French Insurance Code.

In 2019, the Company amended its outsourcing policy, which now covers the outsourcing of "standard" functions in addition to that of important and/or critical functions and activities.

Standard contracts on the provision of services must specify a number of standard contractual clauses (such as purpose, duration, financial conditions, and the liability of the service provider). The conclusion of these contracts is subject to the implementation of Know Your Supplier due diligence and to compliance with the purchasing policy and other Group rules.

Coface and all its subsidiaries have therefore pledged to select service providers who meet the high-quality service standards and have the qualifications and skills necessary to efficiently handle the outsourced service, while avoiding any conflict of interest and guaranteeing data confidentiality.

In accordance with the applicable regulations, for any project to sign a service contract regarding important or critical functions and/or activities, they are required to notify the French Prudential Supervision and Resolution Authority (ACPR) of any outsourcing project approved by the Company's Board of Directors, no later than six weeks before the effective date of the contract. Any outsourcing contract to be signed with a service provider must include certain mandatory clauses imposed by the Group policy of Coface.

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 with the exception of the Know Your Customer (KYC) process, which has been outsourced internally by certain Group entities.

In 2020, Coface mapped the Group's outsourcing activities. The work covered the outsourcing of standard services and major or critical services carried out by all Coface Group regions to third parties or within the Group to another Coface entity.

The work served to:

- review existing outsourcing at the Group;
- distinguish between simple services and outsourcing services within the meaning of the Solvency II Regulation;
- classify outsourcing according to its "standard" or "important or critical" category;
- verify the compliance of contracts with applicable regulations and the Group outsourcing policy;
- propose a remediation plan;
- establish regular reporting on outsourcing.

The remediation initiated in 2021 was finalised in 2022.

For contracts relating to important or critical functions concluded after the entry into force of the Solvency II Regulation, the remediation was carried out from a contractual point of view by integrating the missing contractual clauses. No regulatory remediation (notification to the ACPR) was deemed necessary given the absence of substantial changes to these contracts.

Other contracts were subject to contractual remediation, in accordance with applicable local law and under the supervision of regional legal managers.

A quarterly report on both standard and important or critical outsourcing was introduced in 2021 for all Coface Group regions. The reporting provides a consolidated view of these services, which are also subject to level 2 control by the Risk and Compliance teams and level 3 control by the Internal Audit team.

In 2023, the content of the report was subject to a level 2 control campaign addressing the consistency of the qualifications of outsourcing or service contracts, the consistency of the criticality attributed to each outsourcing contract, and the quality of the information recorded in the reporting tables. The scope of the controls concerned all of the Group's insurance entities. The overall assessment of the controls was deemed "Robust" as less than 20% of anomalies were identified. The level 2 control campaign showed that the teams responsible for the reporting process had a robust knowledge of the process and demonstrated an overall consistency in qualifications. Incorrect qualifications have been corrected in the reporting table.

To manage its relations with suppliers, Coface has established an internal purchasing policy that is regularly reviewed and sets out, among other things, the rules and procedures to be followed when purchasing supplies and services and when consulting suppliers. Since 2017, Coface has also been signatory to the *Charte Relations Fournisseurs Responsables* (responsible supplier relationship charter) led by two French agencies, the *Médiateur des entreprises* (business ombudsman) and the *Conseil national des achats* (purchasing association). This charter consists of 10 commitments for a responsible purchasing policy towards suppliers. It enables Coface to apply, in concrete terms, its willingness to foster fair and transparent relationships with its suppliers. In accordance with the French "Sapin II" law of December 10, 2016 on transparency, anti-corruption and the modernisation of economic life, Coface assesses suppliers on corruption risk, more details on which can be found in point b) ii of Section 6.2.4 "Fair practices".

b) Compliance

The risk of non-compliance, to which Coface Group is exposed, is defined as the risk of legal, administrative or disciplinary sanctions, significant financial loss or reputational damage arising from non-compliance with provisions specific to Coface's business activities, be they laws, regulations, rules or internal standards.

To mitigate this risk, the Group has developed a compliance system underpinned in particular by a **compliance policy** accessible to all employees. This policy specifies the involvement of the compliance function with respect to limiting the main non-compliance risks listed below:

- professional ethics;
- the fight against corruption;
- combating money laundering and terrorist financing;
- compliance with embargoes, asset freezes and other international financial sanctions;
- fraud prevention;
- protection of personal data.

The compliance policy also details the governance structure of the Coface Group, which ensures the independence of the compliance function. It lists the **29 compliance key performance indicators actively monitored by the compliance function and presented five times a year to Management**, the Coface Group Risk and Compliance Committee (CGRCC) and the Board of Directors' Risk Committee.

i. Ethical issues/Ethical risk at companies

Compliance in general is crucial for the management team and is highlighted regularly with employees. More specifically, at each annual conference of the top 200 managers, the CEO stresses the importance of integrity and professional ethics. Accordingly, when introducing the annual conference in Deauville in June 2023, the CEO reiterated the importance of the compliance function.

As part of managing non-compliance risks, Coface's Code of Conduct, created for all Group employees to use, was revised in 2023 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. The Code of Conduct emphasises the importance of treating clients fairly by avoiding conflicts of interest and not using information in an employee's possession against the interests of a client, a potential client and co-contracting third parties.

It is the duty of all employees to ensure a working environment free from all forms of discrimination, whether based on age, sex, sexual orientation, culture or nationality, religion, health, disability or any other specific identity.

These principles must be respected in particular in recruitment, hiring, training, assessments, salary reviews and promotions, which must be based exclusively on merit, skills and individual performance.

In addition to the abovementioned principles of non-discrimination, employees must promote an inclusive environment in which everyone must feel valued for who they are.

Coface has thus established a diversity and inclusion policy that specifies its commitments in this area (see Section 6.3.3).

Employees must be able to work in a positive environment that promotes safety and reflects the values of respect for people and collaboration with regard to the colleagues, subordinates and managers, clients, suppliers and third parties with whom we interact.

Managers must be exemplary in carrying out their supervisory responsibilities.

They must ensure that their behaviour is not perceived as harassment or bullying, and that each member of their team is treated with respect and dignity by all the other members of the team.

In relation to work, managers must pay particular attention to the well-being and mental health of the employees for whom they are responsible.

ii. Corruption risk

The Coface Group has adopted a zero-tolerance policy for corruption in all its forms. This policy has been provided to all of the Group's employees, particularly as part of the Anti-Corruption Code and the Code of Conduct, both of which are prefaced by the CEO.

The Anti-Corruption Code consists of three parts: a reminder of general rules, specific rules and practical advice. The general rules define corruption, unfair advantages and the beneficiary concept, as well as the legal framework for corruption. The specific features of corruption involving public agents are also explained. The section on specific rules defines the rules on sensitive issues in terms of corruption: conflicts of interest, gifts and invitations, facilitation payments, political contributions, lobbying, charities and sponsorship.

Since 2017, Coface has focused on implementing the provisions set out in the Sapin II law on transparency, anti-corruption and modernisation of the economy. As a result, the Anti-Corruption Code is accompanied by (non-exhaustive list):

- the online anti-corruption training course rolled out in 2021, assigned to each new employee joining Coface;
- a mapping of corruption risks, reviewed globally by the compliance function in 2022. In 2023, each country reviewed the anti-corruption risk mapping and implemented corrective actions. The mapping was reinforced at regional level, approved by the Head of the Region and presented to the Group compliance function;
- a global third-party evaluation system, updated in 2020 for intermediaries and in 2022 for suppliers. This system is based on operational procedures specifying the process for identifying and classifying the risks presented by suppliers and intermediaries. Consequently, suppliers and intermediaries assessed as presenting a high corruption risk are reviewed and approved by Compliance;
- an internal whistleblowing system. Coface has put in place an internal whistleblowing system, as described in the Anti-Corruption Code and the code of conduct. The internal whistleblowing system was subject to a dedicated and detailed procedure published in December 2023 following the publication on October 3, 2022 of the final stage of the transposition into French law of the European directive on the protection of whistleblowers. On December 19, 2023, all employees were informed of this new procedure by a communication from the Group Chief Compliance Officer. A page on the Coface website is entirely dedicated to this subject. This page is currently accessible in French and English and in 2024 will be accessible in all the languages available on the Coface website. A dedicated email address was also created in Q3 2023: whistleblowing@coface.com. Specific training for employees likely to process internal alerts was organised in September 2023. In addition, the online training course on the Code of Conduct for all employees includes a section on the internal whistleblowing system and will be available in Q1 2024. In 2023, eleven cases were reported in total, eight of which as part of the internal whistleblowing system of Human Resources, two to the compliance function, and five through the ombudsperson. Internal Audit, the Human Resources Department and the ombudsperson, as well as the compliance function, conducted investigations to process and resolve the various cases;
- key performance indicators on anti-corruption and professional ethics. These indicators include the process of knowledge of intermediaries, suppliers, allegations of corruption, gifts and invitations received or offered and reported to Compliance. In 2023, one potential allegation of corruption was reported to Compliance and was further investigated at the end of the reporting period;
- accounting controls and second-level permanent controls were performed in 2022 to strengthen the entire system.

The compliance function will be reviewed by Internal Audit in the 2024 financial year.

With regard to lobbying, Coface does not directly or habitually carry out any activity in this field and has no employee whose appointed duty or mission involves lobbying public or political entities. Nevertheless, any action undertaken in this respect should naturally be carried out in the context of the internal rules laid down by Coface in the aforesaid Code of Conduct, which includes a number of anti-corruption rules. In addition to the Code of Conduct, a lobbying code was introduced in 2021.

iii. Risk of money laundering and terrorist financing (AML-CFT)

The compliance function regularly updates the framework procedures implemented to prevent and control money laundering and terrorist financing risks. These procedures are accessible to all employees on the Coface intranet and implemented locally by the international network of regional and local compliance managers.

Following the revision in 2022 of the Know Your Customer procedure, renamed Customer Due Diligence, communications and awareness-raising training courses were also carried out throughout 2023 with employees, mainly concerning the sales teams. The main purpose of these courses was to enable these employees to detect red flags relating to money laundering and terrorist financing. The new online training course on AML-CFT was assigned in December 2022 to all Group employees, as well as the module on client due diligence measures specifically for the sales, marketing and back-office teams, achieved a 97% completion rate. These courses were given in the Group's main languages to ensure better understanding by employees and were also accompanied by an assessment quiz.

iv. Risk of the violation of embargoes, asset freezes and other international financial sanctions

Since 2021, the Group's compliance system has changed significantly, in particular with the implementation of an automatic real-time filtering system for Coface counterparties. This new system filters the clients of Coface and their related parties (debtors, intermediaries, beneficial owners, etc.) relative to the lists of international sanctions issued by the United Nations, the Office of Foreign Assets Control, the European Union, France, and the countries in which Coface operates.

Following the introduction of new international sanctions, particularly against Russia, several actions have been taken to improve the effectiveness of the filtering system. These initiatives include the strengthening of level 2 controls, consistency checks carried out by the Compliance Department, and the continuous updating of the sanctions lists in the filtering tool.

In addition, new training courses on sanctions are being offered to all employees, including local teams, to enhance their understanding and application of these measures. The compliance function thus continuously detects sanctioned entities and ensures compliance with international sanctions by all Coface employees.

In line with these operational changes, the compliance function updated the framework procedure for compliance with international sanctions in 2023. This update follows a review of the procedure for controls on dual-use goods and military equipment in 2021. In addition, numerous performance indicators relating to the filtering system have been implemented and are rigorously monitored.

Lastly, at the request of the Group compliance function, an internal audit of the system put in place at Coface to comply with embargo and asset freeze measures and other international financial sanctions was conducted in 2023. The audit report highlighted some necessary improvements, which were the subject of recommendations, all in the process of being closed.

v. Risk of fraud

In 2023, the compliance function improved its fraud prevention system through:

- governance with the organisation of regional fraud committees led by the correspondents in charge of fraud prevention and regional compliance;
- the development of its reporting tool and SAFE reporting tool for suspected fraud;
- the tightening of due diligence on purchasers in the ATLAS database having been suspected of fraud or risk factors (alert in the tool and enhanced control system);
- the updating of the Fraud Reporting Group Rules;
- online and classroom training on the prevention of targeted fraud against sales teams, compensation, underwriting, finance/accounting, HR, Compliance, etc. The completion rate of the "Fraud in bank detail changes" online training course is 96.3%;
- implementing key performance indicators relating to the number and type of suspicions of fraud (insurance fraud, fraud against insured parties, fraud against debtors).

vi. Risk of non-compliance with the General Data Protection Regulation

Employees must respect the privacy and personal data of each person, in accordance with national regulations.

As part of its implementation of the General Data Protection Regulation (GDPR), Coface has adapted its information systems and processes with a view to complying with the stricter requirements in terms of personal data protection, including the:

- maintaining of data processing records by the Data Protection Officer;
- inclusion of GDPR clauses in contracts with its clients and suppliers;
- communication of the "Privacy Notice" to Coface clients.

Communication and online training initiatives on the protection of personal data within the Group were also implemented in 2021 and addressed to all employees. The purpose of the training course, accompanied by a quiz, was to enable each employee to comply with GDPR requirements and local data protection laws and regulations. The completion rate of the training course was 97%.

The new format of the Binding Corporate Rules (BCR) and responses to questions from the co-examiners were sent to the CNIL in November 2023. Coface's BCRs will then be sent to the co-examiners and subsequently to the rest of the EU members before being definitively approved. Pending approval by the CNIL and the competent authorities, the intra-group agreement implemented in 2021 to comprehensively oversee the transfer of personal data outside the European Union remains in force.

The Group Chief Compliance Officer was appointed Group Data Protection Officer to the CNIL on August 17, 2023.

c) Tax evasion

Coface is also required to comply with the tax laws applicable in the jurisdictions in which it operates, under penalty of sanctions, fines, financial losses and reputational damage.

The Group's tax policy is defined by the Group Tax Department. It is applied at regional level through seven regional tax correspondents.

In addition to regular dialogue consistent with the issues to be addressed, meetings are organised quarterly by the Group Tax Department with each of the regional CFOs and tax correspondents for a general review of the tax topics in their region.

Ahead of each meeting, the tax correspondent sends the Group Tax Department a report on current tax audits and related provisions.

Coface also complies with the standards established by the OECD to combat the erosion of tax bases and the transfer of profits through the implementation of a centralised transfer pricing policy, a governance system serving to identity aggressive tax arrangements with a view to reporting them in respect of DAC 6 in the European Union (no aggressive arrangement to report in 2023), and the filing of a declaration per country (Country-By-Country Reporting, CBCR).

Lastly, Coface's Know Your Client procedure includes strengthened vigilance measures when transactions involve one or more entities located in non-cooperative States and territories for tax purposes, as defined by Article 238-0 A of the French Tax Code, or in a country that could create a reputation risk for Coface (even if this country is not specifically included in the list of non-cooperative States and territories under the jurisdiction of the Coface entity that issued the policy).

d) Data protection and cybersecurity

As indicated in Chapter 5, Coface, like any other company, is exposed to cyberattacks or other security vulnerabilities in its IT systems and infrastructure, or those of its third-party service providers that could disrupt its business activities, cause significant financial losses, damage its reputation and expose the Group to possible sanctions on the part of regulators. With dependence on technological and digital infrastructures on the rise, information-system and cybersecurity risks are important to the Group.

Cybersecurity risks mainly stem from internal or external malicious acts such as cyberattacks. These acts could lead to a breach of the confidentiality, integrity or availability of the Group's information systems, whether internal or outsourced. Cyberattacks and major failures can vary substantially in their sophistication and execution.

The potential impacts on credit insurance, factoring, surety bonds, finance and data include data leakage, data alterations, ransomware, system failures and distributed denial of service (DDoS).

The Group leads numerous policies in this regard:

- Group Cybersecurity Risk Management Policy;
- IT and Cybersecurity Risk Mapping and Control Policy;
- Independent Cybersecurity Review Policy;
- Identity Access Management Policy;
- IT Asset Management Policy;
- Project Security Policy;
- Supplier Relations Cybersecurity Policy;
- Third-party Cybersecurity Policy.

For example, the following indicators are monitored by the Group Information Systems Security and Information Continuity Committee (values as of December 2023) in addition to annual awareness campaigns, phishing simulations and intrusion tests conducted by the Group Chief Information Security Officer: consideration of cybersecurity in procurement (79%), projects (100%) and the ability to detect cybersecurity incidents (85%). These indicators are updated by the Head of IT Security at Business Technology (BT). Numerous operational security indicators (privileged accounts, antivirus, vulnerabilities, etc.) are also monitored at Operational Security Committee Meetings at BT.

An IT indicator is also included in the Group's risk appetite, which is monitored by the Group Risk and Compliance Committee and at Board's Risk Committee Meetings. Coface has also integrated a cybersecurity plan into its portfolio of strategic projects to strengthen its system and infrastructure. A cross-functional programme targeting compliance with the Digital Operational Resilience Act was launched by the Head of BT Office following the analysis of shortcomings carried out by the Group CISO in 2022.

e) Legal watch related to CSR

Coface in 2023 sought to strengthen its legal watch related to CSR, which had previously been part of the general regulatory watch carried out by the Legal Department. To that end, a number of measures have been taken:

(i) a dedicated "CSR legal watch" officer has been appointed at the Legal Department;

(ii) an exhaustive review of all CSR texts likely to apply to Coface has been carried out; and

(iii) a monitoring table has been put in place to monitor changes in legal texts.

A CSR Legal Watch Committee now meets monthly in the presence of the Group CSR Manager, the Group General Secretary and the Group Chief Legal Officer to regularly review regulatory changes and the actions to be taken to prepare for new regulations.

6.3 COFACE, A RESPONSIBLE EMPLOYER

A RESPONSIBLE EMPLOYER

Main pillar themes:	
Key figures	
Diversity, inclusion, equal opportunities (multiculturality, disability, gender equality, sexual orientation) and societal commitment	***R.8***
Attracting, developing and retaining talent; engaging employees (induction and training of employees, international occupational mobility, employee engagement, compensation policy, etc.)	***R.9***

Several fundamental trends in Human Resources were observed in 2023:

- increased competition in the international talent market and expertise in financial services;
- a gradual renewal of the expectations of applicants and employees in terms of work-life balance, and in terms of the quality of the working environment and the corporate culture;
- the growing need to recognise oneself in diverse teams, with inclusive management;
- the confirmation of the need for flexibility in the organisation of the time and place of work;
- the volatility of talented professionals highly sensitive to salary increases and career advancement.

These challenges drover more than ever the work of Coface's Human Resources teams. They informed the development of the teams' skills and guided the projects and initiatives for the year.

The MyVoice survey, administered three times a year, measures the effectiveness of initiatives and the results of these trends, and guides the work of managers at all functions and levels in a highly precise manner.

The work carried out on **engagement** has been greatly strengthened. Coface has numerous indicators that measure progress on the priority areas of the Human Resources policy.

Career management, international occupational mobility and the identification of high potentials capable of filling tomorrow's management and management positions are now served by firmly established processes and policies in Coface's governance and the results are constantly improving. Around 100 employees are currently on international transfers.

the proportion of vacant senior management positions filled by internal talent during the year stabilised at a high level of over 60%.

the attrition rate of high potentials, a professional population more exposed to the market, remains consistent with the overall attrition rate, and remains at a reasonable level (around 8%). At the same time, the engagement of these high-potential professionals is high, exceeding the internal and external benchmark.

The **Diversity, Equity and Inclusion** initiative was particularly dynamic, contributing to establish Coface as a company perceived by talented professionals as a responsible company in this area.

Coface has stepped up training and awareness-raising for all staff on inclusive behaviour and the network of regional champions has worked in-depth across Coface's entire scope.

To remain competitive on **compensation**, the Human Resources teams also worked to build a global compensation management module using the "My HR Place" tool, the first stone of which was laid in 2022. From 2024, this new tool will enable the application of wage policies as close as possible to the local teams.

Lastly, the rapid development of information sales once again strongly mobilised the Human Resources teams, with the recruitment and integration of more than 100 new employees and the management of more than 350 people dedicated to this new activity.

6.3.1 Key figures

A workforce structure reflecting strategic guidelines

Coface's headcount increased compared with 2022. The most significant increase in headcount, as in the previous year, related to sales and marketing.

This increase reflects one of the initiatives of the Build to Lead strategic plan, namely the development of information sales. The number of employees directly dedicated to sales increased by 22% compared with the previous year, accelerating the development of this product line.

A few headcount figures

The Group's Human Resources data system "My HR Place" is now the source used for all employment analyses and statistics, global and local, that are requested from the Human Resources teams, and in particular for this document.

Data from the system now supports studies, action plans and strategic decisions based on reliable analyses.

Strong international dimension

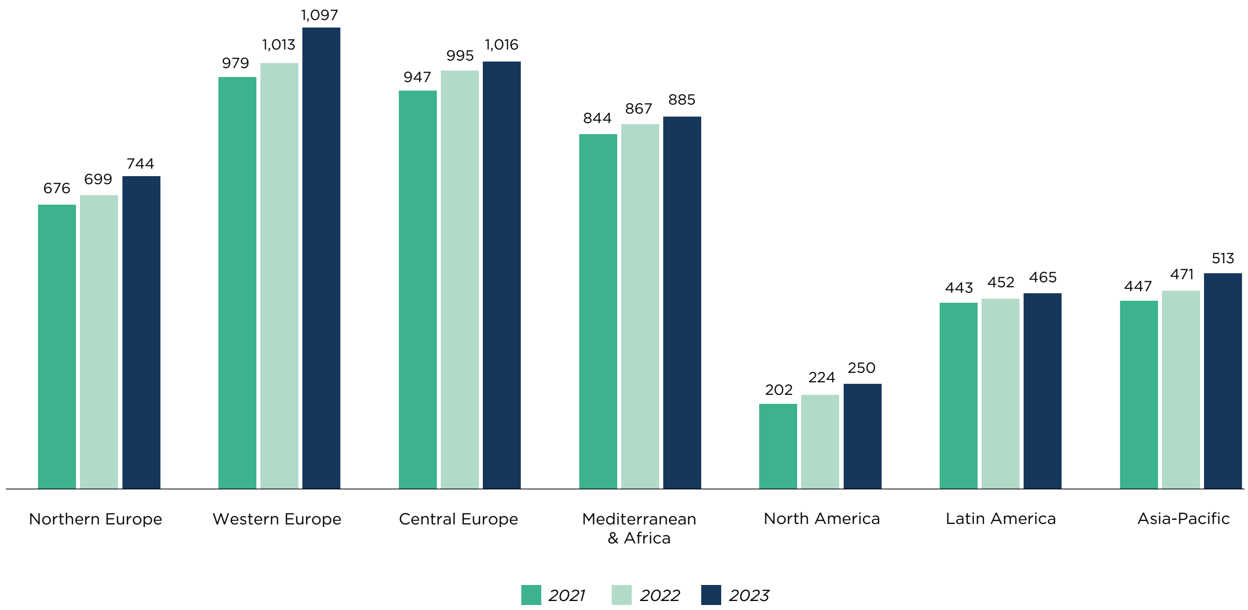
At December 31, 2023, Coface had 4,970 employees. Coface benefits from the diversity of cultures, working methods and practices of the countries in which the Group operates.

The figures in this report illustrate the workforce and give a global view of the Company. Given the Group's organisational model, indicators are presented by region.

/Breakdown of workforce by region

At December 31, 2023, the Group employed 4,970 people in 58 countries, compared with 4,721 at December 31, 2022. The table below shows the geographical breakdown of the Group's workforce since December 31, 2021:

WORKFORCE	2023	2022	2021
Northern Europe	744	699	676
Western Europe	1,097	1,013	979
Central Europe	1,016	995	947
Mediterranean & Africa	885	867	844
North America	250	224	202
Latin America	465	452	443
Asia-Pacific	513	471	447
TOTAL	**4,970**	**4,721**	**4,538**



The Coface workforce increased by 5.3% in 2023. The Western Europe region, the largest in terms of headcount, comprises the employees of the Group's head office and the French commercial entity. Next comes Central Europe where, in addition to commercial activities, two structures based in Romania carry out the production of operational tasks for other Group entities. It comprises both a shared services centre and the Group IT development centre.

/Breakdown of workforce by activity

The table below breaks down the Group's workforce by type of activity since December 31, 2021:

WORKFORCE	2023	2022	2021	CHANGE 2023 *VS.* 2022
Sales & Marketing	1,837	1,700	1,629	+7.88%
Support	1,638	1,583	1,596	+3.47%
Information, litigation, debt collection	1,027	985	975	+3.05%
Risk underwriting	468	453	338	+2.87%
TOTAL	**4,970**	**4,721**	**4,538**	**+4.91%**

As presented above, the Sales and Marketing activities are experiencing strong growth, particularly as a result of the strategic ambitions of the Build to Lead strategic plan relating to the development of Information Sales and the creation of value through growth.

The workforce rose 5% overall, reflecting the increase in activity and Coface's commercial performance, despite a more volatile and complex economic environment.

Types of employment contract

Permanent contracts continued to account for the large majority of jobs at Coface:

	2023	2022	2021	CHANGE 2023 *VS.* 2022
Northern Europe	99.3%	97.7%	98.1%	1.6%
Western Europe	98.6%	98.2%	98.2%	0.4%
Central Europe	98.6%	95.7%	93.5%	2.9%
Mediterranean & Africa	99.5%	99.5%	98.6%	0.0%
North America	100.0%	100.0%	100.0%	0.0%
Latin America	93.8%	94.7%	96.2%	(0.09)%
Asia-Pacific	97.9%	98.3%	97.3%	(0.4)%

For the Group as a whole, 98.4% of Coface employees work on permanent contracts.

Age ranges by country

Because careers are lengthening and the Group is convinced of the effectiveness of intergenerational dialogue and collaboration, diversity in Human Resources serves to drive Coface's collective performance. This aspect is highlighted by the breakdown of the workforce by age group and region.

In 2022

AGE RANGES	ASIA-PACIFIC	CENTRAL EUROPE	LATIN AMERICA	MEDITERRANEAN & AFRICA	NORTH AMERICA	NORTHERN EUROPE	WESTERN EUROPE	OVERALL TOTAL
< 30	22.72%	18.49%	26.11%	13.03%	14.29%	7.58%	12.8%	15.61%
30 to 40	40.13%	42.71%	36.95%	30.45%	19.64%	19.17%	30.3%	32.41%
40 to 50	24.63%	28.04%	25.88%	35.64%	24.11%	30.19%	27.0%	28.81%
> 50	12.53%	10.75%	11.06%	20.88%	41.96%	43.06%	29.8%	23.17%
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

In 2023

AGE RANGES	ASIA-PACIFIC	CENTRAL EUROPE	LATIN AMERICA	MEDITERRANEAN & AFRICA	NORTH AMERICA	NORTHERN EUROPE	WESTERN EUROPE	OVERALL TOTAL
< 30	24.56%	18.41%	25.38%	13.22%	13.20%	9.95%	13.86%	16.24%
30 to 40	36.84%	39.47%	36.77%	28.59%	23.20%	18.28%	29.99%	30.93%
40 to 50	25.34%	30.41%	23.66%	33.79%	25.60%	29.84%	26.25%	28.61%
> 50	13.26%	11.71%	14.19%	24.41%	38.00%	41.94%	29.90%	24.23%
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Several countries, where the average age of employees is over 45, are long-standing locations for Coface (Germany, USA) in which the resignation rate remains historically low. In contrast, the workforce is younger in Asia-Pacific and Latin America countries, where almost one-quarter of the workforce is under 30.

6.3.2 Diversity, inclusion and equal opportunities

In 2022, Coface established its "Diversity and Inclusion" policy, which then became "Diversity, Equity and Inclusion". Coface has made significant progress in this respect since 2022. Employees now regularly express a positive perception of the working environment, which they see as more inclusive and respectful, and which allows people to express themselves at work, without fear of harassment or discrimination (perception quantified *via* the "My Voice Pulse" engagement survey, mentioned in 6.3.4).

Coface is a multicultural Group, not only because it is present in 58 countries, but above all because it is home to more than 80 nationalities and about 10% of its employees work outside their home country. This characteristic calls for inclusive management, to take full advantage of the cultural diversity of an international company.

Coface has already worked extensively on gender equality in the workplace and the issue remains a priority, with global action plans and new initiatives rolled out to achieve greater diversity, particularly in management positions. All initiatives are measured and shared with all employees.

Diversity, equity and inclusion are key components of the Group's Human Resources strategy. The teams of the regions and local entities are all committed to these requirements and share a clear vision of what needs to be achieved during the year. In addition to global initiatives, each region is implementing specific action plans. A quarterly meeting with the Human Resources directors of each region and the Group was established in 2023 to discuss practices and initiatives to boost momentum on this strategy by reviewing each person's objectives and achievements.

a) The goal of the DEI strategy

Coface's DEI strategy remains the same. Coface aims to become a company whose culture must be recognised by the talent market as diverse and inclusive.

To that end, Coface reviewed each stage in the "employee journey", including submitting an application, experiencing the recruitment process, being selected, joining the teams, and developing by holding different job positions. All these stages are an opportunity to experience a positive culture and high-quality, inclusive and transparent managerial practices. The Human Resources Department studies how these stages are experienced and perceived by the employee.

Coface also ensures that employees feel safe to express themselves and affirm their uniqueness without fear of discrimination. This impression must be identified from the recruitment process and monitored throughout the employee's career path until they leave the Company.

To achieve these objectives, Coface recognises the importance of keeping these subjects a priority at the Company, through employee awareness-raising and training, global and local communications on the subject, and media articles used by the Company.

b) Visibility of the DEI strategy and its achievements

In May 2023, for Diversity, Equity and Inclusion Week, Coface created a special page on its internal learning platform.

This page is accessible to all employees and contains a set of internal and external videos, articles, guides, training, and presentations on internal programmes. It also contains recordings of events, the CSR strategy, the annual DEI roadmap, the KPIs we track on the progress of the DEI initiative, and a space dedicated to regional initiatives.

This space was created to ensure transparency on the actions taken by the Group and inform employees of progress on KPIs and My Voice survey scores on the internal perception of diversity and inclusion.

i. Training and awareness of all forms of diversity

Since 2021, Coface has organised a week dedicated to Diversity, Equity and Inclusion each year. The event is sponsored by members of the Executive Committee to boost the commitment of all staff to building a respectful and inclusive culture.

This year, a DEI Challenge was also organised, in which numerous employees from all the regions took part. The highly interactive challenge served to improve knowledge of the issues involved in DEI.

In 2023, DEI Week focused on sharing best practices and local or regional initiatives in this area. The aim was to encourage more people to take a more active role in DEI.

All the sessions kicked off with a presentation of the annual roadmap and then focused on a specific aspect of the DEI initiative, with a different topic each day. On the first day, the results of the reverse mentoring pilot project were presented. On the second, two countries shared their practices on race issues (South Africa) and gender equality (Austria). The main topic on the third day was the importance of Employee Resource Groups (ERGs) in Coface's cultural transformation. The LGBT ERG of Latin America led part of the discussion, while employees in Germany talked about their difficulties in terms of gender equality.

Coface also took the opportunity of International Women's Day to organise several conferences and webinars on professional equality.

Training plan

Everyone at the Group is responsible for developing an inclusive culture and allowing all staff to feel valued and well-integrated. This is why training initiatives have been rolled out at Group level, affecting all employees as well as more specific populations such as managers, accompanied by a communication plan accompanying their implementation.

E-learning

A mandatory e-learning module was launched in early July on "How to develop an inclusive culture at Coface?" (in December for Israel and the countries of North, Central and West Africa). The completion objective was achieved, with slightly more than 96% of employees having completed the entire module at the end of the two-month period initially set and having attained the minimum score in the final quiz (and 98% by the end of 2023). This training reviews the concepts of diversity, equity and inclusion, exploring how our unconscious prejudices and perception biases affect our ability to act in an inclusive manner with our colleagues. It examines micro-aggressions, how we can combat them, and how to become allies of inclusion. Above all, the e-learning module was tailored to Coface and provides extensive information to help understand Coface's vision on the subject, as well as the Company's objectives and the initiatives put in place (videos of members of the Executive Committee and employees involved in local initiatives; exercises and simulations based on the main measures implemented by the Company; alert procedure in the event of discriminatory behaviour for victims and witnesses alike, etc.).

The e-learning is also one of the mandatory training courses to be completed by all new recruits.

Managerial training on "inclusive leadership"

A mandatory two-hour training courses has been developed with an external partner and deployed by the latter starting in June to the top 200 managers, including the Executive Committee, and key HR managers. More than other employees, managers must set an example on inclusion. The course is inspired by the fact that in reality, although motivated by the best intentions, managers sometimes adopt non-virtuous behaviour without realising it and the impact of this behaviour causes feelings of exclusion in their teams. The objective of the course is to encourage participants to become aware of the underlying mechanisms leading to these situations of exclusion and to encourage them to think about how to avoid and combat them on a daily basis, as well as during key moments in an employee's career at the Company (recruitment interviews, performance management, training, career development, departure interviews, etc.).

The training module is practical, based on simulations and dialogue between participants. The groups are made up of 12 to 14 participants from different Coface regions to make these discussions even more interesting. At the end of December, more than 50% of the members of the top 200 had been trained, as well as key HR managers.

The course will continue to be rolled out in 2024. In addition to the top 200, intermediate and local managers will also be trained by their HR managers, who will benefit from specific preparation to run these training courses.

Multiculturality

Coface is a multicultural company with employees representing 84 nationalities, some of them working outside their country of origin.

Improving the Group's knowledge of cultures in other countries and understanding language codes, working methods and the management culture in other parts of the world is essential to Coface's business and the collaborative efforts of its teams. Awareness-raising efforts continued once again in 2023, in the form of webinars organised for Diversity and Inclusion Week in the second quarter.

Sexual orientation

At the end of 2023, Coface was approved by *L'Autre Cercle* to renew the collective signature of the charter. By signing the charter, Coface is renewing its commitment to diversity, equity and the inclusion of LGBT+ people, as well as its position against all forms of discrimination within the Company. The charter also commits the Company to carry out initiatives and action plans to strengthen the inclusion of LGBT+ people in management practices and corporate culture, while fulfilling its responsible role towards society.

For the 2023 Diversity, Equity and Inclusion Week, a day was devoted to the importance of Employee Resource Groups (ERGs) (employee groups seeking to discuss a diversity topic such as sexual orientation) with a view to advancing thinking and behaviour to promote inclusion for everyone. Coface received external guests at the event, including a representative of an ERG focused on LGBT issues, as well as an internal participant in the "Pride" employee network created in Latin America at the end of 2021. In addition to organizing debate on this subject, the Latin American ERG has taken on a global scope in an effort to integrate employees from other regions.

In a further development in 2023, all the Human Resources policies were reviewed and partially rewritten to integrate more inclusive wording.

Visible and invisible disabilities

The theme of visible and invisible disabilities, notably including neurodivergence, was widely discussed in 2023.

Coface France organised a "duo day" in the autumn, in which people with disabilities were invited to spend a day at the Company with volunteer employees of the programme in order to show the potential obstacles that these people face in the workplace. This type of initiative promotes awareness of the reality of the work life experience for this population and encourages reflection on ways to improve the working environment for Coface.

Regarding invisible disabilities and neurodivergences, conferences were held with external speakers to raise awareness among the teams and discuss unconscious and unconscious biases about differences of all kinds. The discussions also focused on initiatives that Coface could introduce, such as the layout of workspaces and changes in managerial practices, to improve the reception and inclusion of people with all types of differences.

In North America, an experiment was conducted on this topic, aimed at the widespread dissemination of a "Big Health" app to help employees suffering from anxiety and sleep disorders.

Age differences

In 2023, the Group Human Resources team introduced quantified indicators to measure HR practices and decisions with regard to employees aged over 50. This year, about 25% of the total workforce was over 50 years old. The Human Resources teams were thus able to observe that age was not a discriminating factor in decision-making regarding compensation, hiring or careers.

- People aged over 50 accounted for around 10% of new hires in 2023;
- Forty-two per cent of them received a salary increase in 2023, *i.e.* around 20% of the total number of employees having received a pay rise, which is not far from the group averages;
- In France, 58% of this population benefited from a merit-based rise, compared with an average of 61% for the population as a whole;
- People aged over 50 account for 18% of the total number of employees in the international occupational mobility programme, in line with the overall average.

These figures are now monitored twice a year to ensure that there is no discrimination in this area.

A project called "Building Bridges" was launched in Germany with the aim of bringing generations together and building cooperation and mutual understanding across generations.

External partnership with the Potter Foundation

Since end-2020, the Coface Group has also initiated an external equal opportunities policy through a **partnership with the Potter endowment fund**, which supports financially disadvantaged students so that they can study in scientific preparatory classes and then at engineering schools, thanks to scholarships awarded throughout their courses.

Coface and the Potter endowment fund have decided to work together to support this cause as part of a sponsorship agreement. Under the agreement, Coface France provides the time and skills of two of its motivated employees seeking to work on assignments with a social impact. Their goal is to help the fund develop its reputation, promote its mission, manage applications and contribute to the organisation of selection panels.

In addition, two Coface employees, the Head of the Group Information offering and the head office Human Resources Director, participated this year in the selection panel for scholarship candidates. Lastly, this year and for the second consecutive year, Coface financed a scholarship awarded to a student and provisioned for their five years of study.

Reverse mentoring

In 2022, the reverse mentoring pilot programme began to address diversity, equity and inclusion issues at Coface.

The pilot phase ended in early 2023 with positive results and a new cycle of this programme began in October 2023.

The programme involves assigning to a mentee a mentor with a difference (gender, age, sexual orientation) compared with the mentee. The mentee is a senior executive curious to learn from their mentor how difference is experienced in the Company. Through the programme, the mentee comes to understand how difference is experienced in the Company.

ii. Gender equality

The proportion of male and female employees remains balanced overall, as in previous years, with around 54% women in 2023. However, the percentage of women on the Company's Executive Committee decreased from 36% to 33%.

The table below shows the trend in the proportion of women overall and among managers in all regions since 2021:

		2023	2022	2021
Northern Europe	% women	48.7%	50.5%	50.4%
	% of managers	15.9%	15.5%	17.6%
	% women among managers	23.7%	23.1%	18.5%
Western Europe	% women	48%	49.4%	48.3%
	% of managers	22.7%	22.9%	24.3%
	% women among managers	36.5%	37.1%	38.7%
Central Europe	% women	62.6%	61.5%	60.9%
	% of managers	19.5%	19.0%	19.6%
	% women among managers	49.5%	49.2%	47.8%
Mediterranean & Africa	% women	57.3%	56.7%	57.9%
	% of managers	33.9%	26.3%	22.4%
	% women among managers	39.7%	38.6%	39.2%
North America	% women	41.2%	41.5%	46.0%
	% of managers	29.6%	27.7%	31.2%
	% women among managers	39.2%	38.7%	39.7%
Latin America	% women	56.6%	56.6%	58.9%
	% of managers	26.5%	25.7%	26.0%
	% women among managers	64.2%	61.2%	60.0%
Asia-Pacific	% women	54.1%	53.7%	53.9%
	% of managers	25.1%	26.3%	25.1%
	% women among managers	41.1%	38.7%	39.3%

A recruitment policy fostering gender equality

The rapid increase in the proportion of women in all management positions in 2023 showed that the efforts made over the past few years continue to bear fruit. At December 31, 2023, 36% of management positions were held by women, for a year-on-year increase of 2 points.

The identification of female applicants in the final selections of applications for these positions is now mandatory. This has made it possible to recruit women in 60% of positions filled externally (*vs.* 38% in 2022), while still continuing to select the best candidate at the time of the final offer.

At the same time, career reviews for female talent, as well as other career development initiatives focused on these women, have enabled many of these vacant leadership positions to be filled by women (36% of promotions to these positions were women).

Career management and mobility focused on women's careers

In terms of career management, Coface has actively committed to female careers. It has implemented several actions and processes and publishes several indicators widely to communicate on progress in house.

The Global Gender Index is used to coordinate and measure women's career management

Each year, Coface uses the Global Gender Equity Index to analyse several criteria in order to analyse gender equality at the Group. Ultimately, the goal is to close the pay gap between men and women, facilitate and support women's careers and promote diversity within the teams.

Inspired by the French model initiated by the law on the freedom to choose one's professional future, Coface has established its own calculation methodology [1] and changed the criteria studied in 2023 in order to improve the quality of the analyses and deepen the existing conclusions.

A new criterion on the number of women in succession plans has been added and the weighting of the other criteria has been revised to modify their representativeness. While the calculation method remains the same, the weight of each indicator was reviewed to guide actions in areas where the necessary room for improvement was the greatest, namely supporting career management and female mobility.

In this respect, six criteria are measured:

- equal pay for men and women - 20 points;
- equal pay increase decisions - 10 points;
- equal promotion decisions - 10 points;
- the percentage of women among Senior Managers (top 200) - 30 points;
- the percentage of women among the 10 highest-paid employees - 10 points;
- **new -** the share of women in succession plans - 20 pts.

The index results from the consolidation of each regional [2] index (for details of the scope and calculation, see Section 6.7 "Guidelines and methodology"). Progress thresholds are determined annually for each region. This central oversight ensures that professional equality objectives are met internationally. For 2023, Coface achieved a score of 80/100.

Note: this cannot be compared with the ratings of previous years, as the methodology has changed. The only year to be recalculated was 2022, to provide elements of comparison, with an identical score of 80/100.

The score on the gender pay gap criterion remains stable and is improving sharply in some regions. Regions for which the result is not at a reasonable level are examined. While the wage policy complies with the principles of non-discrimination, staff movements and reorganisations are the main causes of the change in the score from one year to the next.

For 2023, 20 countries (France and the head office being counted separately) are taken into account in the study on gender pay gaps (criterion no. 1 - countries with more than 50 employees). These 20 countries accounted for 75% of the Group's workforce at the time of the study.

The rule of a fair and proportional distribution of salary increases has been adopted by the regions, thus making it possible to reach the maximum score for the criterion relating to the distribution of increases (with the exception of one region). The Group monitors this distribution as part of each annual salary review exercise. The same is true of promotion decisions, which once again this year were egalitarian, with all regions having obtained the highest score on this criterion.

While supporting career management and female mobility remains one of the areas with the greatest room for improvement, the results illustrate the efforts made by the regions and the Group, as women account for 46% of succession plans and 36% of the senior manager population. An increase in these scores is expected in 2024. Coface's objective is for women to account for at least 40% of its senior manager population by 2030.

Lastly, the Group achieved the highest score on the proportion of women among employees with the highest salaries, but efforts remain necessary at the regional level.

The Coface Group's professional equality index is firmly established and taken into account in the Human Resources policies of the Group and the regions. It is a real tool for measuring and monitoring regional practices and trends and ensuring that professional equality and fairness are respected. Corrective measures are determined and applied following annual discussions between the Group and the regions, including the implementation of a monitoring tool focused on professional equality as part of the annual salary review and the enhanced monitoring of gender equality within the pool of candidates for the recruitment of senior managers.

To meet its objective to have women account for 40% of management body members by 2030, Coface must ensure that it has sufficient women in succession plans for these positions. The increase in the proportion of women in succession plans is measured every year, at two levels:

After promoting internal female talents to Executive Committee level (CEO LAR and WER, CFO), the pool of female successors has naturally declined for the short term. The pool needs to be enriched once again to ensure that

1) *The weighting, the criteria studied and the elements considered for the calculation are specific to the methodology that Coface has established, the Group having been inspired by the French index in its principle without reproducing identically the conditions defined by the French legislator. French entities subject to the obligation to calculate the professional equality index apply the methodology defined by the respective decree.*

2) *SSC Romania employees are included in the calculation of group-level indicators (4, 5, 6) but excluded from the calculation of regional CER indicators.*

internal options exist when positions become available:

	JULY 2023	JULY 2022
% of single female successors (short term)	30%	29%
% of single female successors (long term)	40%	38%

- Regional Management Committee level. A pool to provide over the very long term (> 5 years) potential future members of the Executive Committee. The proportion of women continues to increase, reaching 49% in July 2023 compared with 46% a year earlier (and 40% in July 2021).

Lastly, to these measurement tools, which have enabled us to focus on managerial promotion and recruitment decisions, Coface has added qualitative processes to make greater overall progress on the career development of all high-potential women:

- an international mentoring programme, including at least 60% women, detailed below;
- a women's career committee process called the Talented Women Career Acceleration Programme, launched in 2020. This makes it possible to review the career progression of high-potential women several times a year and region by region. During this review, Coface decides, if necessary, to provide more resources to some individuals to foster progress, including mentoring and training. Coface can also decide to anticipate a promotion for others or to open up the field of opportunities by imagining more creative paths. These sessions have effectively served to accelerate the careers of many women at Coface. Looking at the high potentials identified in July 2022 and their occupational status at end-June 2023, 57% of women have taken up a new position in the last two years, compared with just 38% of men.

Measuring the impact of all DEI actions internally

Since 2021, Coface's engagement survey has included a section dedicated to diversity, equity and inclusion.

The results of the most recent survey, carried out in November 2023, show a year-on-year improvement in all areas, as well as scores higher than Coface's external benchmark (financial market), with the exception of the question on non-discrimination, for which Coface is at the benchmark level.

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
94%	8.6	8.6	8.5	8.6

2023 benchmark

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
	8.4	8.2	8.3	8.6

2022 data

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
81%	8.4	8.4	8.4	8.5

6.3.3 Attracting, developing and retaining talent; engaging employees

As part of its overall HR strategy, Coface has established a policy on attracting, developing and retaining talent and, more broadly, engaging employees. The policy is reflected in the three pillars of this strategy:

1. contribute to the Company's cultural transformation;
2. partner the business and help to meet Build to Lead objectives;
3. rank as an employer of choice.

In concrete terms, the policy comprises a number of initiatives and programmes, the most representative of which are detailed below. They consist in:

- recruiting the right profiles, particularly in key positions, by developing the Group's reputation and attractiveness and by ensuring, in particular, the representation of women (recruitment to Senior Management positions approved by the Group); filling key positions internally with the best profiles, also with a view to the robust representation of women (internal transfers to Senior Management positions also approved by the Group);
- identifying the best talent to be developed as well as potential successors to key positions (annual Talent Reviews identifying high-potential individuals and their development plans, eligible for international transfers in the short term, succession plans, in particular for Senior Management);
- making international transfer opportunities available to the best talent (posting open positions on the Group intranet, regular occupational mobility committees with regional HR managers, Group approval of inter-regional transfers);
- organising systematic career interviews with the best talent and encouraging managers to conduct these discussions (career interview training programme initiated in 2021);
- strengthening the development offering for the best talent (new Group programme RISE to develop leadership; new Leadership Academy in the APR region; continuation of the Talent programme of the MAR region; Group Mentoring to Lead programme, the global deployment of which continued for the third consecutive year aimed at stepping up the development of future leaders in terms of soft skills, 360° feedback tool introduced across the entire Group in 2022);
- developing internal mobility on a larger scale (formalisation and communication of a Group internal transfer policy under the "Move & Grow" label): changes in business lines and countries are notably encouraged, the aim being to develop the broadest possible understanding of the Company among employees, enhance skills, strengthen the Group culture and develop individual and collective agility;
- expanding the Group's training offer, particularly in terms of business line expertise and by capitalising on digital tools (Underwriting Academy launched in 2021 on CLIC, the Group's digital training platform, continued roll-out of the Commercial Academy for the second year, implementation of a training programme for the Information Sales teams, introduction of an HR Academy in 2022);
- ensuring the proper integration of new hires around the world (*IntoCoface* programme, which continues to be rolled out and whose content was enriched in 2022);
- developing a compensation policy adapted to the Group's strategic challenges over the long term, respecting internal fairness and competition on the market;
- measuring and analysing employee engagement and establishing improvement plans ("My Voice Pulse" survey administered three times a year and initiated in October 2021).

Further information is provided below to illustrate the most representative initiatives in 2023:

Supplementary leadership development programmes

Coface has significantly expanded its offering of programmes aimed at accelerating the development of leadership skills among employees with the greatest potential to progress rapidly in their careers.

First of all, at the Group level, the RISE programme was created in September 2023, bringing together for a seven-month period, 29 intermediate managers with the ability to take on broader roles in the coming years and potentially a position in the top 200. This programme is highly international, with 18 nationalities and 17 countries represented. All Coface regions have appointed participants, as well as the Group's head office. The proportion of women is around 60%. The main objective of RISE is to raise the participants' awareness of the key success factors in exposed positions and acquire or strengthen the corresponding skills. The latter include knowing how to develop a vision and communicate it; working on one's image and reputation within the Company; developing a network and allies across the organisation; taking ownership of one's career; and building a development plan. The programme includes a week-long seminar, organised at the end of November in the Paris region, and a series of remote activities that began before the seminar and will continue until April 2024. Participants are required to step outside their comfort zone and experiment with new situations to develop their skills. The educational activities consist of individual and small group coaching sessions; co-development on real issues encountered at work, also carried out in sub-groups; "career workshops" coordinated by Coface HR teams; webinars led by external speakers to explore new leadership horizons; and Q&A sessions with Xavier Durand and members of the Executive Committee, who share their experience and provide advice on how to succeed as a leader. Halfway through the programme, the initial feedback is excellent, and the objectives of RISE have been fully met.

In the Asia-Pacific region, a Leadership Academy was launched with an initial class of 12 participants over a period of 10 months. The participants completed training modules focused on project management, team management, ethics for leaders, decision-making and communication, and benefited from individual coaching sessions with the trainer. They also worked in sub-groups on three strategic topics selected by the region's management team, with a final presentation to this body at the end of the programme to share their vision and recommendations. Feedback is also very positive at the end of the programme.

The Mediterranean and Africa region continued to roll out its regional talent programme, focusing on more junior profiles than in previous years. The programme thus rounds out the initiative led by the Group on a different target population. Running from July 2023 to early 2024, the programme brings together 18 participants from 8 countries with an equal number of men and women. The initiative serves to develop exposure to the region's top management, train participants on communication and the management of change, time and stress, and enhance their understanding of corporate finance. It also aims to empower beneficiaries to take ownership of the management of their careers.

Recruitment tool and employer brand

To promote its employer brand and develop the means to improve recruitment in a tight job market, Coface carried out a market study to establish an IT system for disseminating job offers and managing applications. The objectives were as follows:

- improve the applicant experience by making it easier to access Coface job offers and submit applications;
- automate the dissemination of job offers on job sites;
- boost the efficiency of the internal application management process, both for HR and for managers recruiting employees for their teams;
- pool applications in a single area and enable access to profiles from other offers or other countries; secure data and meet GDPR requirements; and
- develop reporting to better coordinate recruitment processes and improve their effectiveness.

The initiative was rolled out on a pilot basis in 2023 on an initiative by the CER & NER regions, made up of 13 countries: the entire CER region, as well as Germany. Following a six-month project phase, the new system has been in place since September 2023. Feedback is extremely positive, with managers appreciating the single access to all the applications concerning them and the visibility on the progress of their recruitment. For HR managers, the tool makes it easy to communicate with the various players involved in recruitment processes and become more efficient.

Continued implementation of the Group integration programme

The IntoCoface programme, which has been successfully constructed and implemented since 2020, was enhanced in 2023 by new video bubbles in that can be consulted in standalone mode on the new hires page of the Group's e-learning platform. They make it possible to quickly become familiar with Coface's key characteristics, from a business, product and culture perspective. They systematically feature in-house testimonials fostering sympathy and closeness as well as entertaining educational animations.

Six new video bubbles are dedicated to Coface values, the Diversity, Equity and Inclusion policy, and information on factoring, political risk, surety bonds, and, in terms of product, the sale of collection services.

The regions continued to roll out the integration webinars, the standard format of which was defined with the Group in 2022. The majority of the regions have implemented these webinars, with the exception of America, at a rate of one to four sessions per year. Nearly 380 new hires have benefited from the webinars. Feedback has proved highly positive, confirming the relevance of the webinars relative to their expectations as well as the interest of the content, particularly on the Group's values.

Digital training and "business line" academies

The "business line" Academies continued to be rolled out in 2023.

The "Commercial Academy"

The soft skills development programme implemented with Krauthammer since 2019 moved ahead in 2023. The number of participants is now increasing to a lesser extent as a large proportion of the sales teams have been formed. For reasons of fairness, local entities in 2023 tended to allocate a greater share of their training budget to functions other than those of the Sales Department.

A total of 93 participants were enrolled in one of the Academy's programmes in 2023, from all regions except Latin America. The courses have been streamlined as planned. The flagship programme, known as the "Core Model", which includes all the fundamentals, continued. It accounted for 60% of the year's registrations. A new module, "Negotiating with third parties (brokers or partners)", was developed and implemented. It accounted for 20% of registrations in 2023. The other participants followed the "Advanced Trading" module, launched in 2022.

In total, nearly 800 people have been trained at the "Commercial Academy" since launch and feedback continues to show high levels of satisfaction (4.6/5).

This year, the certification process, based on attendance and an online quiz at the end of the course, was rolled out on a broader scale. Out of 100 eligible people, 42% have already obtained their certification and the others are in progress or are starting the course.

In addition to the soft skills programme, the offer aimed at developing product and process knowledge continued to be restructured for greater clarity. It includes around 100 different courses, including some new modules concerning the Coface Premium Services segment and the generation of leads for digital marketing. It also includes courses for meeting the 15-hour annual individual training requirements of the Insurance Distribution Directive (IDD).

All these catalogues are accessible *via* the Commercial Academy page, a single portal accessible on the Clic digital training platform.

The Underwriting Academy

Launched in early 2021, the Underwriting Academy aims to develop the technical skills of professionals in underwriting and related functions and comprehensively inform all Company employees about this core Coface activity.

It includes a total of 120 training modules, with learning paths built by employee type, depending on their need, including a beginner course comprising 10 broadly accessible introductory modules. This course is available in ten languages.

In 2023, 1,290 employees on permanent contracts signed up for courses at the Underwriting Academy. On average, each of these learners is enrolled in ten courses. Fifty-five per cent of new hires have completed or are currently studying the beginners' course.

The HR Academy

The HR Academy concerns 120 professionals in the HR community, the aim being to train them on key initiatives and processes for the HR function and enable each member to develop the skills necessary to their work or for their future development.

Three new e-learning training modules were published in 2023:

- "Conducting departure interviews following resignation", to improve the Company's ability to retain talent;
- "How to give feedback", to continue to develop a performance culture; and
- "How to publish positions internally", to encourage international occupational mobility.

Five new webinars have also been set up for online training administrators in the various regions to help them continue to improve in their role and develop the use of digital training at Coface.

Lastly, supplementing the "business line" Academies, new digital training courses were launched, including eight mandatory modules for all employees. In addition to essential regulatory topics (cybersecurity, GDPR, sanctions, etc.), two modules concern CSR (awareness of climate change) and the development of Diversity, Equity and Inclusion (how to develop an inclusive culture at Coface). These two training courses are detailed in the paragraphs dedicated to these subjects.

Mentoring to Lead

The aim of this mentoring programme is to share experience between experienced leaders and high-potential employees with a view to boosting their development and increasing their visibility at the Company. Following the implementation of a pilot in France in 2019, implementation at the Group level continued for the fourth year in 2023 with:

- 47 new participants from six regions, 66% of them women, to help expand the pool of future female leaders;
- including the programmes launched in 2022 and continuing in 2023, 97 employees benefited from mentoring this year, of whom 59% were women.

360° feedback

The use of the 360° feedback tool introduced at Coface in 2022 increased in 2023. The aim with the tool is to help personnel selected by their local entities (including high-potential employees preparing for a change, having recently taken up management positions or holding an exposed position) to better pinpoint their development priorities by comparing their own perception with that of their main contacts in the organisation. Developed on a bespoke basis for Coface, the feedback questionnaire assesses skills that reflect the Company's values and culture.

A total of 84 new members, 50% of them managers, were registered in 2023, bringing the total number of beneficiaries to 146 since launch, based in 36 countries. Usage has been stepped up in particular through the integration of 360° feedback into leadership development programmes.

A pool of 27 internal debriefers has been set up within the HR community since launch, including eight new debriefers trained in 2023. Their role is to support beneficiaries in understanding their results and identifying avenues for development. All of them can debrief the results in 12 languages. A substantial proportion of debriefings are carried out internally (86% of the total in 2023), the aim being to optimise costs and strengthen the feedback culture at the Company.

This year, two refresher sessions were organised for internal debriefers, based on peer coaching, during which they were able to benefit from the experience and advice of their peers as well as an expert consultant. They were found to be very beneficial.

Onboarding and training new employees recruited for the information sales business

The integration of nearly 110 new employees in 2023 to enrich the information sales teams once again required an ambitious training and integration plan in 2023.

Some initiatives launched in 2022 have been developed and renewed, and others have been added. This plan is based on four areas:

- E-learning
  - 14 modules on information sales are now available for new recruits, developed in-house. Satisfaction scores are good, with an average score of 4.48 out of 5,
  - 22 "integration champions" have been appointed to support new recruits;
- Acculturation at Coface and connection to the credit insurance business

Eight virtual knowledge-sharing workshops were organised in which employees interact with their credit insurance colleagues to share the respective knowledge of the business lines between the different product lines. 1,300 employees participated, with a satisfaction rate of 82%.

- Sales and product training

Fifteen sessions were organised in 2023, led by head office experts, to train new employees in sales, distribution techniques, products and internal sales processes. A refresher course is organised twice a year *via* e-learning.

- Training of sales managers

A face-to-face session was organised in 2023 for managers of information sales teams. This session was followed by follow-up workshops. Individual support plans have been prepared and implemented, and performance monitoring KPIs have been implemented for this population of managers.

My Voice Pulse

In the last two years, Coface has conducted an employee engagement survey three times a year to ensure greater responsiveness in the implementation of corrective actions when necessary.

The survey compares Coface with the financial market benchmark, with adjustments specific to the reality of its population, thereby ensuring the relevance of the comparison.

The results for 2023 show a continuous improvement in employee engagement with an average of 7.8/10 (7.6/10 in 2022) and an Employee Net Promoter Score (promoters minus detractors) of 32 points (+5 compared with the benchmark and +10 compared with 2022). As for the NPS presented in paragraph 6.2.1 "customer satisfaction", the Employee Net Promoter Score rating scale ranges from -100 to +100.

The main conclusions are:

- in 2023, Coface improved on all indicators, all of which are now at or above the benchmark level, with one exception. Despite good progress, the "reward" indicator is still slightly below the benchmark;
- Coface's values are recognised by all employees, who say that they are well perceived on a daily basis at work;
- the definition of clear objectives and flexibility at work are strongly recognised;
- there remains concern about workload and expectations of measures to increase employee well-being.

Compensation policy

In accordance with the regulatory requirements applying to the insurance sector (Solvency II), Coface's **compensation policy** is reviewed each year to align it with the Group's strategic objectives and ensure effective risk management at the Company.

This policy, detailed in Chapter 2.3.1, aims to define, structure and harmonise rules on compensation through a balanced approach by incorporating short- and long-term fixed and variable components. This policy notably serves to:

- **encourage individual and collective performance**. The bonus policy is reviewed and approved each year by the Management Committee with regard to the Group's priorities;
- **position the Group competitively on the market while respecting its financial balance.** Since 2018, the Group has regularly participated in compensation surveys with a compensation consulting firm specialised in the financial services sector. The objective is to increase knowledge of market practices and ensure informed oversight of Group compensation;
- **retain talent**. Each year, the Group grants free performance shares to a population identified as regulated under the Solvency II Directive and to certain key employees as part of a reward and retention policy. The vesting period for this scheme is set at three years;
- **comply with applicable regulations and internal fairness.** As part of its annual review, the Compensation Department ensures a balanced and fair distribution of budgets for pay rises, notably between women and men. Each local entity also ensures compliance with the legislation in force while respecting the principle of compensation proportional to the nature and duration of the work carried out;
- **support the Group's development strategy over the long-term**. The Group's policy aims to prevent any conflict of interest in its compensation practices and integrate social and environmental issues into its thinking;
- **support the CSR strategy**. In 2020, the Group defined its global car policy with the main objectives of harmonising practices and reducing the carbon impact of the vehicle fleet. This policy was implemented at the entities in 2021 and 2022;
- **Diversify the Group's talent pool through its international *occupational mobility* policy.** International occupational mobility practices remain dynamic, reflecting Coface's ability to continue to offer career development opportunities, while controlling the costs involved in international travel. Coface has a responsible approach to expenditure, keeping it at a level acceptable to the Company while remaining fair to employees.
  - Total number of employees on international transfers in 2023: **100 *vs.* 95 in 2022** (and 86 in 2021):
    - women are highly represented: at 64%, compared with 62% in 2022,
    - cultural diversity remains very strong: 29 nationalities in total.
  - Number of new international transfers in 2023: **22 *vs.* 21 in 2022:**
    - the share of inter-regional occupational mobility remains substantial: at 63%, compared with 71% in 2022,
    - women are highly represented: at 45%, compared with 62% in 2022,
    - non-French people continue to represent the majority: 65%, compared with 73% in 2022 – In total, 11 nationalities are represented.

Measuring the effectiveness of the talent management policy

The following indicators are used to measure the impact of the various initiatives:

- **Breakdown of internal/external candidates among new appointments for Senior Management roles in 2023:** out of 34 new appointments, a significant majority came from internal staff (71% *vs.* 29% from external recruitments);

Offering internal development opportunities at these job levels remains a priority for Coface. At the same time, it consciously seeks out new skills externally, for example to step up the development of information sales, to acquire marketing and purchasing expertise, or to fill General Management positions in countries where mastery of the local language is key and where, as a result, it is more difficult to call on candidates from other countries;

- **Turnover of employees identified as "high potential":** Every high-potential employee leaving the Company is a regrettable loss, even if the number is limited.

People with the greatest potential for development in the Company, given their aspirations and their performance history, are identified as "high potentials" during Talent Reviews. To have a sufficiently representative period for turnover, Coface measures the percentage of employees identified as "high potential" having decided to leave the Company in the following year. Nine per cent of high potentials identified at the beginning of July 2022 resigned in the 12 months that followed, compared with 8.3% the previous year. This very limited increase represents a relatively satisfactory retention capacity in a labour market that favours applicants with advantageous wage offers in a context of high inflation.

Employees' perception of career growth opportunities at Coface is measured via the My Voice Pulse engagement surveys. The overall score of this survey continued to improve, at 7.8/10 in 2023 compared with 7.6 last year. And for the first time, Coface is above the benchmark score for the financial sector (7.7). Progress was achieved across all development issues: career path visibility (7.2/10, up 0.3 points), possibility to acquire new knowledg[1]e (8.1/10, up 0.2 points), opportunity to learn from more senior colleagues (8.2/10, up 0.2 points). Coface scores better than the external benchmark on all these aspects.

In addition, in accordance with France's 2024-2030 Military Planning Act and in order to promote the Nation/Army link, Coface France has introduced a 10-day leave permit per calendar year for reservists. Although the law provides for absence without salary maintenance, Coface has since 2023 decided to maintain the salary of its reservist employees at 100% a year in the event of absence.

6.4 COFACE, A RESPONSIBLE ENTERPRISE

A RESPONSIBLE ENTERPRISE

Major themes addressed:	
Integration of CSR (including the environment) into the commercial policy *(part 6.2)*	
General environmental policy	***R.10***
Carbon assessment, commitment, reduction plan and net-zero trajectory	***R.10***
Energy consumption	***R.10***
Travel and car policy	***R.10***

Environmental issues are becoming increasingly important in public debate. The Paris Agreement, which aims to limit global warming to 1.5 °C compared with the pre-industrial level (and thus targeting carbon neutrality by 2050 at the latest), marks a turning point by recognising the significant role played by companies in global climate governance.

Companies are facing new regulations in this respect, as well as significant pressure from investors and employees to adapt their business activity to current environmental challenges and reduce their environmental footprint.

Companies, Coface included, failing to comply with regulations and contribute to this international effort may be exposed to controversy and see their appeal fade in the eyes of internal and external stakeholders.

1) *Definition of high potential: (i) Senior Manager with the ability to take up a position on the Group Executive Committee (whatever the time scale); (ii) For other levels: employee with the ability to take up a Senior Manager position (whatever the time scale). As a matter of principle, high potentials are identified among Coface employees. However, there may be rare exceptions for the inclusion of external personnel, in countries where they are employed by an intermediary structure (fronter), but where their career is managed by Coface.*

6.4.1 General environmental policy

A policy taking shape

Seeking to contribute to this effort and adapt to current and future regulations, Coface is **beginning by adapting its business model, gradually taking into account the environmental and climate risks of clients and debtors, the environmental and social impacts of investments and by demonstrating its ambition to strengthen its support for ESG projects with its Single Risk activity** (as explained above in paragraph 6.2). In 2021, the Group also **initiated an approach to reduce its environmental footprint, starting with measuring its carbon footprint.**

A carbon assessment was finalised in 2022, based on 2019. This enabled Coface to establish an action plan to reduce its greenhouse gas (GHG) emissions and initiate a trajectory on emissions reduction (the approach explained in Section 6.4.2).

In parallel, Coface implemented a Group vehicle policy in 2020 applying to all entities, the main objectives being uniform and consistent practices and a reduction in the carbon impact of its vehicle fleet. The vehicles available in each country's catalogue must be adapted to the use of drivers. The emphasis is on hybrid and petrol models and a limited range of models per vehicle, the aim being to increasingly reduce the environmental impact of its fleet in future years. Additional options that have a negative impact on vehicle consumption are also prohibited. As explained later in this chapter, the Group has planned a review of its car policy in 2024 in order to limit the increase in the number of cars in the fleet and strengthen the electrification of the fleet.

A travel policy for Coface France employees was also adapted and rolled out for the Group in 2018.

In addition, the building housing the head office in Bois-Colombes since 2013 has a capacity of around 1,200 employees (accounting for approximately 94% of office space in France). It has obtained NF MQE certification (high environmental quality for construction) and BREEAM certification (BRE Environmental Assessment Method). It incorporates current best practices in terms of the immediate environmental impact, construction materials and processes, and production of waste.

The head-office building also has BBC low-consumption certification. It preserves natural resources through various systems; for example, limited need for water for watering recovered from roofs and energy-efficient outdoor lighting.

6.4.2 From measuring the carbon footprint to setting a net-zero trajectory

a) Démarche du bilan carbone

In 2022, Coface carried out a global carbon footprint assessment forming the basis for the development of an action plan to reduce emissions.

The Group's carbon footprint was based on its GHG emissions in 2019, considered as the most representative year for Coface's pre-COVID business activities.

The assessment was performed in collaboration with Goodwill Management, an agency certified by the Bilan Carbone® methodology published by the French Environment and Energy Management Agency (ADEME).

This methodology assesses all the greenhouse gases defined by the IPCC directly and indirectly generated by a company's business activities. These emissions are calculated in several categories (Scope 1, Scope 2 and Scope 3):

- Scope 1: emissions generated directly by the company;
- Scope 2: emissions generated indirectly by electricity and heat purchased and consumed by the company;
- Scope 3: other direct emissions (purchases of services and goods, employee travel, investments, use of Coface credit insurance products, etc.).

*Claims represent the amount of financial support provided to customers

Coface's carbon assessment takes into account all three scopes and, to take account of the impact if is financial flows, focuses on its main business, credit insurance, accounting for nearly 90% of premium income.

Operations include emissions generated by upstream Coface activities and the credit insurance activities themselves:

- purchases;
- transport (passengers);
- energy and fixed assets (Scopes 1, 2 and 3);
- Items related to freight and waste are considered immaterial (between 0% and 0.1% of the carbon footprint).

Regarding the downstream component of the carbon footprint for companies in the financial sector, the methodology takes into account the direct financial support provided by the company. Consequently, investments and compensation paid to clients (reflecting the use of Coface's credit insurance products) were included when calculating the indirect greenhouse gases emitted by Coface's financial flows.

To measure the emissions generated by the financial flows of compensation, Goodwill Management has adapted the Bilan Carbone® methodology, mapping financial flows by sector and country.

A methodology developed by the Carbone4 firm was then applied to eliminate most of the double counts in Scope 3 of emissions related to financial flows. The Carbon Impact Analytics methodology is used to quantify emissions related to energy consumption across the entire value chain by removing repeated counts from the same energy source. For example, a delivery company's consumption of diesel is counted three times (first, in the direct emissions of its carbon footprint; second, in the indirect emissions of the oil company; and third, in the indirect emissions of the company producing the trucks).

To measure GHG emissions related to investments, Coface relied on the data provided by its asset manager, Amundi. The latter's results are more granular and its methodology more adapted to the various types of assets, though with a limited coverage rate (40% of the portfolio) and a limited consideration of Scope 3 emissions (Scope 3 of Tier 1), stemming from the maturity of existing measurement tools.

More than 50 contributors contributed to the data collection phase in 11 countries (France, Germany, Italy, Spain, the United Kingdom, Romania, Austria, the Netherlands, Morocco, the United States, Poland); each one was required to submit the exhaustive data necessary for measuring the carbon footprint. GHG emissions from other countries were extrapolated to the whole group based on their contribution to 2019 revenue, for financial items, and the country's share of the total headcount, for employee-related items (IT equipment, commuting, etc.).

b) Carbon emission reduction plan and trajectory

The carbon assessment was introduced with the aim of implementing a Group decarbonisation strategy based on a regular update of this assessment. As such, a new carbon assessment will be carried out in 2024 in respect of 2023 to assess the impact of the actions implemented since the beginning of the plan. A further assessment will be made in 2026 in respect of 2025 to assess whether or not the commitments made have been achieved.

In 2022, an emissions reduction plan was developed in collaboration with Coface's various departments.

It is naturally structured around three categories: investments, the use of Credit Insurance products (reflected in compensation), and transactions.

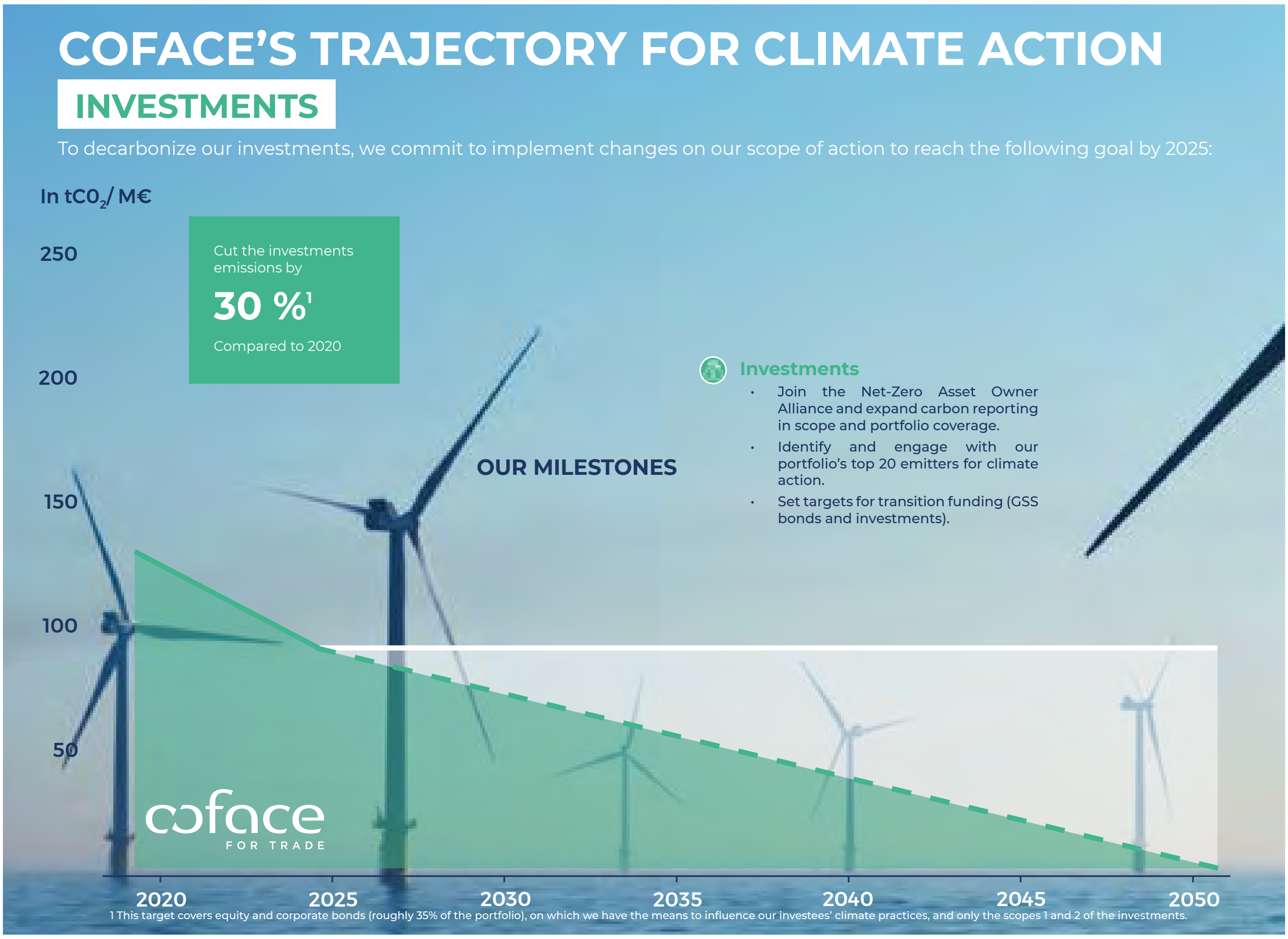
The support and commitment of stakeholders (suppliers, employees, clients, companies in which Coface invests) will be crucial in the coming years to successfully achieve the collective carbon neutrality effort.

1/ Investments

In terms of investments, as mentioned in Section 6.2.3, Coface joined the Net Zero Asset Owner Alliance (NZAOA) in 2023. As part of the Alliance, Coface is committed to ensuring the transition of its investment portfolio to carbon neutrality by 2050.

Coface has approved decarbonisation targets of -30% by 2025 and -40% to -60% by 2030 based on 2020 for listed equities and corporate bonds, Scopes 1 and 2 (as set out in the NZAOA approach). To that end, Coface plans to annually engage the main carbon contributors to its portfolio, set specific climate targets and monitor their conclusions.

The curve below shows portfolio decarbonisation forecasts for 2050.



The white curve represents an estimate of the trend in the carbon emissions of the investment portfolio in the absence of a new decarbonisation target after 2025. This projection only starts from 2025 because Coface has already made a decarbonisation commitment for 2025. The absence of an increase in the carbon footprint (expressed in tCO_2 equivalent per €m invested) is mainly explained by:

- continued pressure from institutional investors on issuers through the engagement pillar;
- regulatory pressure on issuers through the CSRD directive, applicable from 2025 (based on the 2024 financial year), which will broaden the scope of companies concerned by the non-financial reporting obligation (carbon footprint, objective, trajectory and action plan).

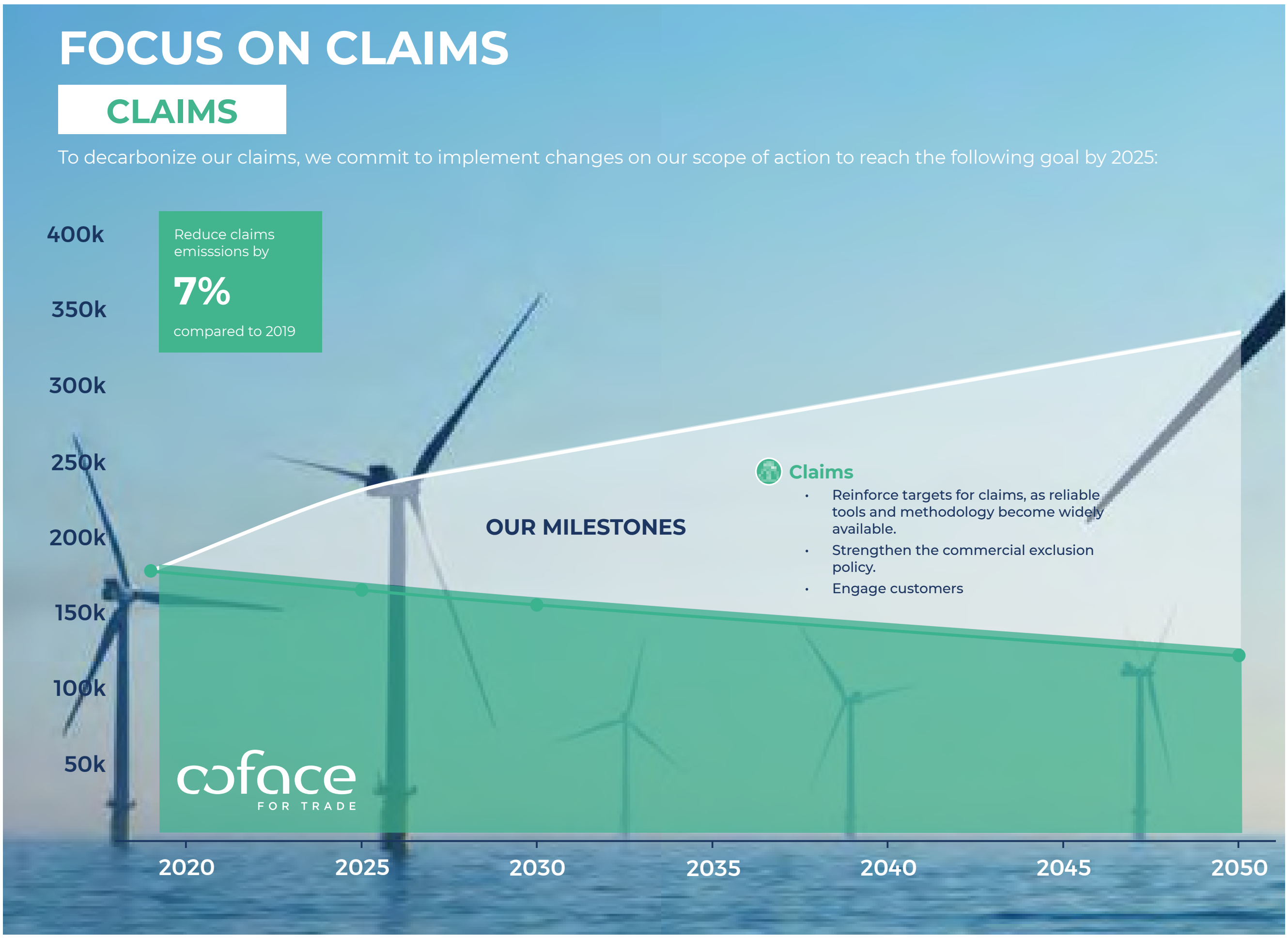
These two factors serve to offset the growth potential of the covered portfolio (with the inclusion of real estate, infrastructure).

The green curve represents Coface's commitment by 2025, while the dotted green line shows the trajectory for achieving net zero emissions by 2050.

2/ Use of Coface Credit Insurance products (reflected in compensation)

In 2022, Coface committed to reducing emissions related to the use of its Credit Insurance products (reflected in compensation) by 7% between 2019 and 2025. The reduction action plan was based on a twofold strategy:

- The commitment of clients to reduce their emissions;
- The revision of its commercial exclusion policy.



In 2023, as mentioned in Chapter 6.2.2 a), Coface strengthened its commercial exclusion policy, in particular excluding new credit insurance policies aimed primarily at insuring the sale of oil and natural gas taken out by financial institutions or covering a single buyer.

Credit insurance-related GHG reduction targets will be gradually reassessed in the coming years and accompanied by the development of appropriate tools.

3/ Operations

The carbon footprint of all Coface's operations in 2019 amounted to 42,762 tCO_2eq, or 9.6 tCO_2eq per employee. This carbon assessment forms the basis of the plan to reduce operations developed in close collaboration with Coface's various departments. In 2022, emission reduction workshops were organised at the Group level with the IT, Human Resources, General Resources and Purchasing Departments. They were accompanied by digital and physical workshops open to employees in the regions, the aim being to collectively discuss all possible reduction initiatives and engage all employees in a reduction approach.

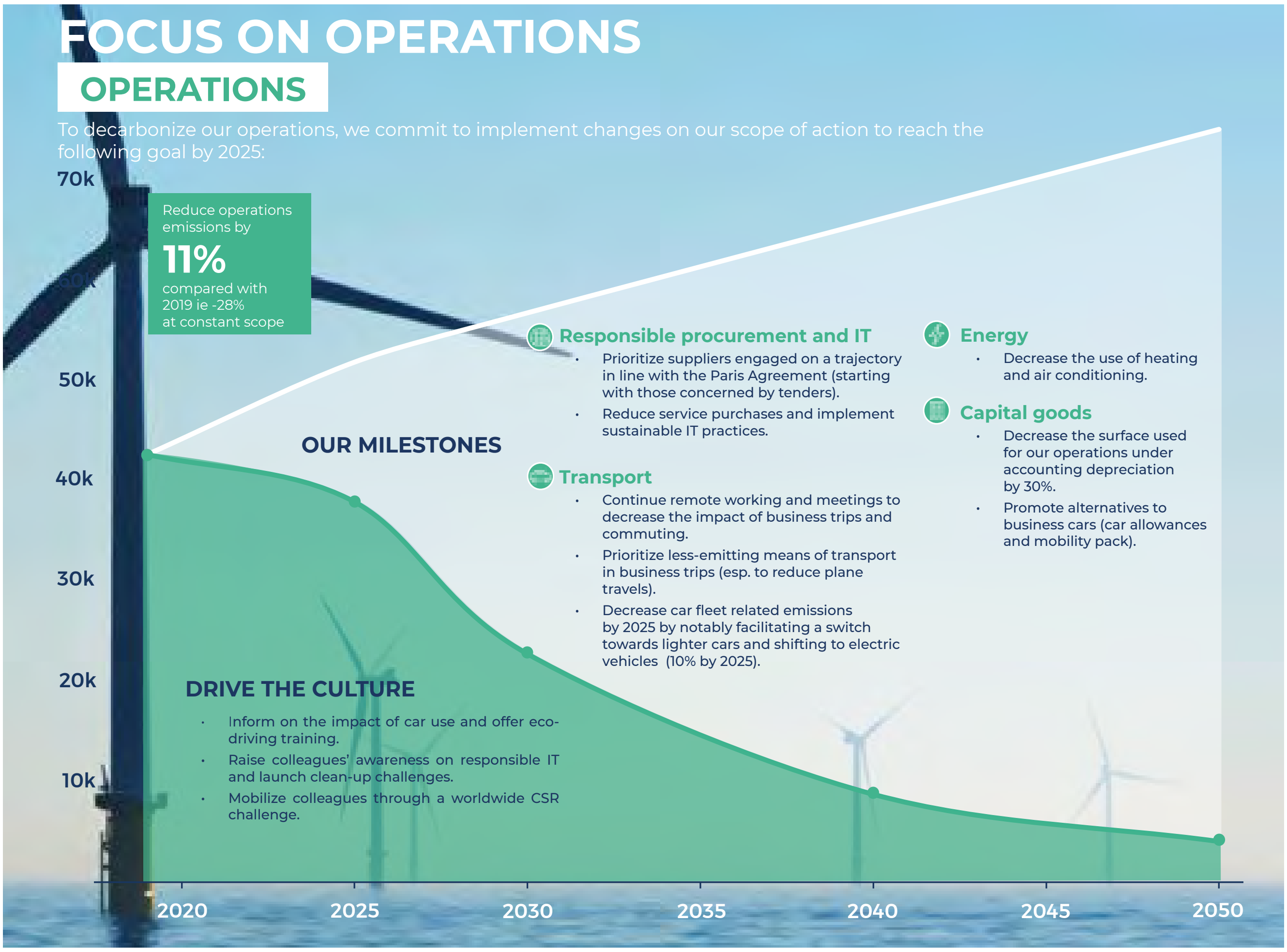
Drawing on these results, Coface aims to reduce its GHG emissions from operations by 11% between 2019 and 2025 and contribute to carbon neutrality by 2050 despite estimated growth in revenue and the growing number of employees (total effort of -28% in emissions to offset estimated growth over the period).

Coface's objectives for 2025 are based on the estimated and quantified impact of all the drivers used in the emission reduction action plan for the coming years.

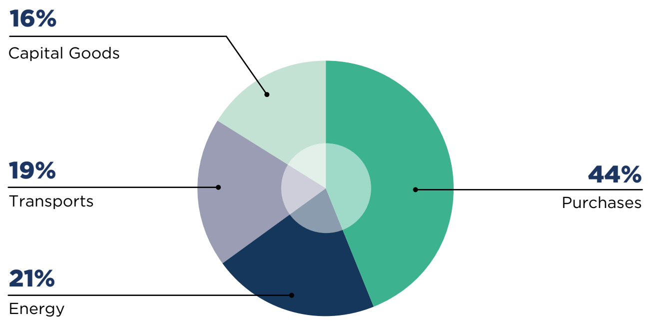
Starting in 2030, the figures will be positioned on a Science Based Target initiative (SBTi) trajectory such that the entire roadmap contributes to carbon neutrality by following a trajectory limiting global warming to 1.5 °C above the pre-industrial period, in accordance with the Paris Agreement.

For its 2023 carbon assessment, Coface will seek to refine the data collected in order to avoid the use of financial ratios as much as possible and favour physical data (*e.g.* number of emails sent and average weight of an email or total volume of data on our servers, rather than the amount spent on Outlook licences) with much higher certainty rates. This will serve to enrich the action plan with finer data and provide a greater number of quantitative objectives, notably for Purchasing and IT.

Importantly, Coface will use the GHG protocol methodology recommended by the CSRD from 2024 (2023 assessment) to prepare for the implementation of this new regulation in 2024. Coface will therefore try to isolate changes related to methodological changes as much as possible. The implementation of the CSR data collection platform aims to support these changes and facilitate the calculation of the carbon footprint of countries' operations.



The GHGs generated by Coface's operations are divided into four categories: purchases, transport, energy and fixed assets. All the initiatives mentioned below are targets for 2025 and the reduction indicators are based on the results of Coface's carbon assessment in 2019.



Energy: fuel vehicle electricity, lighting, heating
Transport: business travel, commuting

In 2023, the Group asked each regional director, with the help of the regional CSR champions, to assess their progress on the various initiatives provided for in the plan, as well as their action plan to meet the commitments by the end of 2025. All the progress reports and action plans were presented to the Group CSR Committee in July 2023.

i. Responsible purchasing

Purchases represent the largest category of the GHG emissions generated by Coface operations. Coface plans to accelerate the implementation of its Purchasing action plan in 2024, notably integrating into calls for tenders the engagement of its suppliers and service providers and selection criteria serving to highlight those committed to a trajectory compatible with the Paris Agreement. Efforts will also be made to gradually obtain accurate figures on their carbon footprint from existing suppliers.

Environmental issues have already been added to the annual performance assessment process for the Group's strategic and critical IT suppliers: the "Supplier Relationship Management" SRM. These questions mainly concern suppliers' carbon footprint and their emission reduction commitments and are part of the final supplier rating.

A CSR questionnaire has also been added to the Group purchasing specifications template, covering carbon issues as well as Diversity, Equity and Inclusion. In addition, Coface plans to review its Group purchasing rules in order to incorporate more CSR-related items at the beginning of 2024.

To optimise the purchase of IT services and the corresponding physical data (such as data stored in emails or servers), Coface plans to implement responsible digital practices to raise employee awareness of the social and environmental impacts of the digital industry and disseminate a set of best practices (including regular data sorting habits and a more responsible method for sharing large files).

The emissions reduction plan also aimed to reduce printing by 30% between 2019 and 2025 to limit the use of all the resources (paper, ink, etc.) necessary for printing. On this point, the implementation of teleworking enabled a reduction of nearly 30% by the end of 2023.

As part of the regional implementation of the plan, the volume of data on shared files (F://) was the main focus of France, which set a target of a 3% decrease in the total volume of data. The amount of data present for each shared folder, by department, was analysed in order to challenge the teams on their real needs and highlight "dead data", *i.e.* files that had not been used for more than two years. At the end of 2023, France managed to reduce its data volume on the shared F:// folder by more than 9%.

ii. Transport

Travel policy

The travel policy for Coface France employees was adapted and rolled out for the Group in 2018.

As part of this update, special attention was paid to environmental issues. To fully involve employees in this approach, the Group travel policy highlights a number of best practices aimed at raising employee awareness with regard to business travel:

- opting for telephone calls or video conferences;
- choosing train travel for short trips;
- proposing carpooling solutions between co-workers and/or taxi sharing;
- limiting printing by carrying out all procedures online (boarding pass, insurance card, etc.).

	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES				
TYPE OF TRAVEL	EQ. TONNES CO_2 2023	EQ. TONNES CO_2 2022	EQ. TONNES CO_2 2021	EQ. TONNES CO_2 2020	EQ. TONNES CO_2 2019 (1)
Aeroplane	516	503 (2)	134	151	860
Train	50	25 (2)	9	15	29

	2023		2022		2021		2020		2019	
(Eq. tonnes CO_2 equiv.)	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE
France	2.5	206	2	213	0.4	64	1	67	3	394
Germany	15	17	7	22	0	10	0	10	0	37
Italy	3	54	2	44 (2)	3	13	2	5	2	119
Spain	6.7	35	6	25	0.5	17	2	15	11	68
United Kingdom	21	39	6.3 (2)	42 (2)	4	1	6	3	0	20
Poland	0.8	15	0.4	17	0.8	0.6	3	2	10	37
Morocco	0.05	6.3	0	10	N/A (1)	N/A (1)	N/A (1)	N/A (1)	0 (3)	11 (3)
Netherlands	0.9	8.4	1	1	N/A (1)	0.4	N/A (1)	2	0 (3)	7 (3)
Austria	0.03*	27*	0	10	0.1	6	N/A (1)	7	0.4 (3)	7 (3)
Romania	0.02*	30	0.1	48	0.2	4	N/A (1)	5	1.2 (3)	39.1 (3)
United States	0.2	78	1	70	0.5	17	N/A (1)	35	0.9 (3)	121 (3)

** Value including estimates.*
(1) No journeys in that year.
(2) Data were corrected in 2023 retroactively in respect of FY22.
(3) The data were not published in 2019 but were collected and calculated as part of the carbon footprint assessment carried out by COFACE in 2023 for the 2019 financial year.

To enable the true comparability of data and reporting scopes between 2019 and 2023, and therefore the monitoring of the plan to reduce emissions related to Coface's operations, the table above has been enriched with 2019 data for Morocco, the Netherlands, Austria, Romania and the United States (which were not yet part of the reporting scope that year).

As in 2022, business travel (client visits and internal travel) increased in most countries in the reporting scope in 2023. Trains are now favoured, particularly in Germany and the United Kingdom, although the use of planes is also increasing in some countries, such as Italy, Spain, the Netherlands, Austria and the United States. In addition to the increase in the workforce:

- these countries welcomed employees working for the Group who travel more often to join the head office and keep in touch with their teams in Bois-Colombes;
- long-distance client visits also contributed to the increase in kilometres travelled in 2023.

Although air and train travel may increase in some countries compared to last year, efforts to reduce non-essential business travel and teleworking habits are reflected relative to 2019. By comparing GHG emissions, it can be seen that, between 2019 and 2023, emissions related to train travel increased by more than 70% while those related to air travel decreased by 40%, *i.e.* a decrease of around 36% in total emissions related to train/plane between 2019 and 2023.

Coface is pursuing and stepping up its efforts to reduce business travel by reviewing the travel policy to favour the use of trains and by promoting remote meetings. This objective is sometimes difficult to implement given the poorly developed railway infrastructure in many countries in which Coface operates and long travel distances in certain countries, such as the United States. Post-COVID, the creation of new types of employment such as remote workers (employees working for a given country but located in another country), which favours an increase in the number of employees working for the group, but located in the regions, adds an additional difficulty that needs to be monitored.

Car and commuting policy

As detailed in paragraph 6.4.1, Coface has implemented a vehicle policy since 2020.

Emissions related to the use of cars account for around 25% of Coface's carbon footprint in terms of operations (vehicle fleet fuel, employee commuting, business travel in cars and emissions related to the manufacture of fleet cars) but account for around 45% of Coface's action plan to reduce carbon emissions.

To reduce the environmental impacts of the Coface fleet, the action plan presented last year for 2025 is underpinned by several drivers:

- the maintenance of remote working 2 to 3 days per week and additionally 4 weeks/year of 100% remote working, enabling the closure of offices and the elimination of commutes during this period;
- raising employee awareness of the social and environmental impacts of the use of individual vehicles to promote a shift from cars to public transport;
- the drafting of guidelines for the various countries to ensure that when offices move, the new location is strategically positioned with regard to public transport access;
- the electrification of 10% of the vehicle fleet by 2025;
- reducing the number of cars in the Coface fleet by offering alternatives to employees (more attractive car allowances);
- facilities offered to employees, in some countries, to have a small-capacity company car during the year and lease/replace their car with a higher-capacity car during holiday periods.

After an initial regional review of the progress on the reduction plan related to car use, the Group CSR Committee decided to focus on key initiatives, for which targets will be strengthened. Each region's contribution to the reduction plan will now be monitored on a quarterly basis as part of the Business Reviews conducted by the CEO with the regional directors.

To that end, a working group, chaired by the Director of the Mediterranean Africa region, was set up to collect in more detail the progress of the 11 countries with the largest vehicle fleets (scope later to be extended to 15 countries – *i.e.* all countries with a fleet of 10+ vehicles) on the various actions. A 2025 projection was then established based on current trends.

With teleworking now implemented 50% worldwide, together with the occasional closure of offices in some countries and today's more efficient vehicles, it is already possible to foresee a significant reduction in commuting-related emissions in the next carbon assessment. But the large number of recruitments of sales staff with a company car in recent years will not allow Coface to leverage vehicle fleet reductions to reduce emissions by 2025. As such, Coface will need to limit the increase in the number of cars in its fleet, in particular by offering alternatives to cars and strengthening its electrification objective by promoting electric cars in catalogues, if it is to offset the carbon shortfall.

The working group carried out an analysis of the maturity of countries with regard to electric-car infrastructures with the aim of setting ambitious and personalised objectives on fleet electrification for each country concerned.

As the modal shift to public transport is difficult to measure and strengthen in some countries and is also complicated to manage at the Group level, it was decided that this initiative should always be firmly encouraged but not overseen by the working group, at least initially.

For France, for example, the weight of the fleet at December 31, 2023 was 127g according to the WLTP standard. Vehicle CO_2 emissions are rated at the time of purchase. As the fleet is renewed, the CO_2 emissions of vehicles are taken into account according to the new WLTP (Worldwide Harmonised Light Vehicle Test Procedure) calculation standard, which assigns an average of 20% to 30% additional CO_2 emissions for the same combustion vehicle. In addition, diesel cars are still present in the fleet, but it is no longer possible to order them.

06

TABLE OF FUEL AND ELECTRICITY CONSUMPTION SINCE 2019

	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES					2019: FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UK
	2023	2022	2021	2020	2019 (1) COMPARABLE SCOPE	2019
Diesel and Super *(litres)*	698,817	654,088	521,631	538,505	817,116	708,905
Electricity *(Mwh)*	138	N/A	N/A	N/A	N/A	N/A
Eq. tonnes CO_2	2,111	1,743	1,387	1,437	2,948	1,847

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(Fuel (diesel and four-star premium fuel) in litres)	2023			2022			2021	2020	2019	2019 *VS.* 2023
	DIESEL	***PREMIUM***	**TOTAL**	***DIESEL***	***PREMIUM***	**TOTAL**	**TOTAL**	**TOTAL**	**TOTAL**	
France	100,575*	72,611*	173,186	109,640*	56,922*	**165,295**	137,374	115,197	166,930	+8.4%
Germany	154,963	68,745	223,708	168,201	51,070	**219,271**	155,221	201,394	322,688	(31%)
Italy	84,117	17,152	101,269	77,715	8,397	**86,112**	67,094	48,865	96,243	+5.2%
Spain	10,741	15,769	26,510	3,616	3,016	**6,632**	5,112	4,263	12,784	+107%
United Kingdom	0	211*	211	1,385	3,536	**4,921**	3,446	2,584	9,983	(98%)
Poland	2,478	63,153	65,631	2,328	70,209	**72,537**	61,287	61,098	100,277	(35%)
Morocco	11,192*	2,579*	13,771	10,085	1,998	**12,083**	14,010	10,755	10,802 (1)	+27%
Netherlands	0	40,695	40,695	0	29,487	**29,487**	31,772	49,929	26,820 (1)	+52%
Austria	4,229*	15,146*	19,375	13,362	9,246	**22,608**	16,174	25,979	25,979 (1)	(25%)
Romania	3,484	30,977	34,461	5,536	28,339	**33,875**	30,141	18,442	44,610 (1)	(23%)
United States										N/A (2)

** Value containing estimates.*

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) As the United States does not have a fleet of owned or leased vehicles, it does not report this indicator.

For Spain and the United Kingdom, the scope has been changed in the indicators in order to harmonise practices and align with other countries:

- in Spain, we now count all the litres of fuel consumed by the fleet cars for which Coface pays. This includes the total consumption of Directors' vehicles paid by Coface rather than client visits only, as was the case previously;
- for the United Kingdom, until now all the fuel consumed by vehicles for which the Company has paid a car allowance, but which are not part of the Coface fleet, was counted. These vehicles are now excluded from the scope to include only the fleet of Coface vehicles (owned or leased).

In addition, the emission factor used to calculate the CO_2 emissions related to diesel consumption was modified to align with that taken into account for France during Coface's carbon assessment in 2023 in respect of 2019 (from 2.64 to 3.1, resulting in a mechanical increase in emissions of 15% with equivalent consumption).

Electricity (Mwh)	2023		
	OFFICE	***NON-OFFICE***	**TOTAL**
France	2.6	1.3	3.9
Germany	34*	36	70
Italy	0	3.6	3.6
Spain	0	0	0
United Kingdom	0	0	0
Poland	0	0	0
Morocco	0	0	0
Netherlands	0	61*	61*
Austria	0	0	0
Romania	0	0	0
United States			N/A (1)

** Value containing estimates.*

(1) As the United States does not have a fleet of owned or leased vehicles, it does not report this indicator.

For the electricity consumed by charging hybrid or electric fleet vehicles, several reasons can explain the data at 0: no charging station in the offices, consumption unable to be separated from the general consumption of the building, hybrid vehicles not rechargeable *via* electricity, no reimbursement of non-office charges yet.

Since 2022, the changes made to the Coface vehicle fleet have resulted in an increase in petrol consumption or electricity consumption for the charging of plug-in hybrids or 100% electric cars (for the countries concerned) and the initiation of a decline in diesel consumption. Austria is a good example; diesel cars having been replaced in 2023 by petrol hybrid vehicles. The litres of fuel consumed shifted from diesel to petrol and their total decreased, as did the related emissions.

Looking beyond changes in scope, and despite the electrification of the fleet, fuel consumption has increased overall since 2021 with the lifting of pandemic-related restrictions. This is explained by:

- the resumption of visits by clients and other stakeholders;
- the return of employees to the office;
- the increase in the number of cars in some countries, linked to the increase in the workforce, mainly in information sales,

On a like-for-like basis between 2019 and 2023, the fuel consumption of the fleet decreased by 14% and the emissions generated by the fleet fell by 28%.

iii. Energy

Consumption indicator

The Group's energy consumption concerns lighting, air conditioning and heating of the premises. Electricity consumption for the charging of hybrid or 100% electric cars is included only if it cannot be isolated from the building's overall energy consumption.

Between 2019 and 2025, Coface aims to reduce its GHG emissions generated by energy consumption. It will do so primarily through:

- a 30% reduction in total office space;
- the optimisation of offices according to the number of employees on site;
- the enhanced use of heating and air conditioning.

/ REPORTED ENERGY CONSUMPTION SINCE 2019 FOR THE REPORTING SCOPE

	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES										2019: FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UK	
	2023		2022		2021		2020		2019 [1] COMPARABLE SCOPE		2019	
	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2
Electricity	4,418	1,228	4,792	1,469	4,766	711	4,690	694	5,850 [1]	2,679 [1]	5,007	573
Gas	708	152	730 [2]	156 [2]	550 [2]	118 [2]	445 [2]	95 [2]	735 [1][2]	157 [1][2]	375 [2]	80 [2]
District heating	2,237	238	N/A									
Back-up generators	24,304	80	N/A									
Surface area	56,006 m²		64,896 m²		64,896 m²		65,123 m²		N/A		34,776 m²	

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) Data corrected retroactively in 2023.

Following an in-depth review, Italy's gas consumption was reclassified as "District heating" from 2023 and the historical data was retroactively corrected.

Changes in methodology should be noted in the calculation of equivalent CO_2 emissions:

- *the emissions factors used up to now for electricity for countries outside France only took into account emissions related to power-plant combustion (Scope 2 for electricity). Upstream and downstream emissions were added in order to align with the approach used in France up to now, but also as part of the carbon assessment carried out in 2019. This methodological change automatically increases emissions related to electricity consumption by 50% for countries with equal consumption (excluding France, where the basis is comparable);*
- *the same emissions factor was used for gas consumption for all countries. Coface now uses one emissions factor for France, one for other European countries, and one for countries outside Europe. The objective once again is to better reflect reality and align with the calculations made to carry out the 2019 carbon assessment;*
- *for electricity, with a view to the upcoming application of the GHG Protocol, emissions can now be calculated in two ways:*
  - i. location-based methodology: emissions are calculated based on the emissions intensity of the local network where the electricity is used,
  - ii. market-based methodology: emissions are calculated based on electricity specifically purchased by the organisation, often in the form of contracts or instruments such as Renewable Energy Certificates (RECs).

To promote the transition to renewable energy contracts at Coface sites and thus contribute to financing the energy transition of countries, the Group has decided to postpone report on market-based emissions for countries with 100% renewable energy, *i.e.* Germany and Spain (since November 2023 in all offices).

	2023			2022		2021		2020		2019		% CHANGE 2023 *VS.* 2019	
(Consumption MWh)	ELEC-TRICITY	GAS	DISTRICT HEATING	ELEC-TRICITY	GAS	ELEC-TRICITY	GAS	ELEC-TRICITY	GAS	ELEC-TRICITY	GAS	ELEC-TRICITY	GAS
France	1,592*	333	N/A	1,703	303	1,599	245	1,507	165	1,836	205	(13%)	62%
Germany	1,670*	N/A	1,688*	1,727	N/A	1,714	N/A	1,673	N/A	1,960	N/A	(15%)	N/A
Italy	280*	N/A	549*	280	N/A [2]	288	N/A [2]	286	N/A [2]	427	N/A [2]	(34%)	N/A
Spain	180*	N/A	N/A	213	N/A	295*	N/A	317	N/A	469	N/A	(62%)	N/A
United Kingdom	62*	56*	N/A	174*	150	186*	150	179	171	210	170	(70%)	(67%)
Poland	75	N/A	N/A	88*	N/A	107*	N/A	123	N/A	104	N/A	(28%)	N/A
Morocco	70	N/A	N/A	65	N/A	81	N/A	68	N/A	99 [1]	N/A	(29%)	N/A
Netherlands	141*	N/A	N/A	157*	N/A	203*	N/A	192	N/A	192 [1]	N/A	(27%)	N/A
Austria	71*	N/A	N/A	78	N/A	72	N/A	93	N/A	155 [1]	N/A	(54%)	N/A
Romania	193*	305*	N/A	214*	263*	110	138	91	93	238 [1]	348 [1]	(19%)	(12%)
United States	83*	14*	N/A	92*	14	110	17	159	17	158 [1]	12 [1]	(47%)	17%

** Value containing estimates.*

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) The data were corrected in 2023 retroactively in respect of FY 2022.

Electricity consumption fell by 8% in 2023 due to the measures taken to achieve the emission reduction targets, including the reduction in the surface area of premises (mainly in the United Kingdom and Spain), the weeks of total office closures in summer in Poland, and the reduction in heating and air conditioning by 2 °C in France. In addition, there was an electrical failure in the Bois-Colombes building in France that lasted one month (during which the main back-up fuel generators ensured the necessary electricity consumption).

Total gas consumption decreased slightly, a result of the closed offices in the UK that used gas.

On a like-for-like basis, electricity and gas consumption fell by nearly 22% compared with 2019.

Two new types of energy consumption are reported in 2023:

- the consumption of heating-fuel back-up generators: used in France to compensate for the electrical failure;
- urban heating/air conditioning networks ("district heating"): used in Germany and Italy (replacing what was previously counted as gas consumption).

In terms of related emissions for 2023, the valuation of market-based emissions for renewable energy (mainly in Germany) offsets the mechanical increase linked to the change in emissions factors and the use of back-up generators in France.

iv. Fixed assets

/ TABLE LISTING FIXED-ASSET SURFACE AREAS IN 11 COUNTRIES

Country	M² IN 2023	M² IN 2022
France	18,135	18,882
Germany	16,973	21,488
Italy	4,400	4,981
Spain	1,820	1,820 [1]
United Kingdom	489	971
Poland	2,535	2,535
Morocco	2,305	2,305 [1]
Netherlands	2,000	2,000 [1]
Austria	1,595	1,595 [1]
Romania	2,432	2,432 [1]
United States	3,322	4,296

(1) Corrections were made to data published in 2022.

For Italy, completely empty and unused spaces were taken into account until now in the reported surface area. These spaces are now excluded, in line with the surface area used in the carbon assessment carried out in 2023.

To limit the environmental impact of fixed assets, Coface has committed to reducing office space by 30% in all 58 countries between 2019 and 2025. Significant reduction efforts have already been made in several regions following the introduction of teleworking or flex offices. After Spain in mid-2022, the United Kingdom moved to premises nearly twice as small in 2023 and an office was closed in the United States. France and Germany have also returned or sub-let part of their premises. As this is starting to be reflected in the figures, these actions help to naturally reduce electricity, heating and air conditioning consumption.

Coface also plans to increase the lease term of electric fleet vehicles (+1 year) to maximise the vehicle use period and exceed the carbon footprint depreciation period related to their production. Coface has chosen not to extend the contract term for internal-combustion cars in order not to slow down the electrification of the fleet.

6.5 DRIVING THE CULTURE

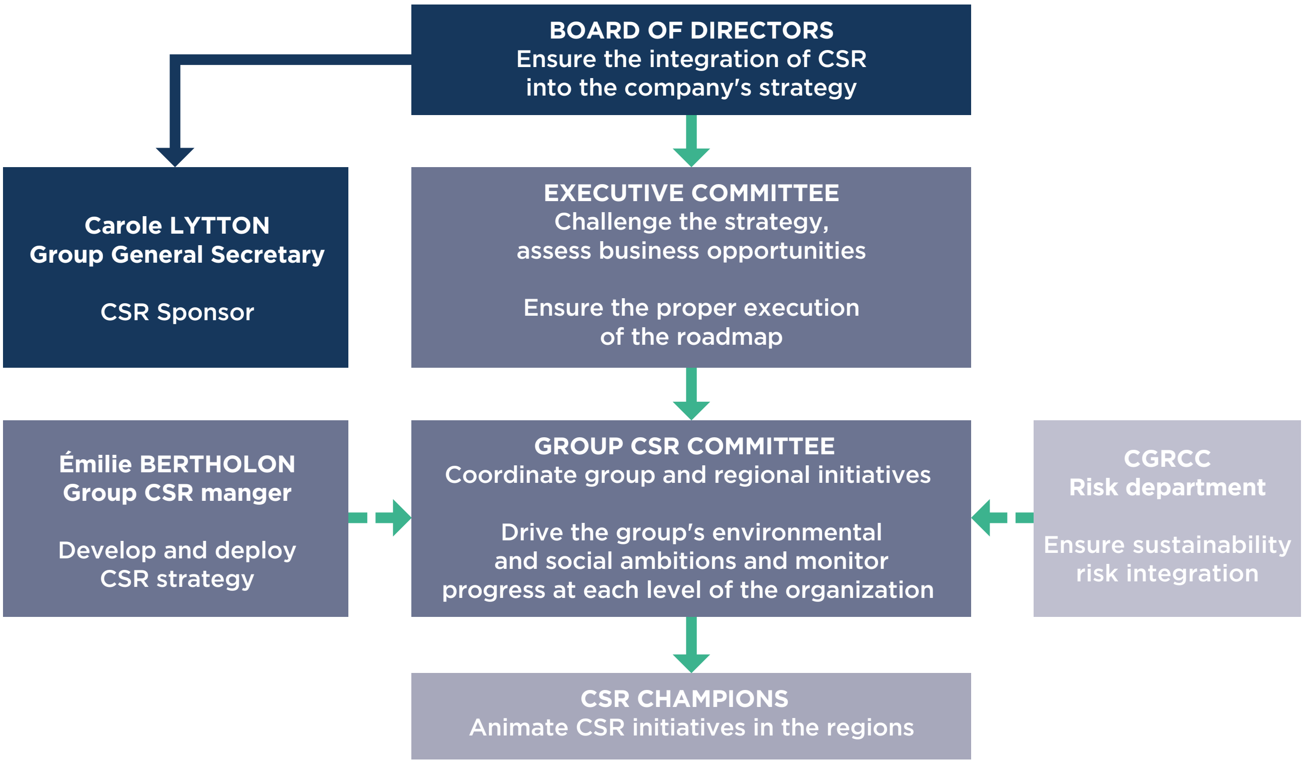
To succeed in the approaches presented in reference to the first three pillars of the CSR strategy, Coface has implemented a cornerstone initiative called "***Driving the culture***" aimed at structuring the Group's ESG approach and developing a robust culture of responsibility among all Coface's stakeholders through a communication plan.

Governance reviewed

Coface introduced a CSR governance system in 2022 mainly based on a network of CSR champions in the various regions and a CSR Committee including all the members of the Executive Committee and chaired by the CEO. The Group CSR Manager also attends Group Risk Committee Meetings to ensure that ESG issues are properly taken into account at Coface. The role of champions is to communicate on the CSR strategy within their region and to collect ideas or questions from employees. The champions also organise awareness-raising initiatives or workshops in the regions, work together with the Communication Department and the regional management, and help with the implementation of the emissions reduction plan in the regions.

The role of the Group CSR Committee is to coordinate Group and regional initiatives while steering Coface's environmental and social ambitions and progress at each level of the organisation.

The Board of Directors is regularly informed about the CSR strategy, particularly through the Nomination, Compensation and CSR Committee. The Board monitors the progress of the initiatives launched in this context.



To strengthen the development of a responsible culture at each level of the organisation, some regions, such as Latin America, have sought out CSR correspondents in each of their countries.

Continuous awareness-raising

In June 2023, Coface organised its strategic seminar, known as the Leadership Meeting, bringing together all Senior Management members (Top 200). One of the four workshops of this seminar was dedicated to Coface's decarbonisation strategy, mainly for credit insurance products.

As in the previous two years, Coface took advantage of the three European Sustainable Development weeks in September and October to organise conferences aimed at:

- ***Conference 1:*** reviewing Coface's greenhouse gas emissions reduction plan, and in particular the commercial exclusion policy and details of the reduction plan in operations;
- ***Conference 2:*** discussing decarbonisation drivers in major sectors such as metallurgy, plastics and construction with Araceli Fernandez Pales, process engineer and energy analyst at the International Energy Agency;
- ***Conference 3:*** "deconstructing accepted ideas on the ecological transition", presented by Christina Stuart and Clément Mallet, sector experts at Carbone4 and Carbone4 Finance.

In the same period, a CSR challenge was launched at the Company comprising five phases, each one including photo/video challenges or sporting challenges, quizzes, surveys and links to further information the various topics, ranging from the IPCC report and soft mobility to ecology in the office, digital pollution and responsible consumption.

In addition to this challenge, and the Diversity, Equity and Inclusion challenge held earlier in the year, numerous local initiatives aimed at promoting daily sports activities were organised. For the CSR challenge, for example, the 203 participating teams completed a total of 110,933,000 steps (equivalent to 2054 marathons or 86,600 kilometres) over a three-week period around the world.

In November 2023, a mandatory e-learning module was launched in eight languages to raise employee awareness of environmental issues worldwide. The objective was to understand concepts such as the greenhouse effect, GHGs and their consequences, carbon sinks, and complex subjects including carbon neutrality issues. The course also covered the four business sectors with the highest carbon emissions and measures for fighting against climate change. In addition, the module served to remind all employees of Coface's plan to reduce GHG emissions. One month after launch, more than 95% of employees had completed the training, in line with the target.

Lastly, in 2023, Coface launched a structuring project to prepare for the new Corporate Sustainability Reporting Directive (CSRD). It began with an initial comparison between the items published in the 2022 annual report and the requirements of the regulation, and then launched the construction of a dual materiality matrix in collaboration with Coface's various stakeholders. This project will continue throughout 2024 with a view to producing the first sustainability report within the meaning of the CSRD in 2025, in respect of the 2024 financial year.

6.6 EUROPEAN TAXONOMY

Pursuant to EU Regulation 2020/852 of June 18, 2020, known as the "Taxonomy Regulation", Coface is required, when closing its 2023 financial statements, to publish the information provided for in Article 8 of said regulation, supplemented by the Commission Delegated Regulation of July 6, 2021.

The European Taxonomy classifies economic activities having a positive impact on the environment.

The objective is to direct investments towards activities considered as environmentally sustainable with a view to achieving carbon neutrality by 2050.

The Taxonomy Regulation identifies economic activities that contribute substantially to six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

On January 1, 2024 (based on the 2023 financial year), Coface's regulatory obligation concerns the publication of information relating to eligible activities aligned with the European Taxonomy under the first two environmental objectives in force; and also the publication of information relating to eligible activities under the other four environmental objectives.

As a reminder, an aligned activity must:

- Be eligible for the European Taxonomy;
- Contribute substantially to one or more of the environmental objectives;
- Do Not Cause Significant Harm to any of the environmental objectives (DNSH);
- Carried out in compliance with certain minimum guarantees (human and social rights).

6.6.1 Investment indicator

According to the European Commission FAQ published in December 2021, insurers are obliged to publish the information required by the European Taxonomy regulation based on the real information published by companies.

For fiscal year 2023, Coface will publish two regulatory ratios for the investment ratio, namely a weighted ratio based on revenue (CA) and a weighted ratio based on capital expenditure (CAPEX).

The investment ratios published below are based on the actual data reported by the companies. The ratio corresponds to the amounts of assets aligned (in market value) with the European Taxonomy regarding the first two climate objectives (climate change mitigation and adaptation) relative to the market value of the covered assets.

Regulatory investment ratio reported based on revenue

BASED ON REVENUE	MARKET VALUE *(in €)*
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities (including green bonds) relative to the value of total assets covered by the KPI	74,126,460
The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	1,956,821,112
REGULATORY INVESTMENT RATIO INCLUDING TAXONOMY-ALIGNED GREEN BONDS (AS A % OF COVERED ASSETS)	**3.8%**

The exposure to Taxonomy-aligned economic activities (including aligned green bonds) of Coface's investment portfolio amounts to 3.8% of covered assets, based on actual data weighted by the companies' revenue.

BREAKDOWN OF NUMERATOR	MARKET VALUE *(in €)*	% OF EXPOSURES ALIGNED
Value of Taxonomy-aligned exposures to non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	20,140,110	27%
Value of Green Bonds whose economic activities are aligned with the Taxonomy	53,986,350	73%
NUMERATOR TOTAL (=EXPOSURE TO TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - INCLUDING ALIGNED GREEN BONDS)	**74,126,460**	**100%**

BREAKDOWN OF THE DENOMINATOR	MARKET VALUE *(in €)*	% OF COVERED ASSETS
The percentage of derivatives relative to total assets covered by the KPI.	147,633	0%
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI	1,290,613,890	66%
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI	123,754,628	6%
The proportion of exposures to other counterparties over total assets covered by the KPI	542,304,962	28%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

INDICATOR OF ELIGIBILITY FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Share of exposures to economic activities not eligible for Taxonomy, relative to total assets covered by the KPI	1,887,538,814	96%
Share of exposure to Taxonomy-eligible economic activities in total assets covered by the KPI	69,282,298	4%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

EXPOSURE TO ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF ELIGIBLE EXPOSURES
Value of all investments that finance economic activities eligible for the Taxonomy and aligned with the Taxonomy	20,140,110	29%
Value of all investments that finance economic activities eligible for Taxonomy but not aligned with Taxonomy	49,142,188	71%
TOTAL EXPOSURES ELIGIBLE FOR THE TAXONOMY	**69,282,298**	**100%**

BREAKDOWN OF REGULATORY INVESTMENT RATIO BY ENVIRONMENTAL OBJECTIVE BASED ON REVENUE (CA)	MARKET VALUE *(in €)*	*As a %*
(1) Climate change mitigation	15,606,664	77%
(2) Climate change adaptation	1,576,198	8%
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
REGULATORY INVESTMENT RATIO (EXCLUDING ALIGNED GREEN BONDS)	**20,140,110**	**100%**

(1) CLIMATE CHANGE MITIGATION	MARKET VALUE *(in €)*	*In %*
Transitional activities	304,483	4%
Enabling activities	7,665,360	96%
	7,969,842	**100%**

(2) CLIMATE CHANGE ADAPTATION	MARKET VALUE *(in €)*	*In %*
Enabling activities	1,403,353	100%
	1,403,353	**100%**

Regulatory investment ratio reported based on CAPEX

BASED ON CAPEX	MARKET VALUE *(in €)*
Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI	44,407,109
Monetary value of assets covered by the KPI. Excluding investments in sovereign entities	1,956,821,112
REGULATORY INVESTMENT RATIO (AS A % OF COVERED ASSETS)	**2.3%**

Exposure to economic activities aligned with the Taxonomy for Coface's investment portfolio amounts to 2.3% of covered assets, based on actual data weighted by companies' capital expenditure.

BREAKDOWN OF NUMERATOR	MARKET VALUE *(in €)*	% OF EXPOSURES ALIGNED
Value of Taxonomy-aligned exposures to non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	44,407,109	100%
NUMERATOR TOTAL (=EXPOSURE TO ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY)	**44,407,109**	**100%**

BREAKDOWN OF THE DENOMINATOR	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Percentage of derivatives relative to total assets covered by the KPI	147,633	0%
Share of exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU, as a proportion of total assets covered by the KPI	1,290,613,890	66%
Share of exposures to financial and non-financial companies subject to Articles 19a and 29a of Directive 2013/34/EU, as a proportion of total assets covered by the KPI	123,754,628	6%
Exposure to other counterparties and assets as a proportion of total assets covered by KPI	542,304,962	28%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

INDICATOR OF ELIGIBILITY FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Share of exposures to economic activities not eligible for Taxonomy, relative to total assets covered by KPI	1,849,381,303	95%
Share of exposure to Taxonomy-eligible economic activities in total assets covered by KPI	107,439,809	5%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

EXPOSURE TO ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF ELIGIBLE EXPOSURES
Value of all the investments that are funding Taxonomy eligible economic activities, and taxonomy aligned	44,407,109	41%
Value of all the investments that are funding Taxonomy eligible economic activities, but not taxonomy aligned	63,032,700	59%
TOTAL EXPOSURES ELIGIBLE FOR THE TAXONOMY	**107,439,809**	**100%**

BREAKDOWN OF REGULATORY INVESTMENT RATIO BY ENVIRONMENTAL OBJECTIVE BASED ON CAPEX	MARKET VALUE *(in €)*	*As a %*
(1) Climate change mitigation	39,873,004	90%
(2) Climate change adaptation	4,386,869	10%
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
REGULATORY INVESTMENT RATIO	**44,407,109**	**100%**

(1) CLIMATE CHANGE MITIGATION	MARKET VALUE *(in €)*	%
Transitional activities	628,613	4%
Enabling activities	15,499,576	96%
	16,128,189	**100%**

(2) CLIMATE CHANGE ADAPTATION	MARKET VALUE *(in €)*	%
Enabling activities	3,650,162	100%
	3,650,162	**100%**

Share of investments in taxonomy-eligible activities under the four other environmental objectives

Given the lack of actual data reported by companies, Coface is not in a position to determine investments in taxonomy-eligible activities under the other four environmental objectives. Coface will publish this information when actual data reported by companies becomes available.

SHARE OF INVESTMENTS IN ACTIVITIES ELIGIBLE FOR TAXONOMY UNDER THE OTHER FOUR ENVIRONMENTAL OBJECTIVES, BASED ON REVENUE	MARKET VALUE *(in €)*	*As a %*
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
N/A: NOT AVAILABLE BY OUR DATA PROVIDER	**N/A**	**N/A**

SHARE OF INVESTMENTS IN TAXONOMY-ELIGIBLE ACTIVITIES UNDER THE OTHER FOUR ENVIRONMENTAL OBJECTIVES, BASED ON CAPITAL EXPENDITURE (CAPEX)	MARKET VALUE *(in €)*	*As a %*
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
N/A: NOT AVAILABLE BY OUR DATA PROVIDER	**N/A**	**N/A**

Methodology

In accordance with Article 7.1 of Commission Delegated Regulation (EU) 2021/2139:

- covered assets (ratio denominator) correspond to the total invested assets including exposures to cash and cash equivalents, excluding exposures to central governments, central banks and supranational issuers;
- derivatives and investments in companies not subject to the NFRD and non-EU companies are excluded from the numerator of the key indicators but are included in the denominator;
- exposures to assets eligible for the European Taxonomy concern corporate bonds, listed equities and cash and cash equivalents.

All Taxonomy data has been transmitted and checked by our asset manager Amundi. The Amundi Taxonomy methodology was audited by Coface in 2022.

The breakdown of environmental objectives on climate change mitigation and adaptation cannot be added up to calculate total aligned revenue and total aligned investment expenditure. Companies sometimes report only on the total, and not on detail by environmental objective. In addition, revenue, as well as capital expenditure, can be considered to be both aligned with the objective of climate change mitigation and adaptation to climate change. The addition of the two factors would thus result in double counting.

INVESTMENT PORTFOLIO	MARKET VALUE *(in €)*	% OF TOTAL PORTFOLIO
Covered assets	1,956,821,112	58%
Exposure to sovereign and similar issuers	1,391,641,178	42%
TOTAL INVESTMENT PORTFOLIO	**3,348,462,290**	**100%**

Nuclear energy and fossil gas

According to the European Commission’s FAQ, financial companies must report on nuclear and fossil gas activities by completing templates 1, 2, 3, 4 and 5 of the Complementary Delegated Act on Gas and Nuclear Activities.

Template 1: Activities related to nuclear energy and fossil gas

Given the patchy actual data (reported by companies), Coface has filled in template 1 using a conservative and cautious approach. Coface will publish this information when the actual data reported by companies is available and complete.

LINE	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The Company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	Yes
2	The Company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	Yes
3	The Company carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	FOSSIL GAS ACTIVITIES	
4	The Company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	Yes
5	The Company carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The Company carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	Yes

Template 2: Taxonomy-aligned economic activities (denominator) based on revenue

Given the fragmented actual data (reported by companies), Coface is not in a position to communicate the breakdown of economic activities aligned with the Taxonomy referred to in lines 1 to 6. Coface will publish this information when the actual data reported by companies is available and complete.

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	74,126,460	3.8%	74,126,460	3.8%	0	0%
8	Total applicable KPI	1,956,821,112	100%	1,956,821,112	100%	1,956,821,112	100%

Template 2: Taxonomy-aligned economic activities (denominator) based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	44,407,109	2.3%	44,407,109	2.3%	0	0%
8	Total applicable KPI	1,956,821,112	100%	1,956,821,112	100%	1,956,821,112	100%

Template 3: Taxonomy-aligned economic activities (numerator) based on revenue

Given the fragmented actual data (reported by companies), Coface is not in a position to communicate the breakdown of economic activities aligned with the Taxonomy referred to in lines 1 to 6. Coface will publish this information when the actual data reported by companies is available and complete.

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	mount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	74,126,460	100%	74,126,460	100%	0	0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	74,126,460	100%	74,126,460	100%	74,126,460	100%

Template 3: Taxonomy-aligned economic activities (numerator) based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	mount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	44,407,109	100%	44,407,109	100%	0	0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	44,407,109	100%	44,407,109	100%	44,407,109	100%

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities based on revenue

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 abo ve in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND

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Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 abo ve in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND

Template 5: Taxonomy non-eligible economic activities based on revenues

LINE	ECONOMIC ACTIVITIES	AMOUNT	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	**ND**	**ND**
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**ND**	**ND**

Template 5: Taxonomy non-eligible economic activities based on CAPEX

LINE	ECONOMIC ACTIVITIES	AMOUNT	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	**ND**	**ND**
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**ND**	**ND**

Given the fragmented actual data (reported by companies), Coface is not in a position to complete templates 4 and 5 for the 2023 financial year. The Group is committed to monitoring the progress of publications by the companies concerned in order to complete these templates for the next financial year.

6.6.2 Underwriting indicator

Coface's teams understand that this indicator concerns "***non-life insurance covering risks related to climate risks***" as specified in Appendix 2 of the Taxonomy Regulation – Regulation (EU) 2020/852.

The business lines referred to in the delegated acts of the Taxonomy Regulation relate to the eight non-life business lines within the meaning of the Solvency II Directive, namely:

(a) medical insurance;

(b) income protection insurance;

(c) workers' compensation insurance;

(d) motor vehicle civil liability insurance;

(e) other motor vehicle insurance;

(f) marine, air and transport insurance;

(g) fire and other property damage insurance;

(h) assistance insurance.

Coface's activities (credit insurance, single risk, information sales, factoring and bonding) are therefore neither eligible for nor aligned with the Taxonomy Regulation. Consequently, its eligibility and alignment ratio is equal to 0% for the 2023 financial year.

The underwriting KPI for non-life insurance and reinsurance undertakings

ECONOMIC ACTIVITIES (1)		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE ADAPTATION			DNSH (DO NO SIGNIFICANT HARM					
		ABSOLUTE PREMIUMS, YEAR T (2)	PROPOR-TION OF PREMIUMS, YEAR T (3)	PROPOR-TION OF PREMIUMS, YEAR T-1 (4)	CLIMATE CHANGE MITIGATION (5)	WATER AND MARINE RESOURCES (6)	CIRCULAR ECONOMY (7)	POLLU-TION (8)	BIODIVER-SITY AND ECO-SYSTEMS (9)	MINI-MUM SAFE-GUARD (10)
		MILLIONS D'EUROS	%	%	OUI/NON	OUI/NON	OUI/NON	OUI/NON	OUI/NON	OUI/NON
A.1.	**Non-life insurance and reinsurance underwriting Taxonomyaligned activities (environmentally sustainable)**	0	0	0	NA	NA	NA	NA	NA	NA
A.1.1.	Of which reinsured	0	0	0	NA	NA	NA	NA	NA	NA
A.1.2.	Of which stemming from reinsurance activity	0	0	0	NA	NA	NA	NA	NA	NA
A.1.2.1.	Of which reinsured (retrocession)	0	0	0	NA	NA	NA	NA	NA	NA
A.2	**Non-life insurance and reinsurance activities eligible for taxonomy but not environmentally sustainable (activities not aligned with taxonomy)**	0	0	0	NA	NA	NA	NA	NA	NA
B.	**Non-life insurance and reinsurance activities not eligible for the taxonomy**	1,868.2	100%							
	TOTAL (A.1 + A.2 + B)	**1,868.2**	**100%**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

"Premiums" in columns (2) and (3) shall be reported as gross premiums written or, as applicable, turnover relating to non-life insurance or reinsurance activity.
The information in column (4) shall be reported in disclosures in the year 2024 and thereafter.
Non-life insurance and reinsurance can only be aligned with Regulation (EU) 2020/852 as activity that enables climate change adaptation.

6.6.3 Points of compliance of Coface strategy with the Taxonomy regulation

Annex 11 of Delegated Regulation (EU) 2021/2178 provides that financial companies describe the points of compliance of the financial undertaking's economic strategy with Regulation (EU) 2020/852.

As Coface's economic activities are not eligible for the Taxonomy, Coface has no points of compliance between its commercial underwriting strategy and the above regulation.

Concerning the investment portfolio, as mentioned in Chapter 6.2.3, Coface has policies limiting activities related to coal or unconventional hydrocarbons. In accordance with Amundi's management policy, Coface plans to phase out thermal coal in its investments by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

6.7 STANDARDS AND METHODOLOGY

6.7.1 Methodology for identifying non-financial risk

Non-financial risks have been mapped in several steps:

1/ The first step consisted in ***identifying a fairly broad spectrum of non-financial issues*** 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 phase resulted in the identification of a little over 20 risks in four areas:

- environmental risks (responsible enterprise);
- social risks (responsible employer);
- risks related to our core business (responsible insurer); and
- governance risks.

Risk identification is an ongoing process that involves the business line managers with the assistance of risk managers. This identification is based on:

- the experience and knowledge of the business lines of the processes for which they are responsible, as well as the analysis of events that may negatively or positively affect these activities;
- the analysis of failures and incidents having occurred during the year, in particular by identifying the root causes of these events;
- Risks may also be detected when analysing new projects, products or new regulations.

2/ Risks are also assessed on an ongoing basis, *i.e.* at least once a year with the business line manager during Risk Identification and Assessment Meetings, and whenever a significant risk event occurs requiring an update of the assessment (major incident or significant failure identified during internal controls or external audits).

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.

3/ 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:

- an Environmental KRI on the coverage rate in the ESG rating of the investment portfolio as well as the share of the lowest-rated companies;
- a Social KRI on gender equality within the Company;
- a Governance KRI that measures client and partner satisfaction.

These indicators have therefore been monitored since 2022 by the Management Committee and, as with other risk appetite indicators, presented to Coface's Board of Directors and its Risk and Compliance sub-committee.

6.7.2 General organisation of reporting

Coface strengthens its non-financial reporting guidelines every year in order to ensure a unique and consistent framework across the reporting scope.

The information presented in this document was produced internally on the basis of information provided by the heads of each area concerned.

- The information in the "***Responsible insurer***" paragraph was provided by the following departments:
  - Group Marketing (client satisfaction),
  - Commercial Subscription (commercial exclusion policy),
  - Group Investments, Financing and Treasury (environmental and social impact of investments),
  - Underwriting and Economic Research (consideration of environmental risk in the credit risk assessment and environmental impact of the debtor portfolio),
  - Risk (discontinuity of Coface's transactions relative to environmental and cybersecurity risks),
  - Legal (subcontracting and suppliers),
  - Compliance (fair practices),
  - Taxation (tax evasion).

These components were coordinated by the Group's CSR Department.

- The corporate information and indicators in the "***A responsible employer***" paragraph were supplied by the HR Departments of the entities in the reporting scope and by the person in charge of Personnel Reporting and were coordinated by the Group Human Resources Department;
- ***Environmental*** information comes from the departments responsible, within the reporting scope, for general resources, as well as from the Group Human Resources (travel and vehicle policy) and Group Purchasing (vehicle policy) Departments.

Reporting period

Unless stated otherwise, all figures refer to financial year 2023, corresponding to calendar year 2023.

Comparable data, on a like-for-like basis, is sometimes presented for previous years for purposes of comparison.

Reporting scope

The information presented in this document was produced for the first time for financial year 2014, and the figures contained therein concerned the French scope, with an illustration of the policies, processes, tools, initiatives and actions at Group level.

Since 2014, the Group extended its reporting scope with each new reporting year until 2020, as presented in the table below.

FINANCIAL YEAR	REPORTING SCOPE	INFORMATION REGARDING THE SCOPE ADDED	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S WORKFORCE	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S TURNOVER
2014	France	The French scope concerns (i) COFACE SA and (ii) its subsidiary, *Compagnie française d'assurance pour le commerce extérieur* (iii) excluding its second subsidiary, Coface Ré, which is not registered in France and has a total workforce of 11 employees based in Switzerland.	24%	20%
2015	France and Germany	The German scope concerns the three German companies, Coface Finanz GmbH, Coface Rating GmbH and Coface Debitorenmanagement GmbH, as well as the German branch of Compagnie française d'assurance pour le commerce extérieur.	40%	36%
2016	France, Germany and Italy	Italy includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur and a service company devoted to debt collection operations, Coface Italia SRL.	43%	43%
2017*	France, Germany, Italy and Spain	Spain includes the insurance branch and a service entity, Coface Servicios España.	42%	53%
2018	France, Germany, Italy, Spain and the UK	The UK includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface UK Holdings Ltd and a service entity, Coface UK Services Ltd.	43%	56%
2019	France, Germany, Italy, Spain, UK and Poland	Poland includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, two service entities, Coface Poland Insurance Services and Coface Poland CMS, as well as a factoring company, Coface Poland Factoring.	47%	59%
2020	France, Germany, Italy, Spain, United Kingdom, Poland, Morocco, Netherlands, Austria, Romania and United States	**1)** Morocco includes the insurance subsidiary of Compagnie française d'assurance pour le commerce extérieur, Coface Maroc SA and a service subsidiary, Coface Services Maghreb. **2)** The Netherlands includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Netherland Branch and a service entity, Coface Nederland Services BV. **3)** Austria includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Niederlassung Austria, the holding company, Coface Central Europe Holding GmbH and the service entity, Coface Austria Kreditversicherung Service GmbH. **4)** Romania includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Sucursala Bucuresti and two service entities, Coface Romania Insurance Services and Coface Romania CMS. **5)** The United States comprises two insurance subsidiaries of Compagnie française d'assurance pour le commerce extérieur, Coface North America Inc and Coface North America Insurance Company, the holding company, Coface North America Holding Company and the service subsidiary, Coface Services North America Inc.	62%	73%
2021		Same scope as 2020	63%	72%
2022		Responsible employer (social reporting) Environmental reporting: same scope as 2021	100% 63%	100% 71%
2023		Responsible employer (social reporting) Environmental reporting: same scope as 2022	100% 63%	100% 72.9%

** Although the reporting scope was significantly extended in 2017, its representativeness as regards the workforce decreased due to a reduction in the workforce in France. This decrease was due largely to the transfer of the State guarantees management business to Bpifrance Assurance Export on January 1, 2017, which re sulted in 249 departures.*

Methodological details on the information communicated

A responsible employer

- Social indicators cover the entire Group, broken down by region. As mentioned above, the description of policies, processes and HR tools are defined at Group level unless otherwise noted;
- All figures concerning the workforce, contract type, nationality, age and diversity were obtained from the new Group HRD tool, My HR Place, an online internal tool - with the exception of the list of Senior Managers and the calculation of the Gender Index, which are managed in Excel spreadsheets;
- The workforce is calculated taking into account employees on permanent contracts or fixed-term contracts (including temporary inactives" since 2023, "leaves of absence") still present at the Company on the evening of December 31;
- "Leaves of absence" concern employees on permanent or fixed-term contracts whose contract has been suspended for a short period for one of the following 4 reasons (paid or not): parental leave, long-term illness (over 3 months), assignment (ex. Coface), or other long-term inactivity;

- As from 2023, "temporary inactive" employees are also included, *i.e.* permanent and non-permanent contracts that have been suspended for a long period, for one of the following two reasons (paid or not): parental leave (maternity, paternity, etc.) and early retirement;
- Expatriates are counted in the country in which they work;
- The following are excluded: apprentices or work-study participants, external auditors, external sales agents, temporary workers, interns and subcontractors;
- The "percentage of women managers" indicator takes into account the number of women in "managerial" positions on 12/31/N (numerator) out of the total number of employees in "managerial" positions on 12/31/N (denominator);
- The following employees must be counted as managers, according to the "Hierarchical Level" in My HR Place:
  - *senior managers,*
  - *middle managers,*
  - *line managers;*
- The Group Gender Index is made up of all Coface entities, grouped into seven regions: APR, CER, LAR, MAR, NAR, NER, WER and HQ (WER and HQ being accounted for separately since 2023):
  - members of the Executive Committee (except for criterion 5) and Coface Ré and BDC, which belong to very specific markets, are excluded from the scope of the analysis,
  - for criteria 1 and 5, the analysis is carried out based on the annual basic salary,
  - the Group index is calculated based on data from each regional index, weighted by the workforce of each region at the Group (for criteria 1, 2 and 3 only),
  - criteria 4, 5 and 6 are calculated on a Group consolidated basis,
  - as the Shared Service Centre ("SSC") in Romania is not attached to the CER region, the employees are not included in the regional study carried out for the calculation of indicators 1, 2 and 3. However, the SSC is included in the Group's consolidated indicators (4, 5 and 6).

/Environmental responsibility

	REPORTING SCOPE	COMMENT	ELECTRICITY CONS. (KWH)	GAS CONS. (KWH)	ELECTRICITY CONS. (L)	DISTRICT HEATING CONS. (KWH)	PETROL CONS. (L)	DIESEL CONS. (L)	TRAIN TRAVEL	AIR TRAVEL
France	Registered office (Bois-Colombes) and offices in Lyon, Strasbourg, Nantes and Toulouse. Lille and Marseille are excluded (service provision)	For all offices at head office and in the regions, only the head office uses gas.	✓	✓	✓	N/A	✓	✓	✓	✓
Germany	Mainz (main office) and offices in Hamburg, Berlin, Nuremberg, Bielefeld, Cologne, Stuttgart and Munich	Coface Germany does not use gas. For its electricity consumption, the contract provides for 100% renewable resources.	✓	N/A	✓	✓	✓	✓	✓	✓
Italy	Milan (main office) and 1 office in Rome		✓	N/A	✓	✓	✓	✓	✓	✓
Spain	Madrid (main office) and offices in San Sebastián, Alicante, Valencia, Seville, Pamplona, Barcelona and A Coruña.	Coface Spain does not use gas. 100% renewable electricity contracts were signed in 2023	✓	N/A	N/A	N/A	✓	✓	✓	✓
United Kingdom	London (main office) and offices in Watford and Cardiff	Confirmation expected if new London and Cardiff offices use gas	✓	N/A	N/A	N/A	✓	N/A	✓	✓
Poland	Warsaw (main office) and offices in Krakow, Gdynia, Katowice and Poznan.	Coface Poland does not use gas.	✓	N/A	N/A	N/A	✓	✓	✓	✓
Netherlands	Breda (main office)	Coface Netherlands does not consume gas.	✓	N/A	N/A	N/A	✓	N/A	✓	✓

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	REPORTING SCOPE	COMMENT	ELECTRICITY CONS. (KWH)	GAS CONS. (KWH)	ELECTRICITY CONS. (L)	DISTRICT HEATING CONS. (KWH)	PETROL CONS. (L)	DIESEL CONS. (L)	TRAIN TRAVEL	AIR TRAVEL
Austria	Vienna (main office) and 1 office in Graz.	Coface Austria does not use gas.	✓	N/A	N/A	✓	✓	✓	✓	✓
Romania	Bucharest (main office) and 2 offices in Cluj and Timisoara.	Timisoara (shared offices: ex. reporting).	✓	✓	N/A	N/A	✓	✓	✓	✓
Morocco	Casablanca (main office)	The country does not use train travel and mileage for air travel is not available.	✓	✓	N/A	N/A	N/A	N/A	✓	✓
United States	Princeton (principal) and offices in Hunt Valley and New York.	As no vehicles are leased or owned, the information is not available. Only the California office (closed in November 2023) reported gas use.	✓	✓	N/A	N/A	N/A	N/A	✓	✓

Selected emissions factors

Greenhouse gas emissions (electricity and gas mix, diesel, petrol, train and plane) were calculated on the basis of the CO_2 emission factors or equivalent available in the ADEME Carbon Base®, when the data were present. The objective is also to align as closely as possible with the factors used in the Carbon Review carried out in 2023 in respect of the 2019 financial year.

Energy

More specifically for electricity:

- the "electricity grid mix" factors for each country were used;
- for countries outside France, these emission factors only include emissions related to power plant combustion. Coface thus increased the emission factor by the same proportion as upstream and downstream accounts for the French emission factor (approximately 50%);
- for countries with renewable energy, emissions are calculated using the market-based methodology using only the share of the emission factor representing upstream and downstream.

For gas, three emission factors are used:

- natural gas 2022 - Average mix – consumption in France;
- emission factor from the EPA base for the US;
- natural Gas Europe (kCO_2/kWh GCV) for other countries.

For the operation of back-up generators in France and Germany, the emission factors used are those of heavy/commercial fuel oil in France and Europe.

For district heating, it is proposed to use a factor provided locally. If this is not available, the default factor is the one in the ADEME Carbon Base® "Heat network/Other heat networks/2021".

Fuel for fleet cars

In the ADEME Carbon Base®, the identifiers of the emission factor are "Gazole Routier B7" for diesel and "Supercarburant sans plomb" (95 95-E10. 98) for petrol.

Train and plane travel

The aircraft emission factor is the same for all countries and was calculated by taking the average of the three emission factors: 2018 short-, medium- and long-haul passenger aircraft without contrail impacts.

For train travel:

- the factors present in the ADEME Carbon Base® for each country are used. For France specifically, under the assumption that journeys are mainly between two major cities in France, the train emission factor chosen in the ADEME Carbon Base is that of TGV high-speed trains, with identification number 28145:
  - for train travel in Romania and Poland, a European emission factor (Ecoinvent® base) was applied,
  - for the United States and Morocco, a global conversion factor (Ecoinvent® base) was used.

Methodological details

Energy

- The electricity consumption table contains estimates for France (offices in Lyon, Strasbourg, Nantes and Blagnac), Germany, Spain (offices in Seville and Barcelona), Austria, Romania and the Netherlands, as December invoices were not available at the time of Chapter approval. The gas consumption table contains estimates for Romania for the same reason.

- Most of the estimates were made using a common methodology of taking the actual and total consumption from January to November 2022, dividing it by 11 and multiplying it by 12. For Romania, electricity and gas consumption in December was calculated using consumption in December 2022, as it was much higher than the average for the rest of the year. For the Lyon office, the value was estimated for 4 months on the basis of FY21 and FY22 averages, following a fault on the EDF meter that prevented the data from being read.
- The electricity and gas tables also contain estimates for Italy, the United Kingdom and the United States, where accurate consumption data could not be obtained for some offices from the building owner. In this case, estimates were made on the basis of the square metres occupied by Coface relative to the consumption of the entire building, where available, or to the consumption per square metre recorded in another Coface office in the country.

Fuel for fleet cars

- Reported fuel consumption corresponds to the consumption of company vehicle fleets for long-term leasing. No country in the scope owns vehicles. Consumption represents the fuel that is reimbursed by Coface, either for the entire use of the vehicles or for business travel only (according to contractual agreement with the employee);
- The fuel consumption table contains estimates for Morocco and Austria, as the rental agency reporting was not available for December, when the Chapter was approved, and for France and the UK, because, in addition to the rental agencies' reporting, the expense reports had not yet all been received either. This estimate was calculated based on the same methodology of taking the actual and total consumption from January to November, dividing it by 11 and multiplying it by 12.

Plane and train travel

The mileage for Austria and Romania was estimated for the month of December, as not all the data from the travel agency and expense reports were available when approving the Chapter.

As the Company's activity has a limited impact on the areas listed below, they have not been, or are no longer, covered:

- paper consumption;
- tackling food waste;
- combating food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food; and
- the circular economy.

6.8 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

Year ended December 31, 2023

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac) (Cofrac accreditation under number 3-1886 scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- As stated in the methodological note in section "6.6.2 General organization of reporting", the reporting scope for environmental indicators covers 63% of the workforce for the 2023 financial year.
- The policy of ESG integration criteria in investment has been defined by Coface and executed by the mandated asset management company, but the formalization of related controls needs to be strengthened.
- The sectorial exclusion policies are defined but have no controls related.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on the Entity's website or on request from its headquarters.

Limits inherent in the preparation the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management of COFACE SA is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq of the French Commercial Code, *with our verification program consisting of our own procedures* and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, *Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of three people between December 2023 and March 2024 and took a total of four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement representing in particular Group Marketing; Human Resources; CSR; Commercial Underwriting; Investments; Group Financing and Treasury; Risks.

Our work involved the use of information and communication technologies, which allowed us to carry out our work and interviews remotely, without this hindering their completion.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of tall the consolidated entities' activities and the description of the main risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector.

- We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important [1]. Concerning certain risks [2] or information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes that we considered to be the most important [3], we implemented:
  - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities [4] and covers between 16% and 61% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the Entity

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 4 April 2024

One of the Statutory Auditors,

Deloitte & Associé

Damien Leurent	Julien Rivals
Partner, Audit	Partner, Sustainability Services

1) ***Selected qualitative information**: Service quality improvement program, Commercial exclusion policy, D&I policy, including Reverse mentoring and training, Attractiveness policy, including International mobility, High Potentials, Mentoring to Lead.*

2) ***Risks**: Lack of customer and partner satisfaction; Lack of integration of CSR into business policy; Investment in assets that are not responsible from an environmental, governance or social point of view; Lack of attractiveness for Talent (recruitment and retention: development, integration of new arrivals, etc.).*

3) ***Social indicators**: Workforce by gender and type of contract; proportion of women among employees, managers and senior managers; Gender equity index; turnover rate of employees identified as high-potential; Senior management: percentage of internal vs. external candidates.*
***Environmental indicators**: CO2 emissions linked to electricity, gas and fuel consumption, and to rail and air travel.*
***Societal indicators**: Single Risk ESG projects; Response rate to monthly barometric surveys.*

4) *COFACE France, COFACE Italy*

150,179,792 SHARES
COMPRISING
THE SHARE CAPITAL

0.78%
TREASURY STOCK

0.84%
EMPLOYEE SHAREHOLDINGS

CROSSING
OF DISCLOSURE THRESHOLDS

STOCK MARKET PROFILE
& SHARE PRICE MOVEMENTS

7

SHARE CAPITAL AND OWNERSHIP STRUCTURE

7.1 GENERAL INFORMATION CONCERNING THE CAPITAL OF COFACE SA

7.1.1 Share capital subscribed and share capital authorised but not issued

At the date of this Universal Registration Document, the Company's share capital totalled €300,359,584. It is divided into 150,179,792 shares with a par value of €2 (two euros), fully subscribed and paid up, all of the same category.

In accordance with Article L.225-37-4, paragraph 3 of the French Commercial Code, the authorisations valid at December 31, 2023 are presented in the summary table below. They were granted by the General Shareholders' Meeting to the Board of Directors in respect of capital increases pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

The table below summarises the resolutions voted on during the Combined Shareholders' Meetings of the Company of May 17, 2022 and May 16, 2023, as concerns capital increases.

RESOLUTION	SUBJECT OF THE RESOLUTION	MAXIMUM FACE VALUE	TERM OF AUTHORISATION	AMOUNT USED AT DEC. 31, 2023
Combined Shareholders' Meeting of the Company of May 17, 2022				
17th	Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums, or any other sum that can be legally capitalised (1)	€75 million	26 months	No
18th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares, with preferential subscription rights, and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued (1) (3)	Concerning capital increases: €115 million (1) Concerning issues of debt securities: €500 million (3)	26 months	No
19th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through public offers other than those specified in Article L.411-2 (1) of the French Monetary and Financial Code (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
20th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through the public offers specified in Article L.411-2 (1) of the French Monetary and Financial Code (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
21st	Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
Combined Shareholders' Meeting of the Company of May 16, 2023				
13th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares of the Company, without preferential subscription rights, reserved for members of a company savings plan (1)	€3,200,000 (1)	26 months	No
14th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares without preferential subscription rights for a specific category of beneficiaries (1)	€3,200,000 (1)	18 months	No

(1) The maximum overall face value of the capital increases likely to be made under this delegation is included in the total cap set at €115 million for immediate and/or future capital increases.

(2) The overall face value of the capital increases likely to be made under this delegation is included in the nominal cap of €29 million for capital increases without preferential subscription rights.

(3) The maximum overall face value of the issues of debt securities likely to be made under this delegation is included in the total cap set at €500 million for issues of debt securities.

7.1.2 Shares not representing capital

None.

7.1.3 Own shares and the acquisition of treasury shares by the Company

Description of the 2023-2024 Buyback Programme

Introduction

It is recalled that the Combined Shareholders' Meeting of May 17, 2022, in its eighth (8th) resolution, authorised the Board of Directors to trade in the shares of COFACE SA (the Company) under the 2022-2023 Share Buyback Programme. The main features of this authorisation were set out in the description published on the Company's website and in the 2022 Universal Registration Document.

The Company, listed on Euronext Paris – Compartment A – wishes to continue with its Share Buyback Programme (the Programme), in accordance with the applicable regulation (see "Legal Framework" below).

To this end, the Combined Shareholders' Meeting of May 16, 2023 again authorised, in its fourth (4th) resolution, the Board of Directors, which may in turn delegate this authority, under the legal and regulatory conditions, to implement a new Programme concerning the Company's shares (ISIN FR0010667147). This Programme would replace the existing programme set up by the Combined Shareholders' Meeting of May 17, 2022.

Main features of the 2023-2024 Buyback Programme

Date of the Shareholders' Meeting that authorised the Programme

The Combined Shareholders' Meeting of May 16, 2023 authorised the 2023-2024 Programme in its fourth (4th) resolution.

The Board of Directors' meeting of August 10, 2023, pursuant to the authority granted to it by the Combined Shareholders' Meeting of May 16, 2023, in its fourth (4th) resolution, authorised COFACE SA, which may in turn delegate this authority to the Chief Executive Officer, to trade the Company's shares through the "2023-2024 Share Buyback Programme". The main features are described below.

Breakdown by objective of equity securities held as of December 31, 2023

At December 31, 2023, COFACE SA held 0.78% of its own share capital, representing 1,172,902 ordinary shares. On that date, the number of shares held could be broken down by objective as follows:

OBJECTIVES		NUMBER OF SHARES HELD
a)	Ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently under a liquidity agreement, in compliance with the charter of ethics recognised by the *Autorité des marchés financiers* (French Financial Markets Authority, AMF);	113,212
b)	Allocate shares to Company employees, and in particular as part of:	
	1) employee profit-sharing schemes,	0
	2) any Company stock option plan, pursuant to the provisions of Article L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code,	0
	3) any savings plan in accordance with Article L.3331-1 et seq. of the French Labour Code,	0
	4) any bonus share allocation under the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;	1,059,690
e)	Cancel all or part of the stock thus purchased.	0
TOTAL		**1,172,902**

Objectives of the 2023-2024 Share Buyback Programme

The Company's shares may be purchased and sold, by decision of the Board of Directors, in order to:

AUTHORISED OBJECTIVES

a)	Ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently under a liquidity agreement, in compliance with the market practice accepted by the AMF on June 22, 2021;
b)	Allocate shares to corporate officers and to employees of the Company and other Group entities, in particular as part of: (i) employee profit-sharing schemes, (ii) any Company stock option plan, pursuant to the provisions of Article L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code, (iii) any savings plan in accordance with Article L.3331-1 et seq. of the French Labour Code, (iv) any bonus share allocation under the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;
c)	Transfer the Company's shares upon exercise of the rights attached to securities entitling their bearers, directly or indirectly, through reimbursement, conversion, exchange, presentation of a warrant or in any other manner, to the allocation of the Company's shares pursuant to current regulations; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;
d)	Keep the Company's shares and subsequently remit them in payment or exchange in connection with any acquisition, merger, demerger or tender operations;
e)	Cancel all or part of the stock thus purchased;
f)	Implement all market practices accepted by the AMF and, more generally, execute all transactions in compliance with current regulations, in particular, the provisions of (EU) Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation).

Maximum share of the capital, maximum number, maximum purchase price and characteristics of the securities that COFACE SA may acquire

Securities concerned

The Company's ordinary shares listed for trading on Euronext Paris:

MARKET PROFILE

Trading	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
ISIN	FR0010667147
Reuters code	COFA PA
Bloomberg code	COFA FP
Stock market indexes	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150

Maximum share of the capital

The Board of Directors may authorise, with the power to further delegate under the applicable legal and regulatory conditions, in compliance with the provisions of Articles L.22-10-62 et seq. and L.225-10 et seq. of the French Commercial Code, the purchase or the issuing of instructions to purchase, in one or more instances and at the times to be determined by it, of a number of the Company's shares that may not exceed:

- 10% of the total number of shares composing the share capital at any time whatsoever; or
- 5% of the total number of shares composing the share capital, if they are shares acquired by the Company with a view to keeping them and transferring them as payment or exchange in connection with a merger, spin-off or asset contribution.

These percentages apply to a number of shares adjusted, where appropriate, according to the operations that could impact the share capital subsequent to the Shareholders' Meeting of May 16, 2023.

Maximum number

As required by law, COFACE SA undertakes not to exceed the holding limit of 10% of its capital; as an indication, this corresponded to 15,017,979 shares at December 31, 2023.

Maximum purchase price

In accordance with the fourth (4th) resolution proposed and accepted by the Combined Shareholders' Meeting of May 16, 2023, the maximum purchase price per unit cannot exceed €16 per share, excluding costs.

However, the Board of Directors may, in the event of transactions involving the Company's capital, for example:

- a change in the par value of the share;
- a capital increase through the incorporation of reserves followed by the creation and free allocation of shares for stock splits or reverse stock splits;
- adjust the aforementioned maximum purchase price to take into account the impact of these transactions on the value of the Company's share.

Other information

The acquisition, disposal or transfer of these shares may be completed and paid for by any methods authorised by the current regulations, on a regulated market, multilateral trading system, systematic internaliser or over the counter, in particular through the acquisition or disposal of blocks of shares, using options or other derivative financial instruments or warrants or, more generally, securities entitling their bearers to shares of the Company, at the times that the Board of Directors will determine.

Unless it has the prior authorisation of the Shareholders' Meeting, the Board of Directors may not use this delegation of authority once a third party has filed a public offer for the Company's shares, and until the end of the offer period.

Duration of the Buyback Programme

In accordance with the fourth (4^{th}) resolution proposed and accepted by the Combined Shareholders' Meeting of May 16, 2023, this Programme will have a maximum duration of eighteen (18) months from the date of the meeting. It may therefore be implemented until November 15, 2024 (inclusive) or until the date of its renewal by a General Meeting of Shareholders taking place before that date.

This authorisation ends the authorisation granted by the eighth (8^{th}) resolution adopted by the Shareholders' Meeting of May 17, 2022.

Liquidity agreement

The liquidity agreement with Natixis dated July 2, 2014 was transferred as of July 2, 2018 to ODDO BHF (for a term of twelve (12) months, automatically renewable). To implement the agreement, ODDO BHF was provided with the following resources, which were allocated to the liquidity account on the settlement date of June 29, 2018: 76,542 COFACE SA securities – €2,161,049.81.

Under this agreement, in financial year 2023 the Company purchased 2,949,968 treasury shares and sold 2,947,193 treasury shares. At December 31, 2023, the balance on the liquidity account comprised: 113,212 COFACE SA shares and €2,461,599.80.

The table below shows the changes in share purchases and sales in 2023:

	LIQUIDITY AGREEMENT				
DATE	NUMBER OF SHARES PURCHASED	AVERAGE PURCHASE PRICE *(in €)*	NUMBER OF SHARES SOLD	AVERAGE SALE PRICE *(in €)*	TOTAL
Jan. 31, 2023	261,335	€12.62	234,407	€12.65	137,365
Feb. 28, 2023	200,053	€13.23	272,205	€13.32	65,213
Mar. 31, 2023	508,475	€13.16	437,511	€13.19	136,177
Apr. 30, 2023	308,678	€13.76	295,459	€13.71	149,396
May 31, 2023	364,549	€13.54	335,912	€13.60	178,033
Jun. 30, 2023	198,439	€12.83	203,858	€12.90	172,614
Jul. 31, 2023	146,563	€12.93	182,913	€12.97	136,264
Aug. 31, 2023	229,353	€12.97	169,418	€13.03	196,199
Sep. 30, 2023	195,641	€12.57	194,862	€12.62	196,978
Oct. 31, 2023	177,182	€11.48	149,137	€11.47	225,023
Nov. 30, 2023	216,296	€11.36	231,619	€11.37	209,700
Dec. 31, 2023	143,404	€11.46	239,892	€11.49	113,212
TOTAL	**2,949,968**	**€12.66**	**2,947,193**	**€12.69**	

Treasury share transactions

In financial year 2023, the Company bought 350,000 treasury shares, corresponding to 0.23% of its share capital. A share purchase mandate for 2023 was entered into with:

- Kepler Cheuvreux, to buy 350,000 shares for allocation under the bonus share allocation plan (Long-Term Incentive Plan (LTIP)) – see Section 2.3.1 "Compensation policy".

In 2023, the total amount of transaction fees paid to Kepler Cheuvreux for share buybacks was €4,462.27.

The history of bonus share allocations under the Long-Term Incentive Plans (LTIPs) put in place by the Company is given in Section 2.3.12.

The table below shows the change in treasury share purchase mandates:

SHARE BUYBACK PROGRAMME	TREASURY SHARE PURCHASE MANDATE			NUMBER OF SHARES PURCHASED	AVERAGE PURCHASE PRICE *(IN €)*	TOTAL *(IN €)*
	YES/NO	SERVICE PROVIDER	DATE			
2019-2020	Yes	Kepler Cheuvreux	Feb. 26, 2020 to Mar. 12, 2020	500,000	9.26	4,631,955.03
2020-2021	Yes	Kepler Cheuvreux	Oct. 27, 2020 to Jan. 29, 2021	1,852,157 [1]	8.10	14,999,999.32
2021-2022	No	N/A	N/A	-	-	-
2022-2023	Yes	BNP Paribas Exane	Sep. 13, 2022 to Nov. 15, 2022	300,000	10.42	3,125,178.43
2023-2024	Yes	Kepler Cheuvreux	Sep. 11, 2023 to Sep. 29, 2023	350,000	12.75	4,462,269.50

(1) 1,110,677 shares had been purchased at €7.76 at December 31, 2020. 741,480 additional shares were purchased at €8.61 when the mandate ended (January 29, 2021).

The table below shows the change in treasury share distributions:

PLAN	2020	2021	2022	LTIP* 2023
Chief Executive Officer	75,000	75,000	75,000	75,000
Executive Committee	139,612	187,105	147,901	142,408
Other beneficiaries	97,588	146,298	97,948	119,105
TOTAL NUMBER OF FREE SHARES AWARDED	**312,200**	**408,403**	**320,849**	**336,513**
PERFORMANCE UNITS [1]	**28,109**	**46,700**	**84,256**	**85,200**
OVERALL AVAILABLE SHARES	**347,841**	**467,754**	**425,966**	**427,533**
• Non-allocated shares	7,532	12,651	20,861	5,820
Authorisation to award free shares				
Date of Shareholders' Meeting	*May 16, 2018*	*May 16, 2018*	*May 12, 2021*	*May 16, 2023*
Date of Board of Directors' meeting (authorisation)	*Feb. 5, 2020*	*Feb. 10, 2021*	*Feb. 15, 2022*	*Feb. 16, 2023*
Award date	*Feb. 5, 2020*	*Feb. 10, 2021*	*Feb. 15, 2022*	*Feb. 16, 2023*
Share vesting date	*Feb. 6, 2023*	*Feb. 12, 2024*	*Feb. 15, 2025*	*Feb. 16, 2026*
End date of retention period (availability)	*N/A*	*N/A*	*N/A*	*N/A*
Shares vested and to be held (Chief Executive Officer)	*N/A*	*N/A*	*N/A*	*N/A*
Share awards (or performance units) cancelled	*N/A*	*N/A*	*N/A*	*N/A*
Share Buyback Programme				
Date of Shareholders' Meeting	*May 14, 2020*	*May 12, 2021*	*May 17, 2022*	*May 16, 2023*
Date of Board of Directors' meeting (authorisation)	*Jul. 29, 2020*	*Jul. 28, 2021*	*Jul. 28, 2022*	*Aug. 10, 2023*
Date of purchase mandate	*Feb. 26, 2020*		*Jul. 28, 2022*	*Aug. 10, 2023*
Number of shares	*500,000*		*300,000*	*350,000*

**. The amounts indicated do not take into account the shares cancelled individually for plans vesting after December 31, 2023 (2021 LTIP and following).*

(1) The Company awards performance units instead of bonus shares if the arrangement of bonus share awards is complex or impossible with regard to the applicable legislation in the beneficiary country. These units are indexed on the share price and subject to the same presence and performance conditions as the bonus shares, but are valued and paid in cash at the end of the vesting period.

Treasury shares – Summary

The Shareholders' Meeting authorised the 2023-2024 share buyback programme on May 16, 2023. Its implementation was decided by the Board of Directors on August 10, 2023.

Treasury shares represented a total of 0.78% of the Company's capital, i.e., 1,172,902 shares at December 31, 2023, versus 1,116,118 shares at December 31, 2022. The aggregate nominal value of these shares was €2,345,804 (the share has a par value of €2 – see Section 7.1.8 "History of capital").

				TOTAL TREASURY SHARES		
DATE	TOTAL LIQUIDITY AGREEMENT	TOTAL LTIP	BUY-BACK (CANCELLATION)	TOTAL SHARES	% OF TOTAL SHARES COMPRISING THE SHARE CAPITAL*	VOTING RIGHTS
Dec. 31, 2023	113,212	1,059,690	0	1,172,902	0.78%	149,006,890

** Number of shares = 150,179,792.*

7.1.4 Other instruments giving access to capital

None.

7.1.5 Conditions governing any right of acquisition and/or any obligation attached to shares that are subscribed, but not paid up

None.

7.1.6 Share capital of any company in the Group that is under option or subject to an agreement to place it under option

None.

7.1.7 Pledge, guarantees and sureties granted on the Company's share capital

To our knowledge, at the date of this Universal Registration Document, the shares comprising the Company's capital are not subject to any pledges, guarantees or sureties.

7.1.8 History of capital

The Company's share capital has changed as follows over the last five years:

- in 2019, the share capital was reduced to €304,063,898, divided into 152,031,949 shares with a par value of €2 each. This resulted from the cancellation of 1,867,312 shares purchased under the share buyback programme of October 25, 2018;
- in 2020, the share capital was unchanged;
- in 2021, the share capital was reduced to €300,359,584 divided into 150,179,792 shares with a par value of €2 each. This resulted from the cancellation of 1,852,157 shares purchased under the Share Buyback Programme of October 26, 2020;
- in 2022, the share capital was unchanged;
- in 2023, the share capital was unchanged.

7.1.9 Transactions carried out by persons with executive responsibilities in 2023

In accordance with Article 223-26 of the AMF General Regulation, the following transactions referred to in Article L.621-18-2 of the French Monetary and Financial Code were carried out on COFACE SA's shares in 2023:

NAME	NATURE OF THE TRANSACTION	NUMBER OF SECURITIES	GROSS UNIT PRICE	GROSS AMOUNT [1]	TOTAL NUMBER OF SECURITIES [2]
Xavier Durand	2020 LTIP	75,000			339,500
Pierre Béviérre	2020 LTIP	8,696			-
	Sale	28,535	€14.18	€404,509	
Cyrille Charbonnel	2020 LTIP	8,696			41,344
Declan Daly	2020 LTIP	8,686			21,098
Nicolas Garcia	2020 LTIP	8,696			41,344
Phalla Gervais	Acquisition	9,900	€12.60	€124,740	30,600
Carole Lytton	2020 LTIP	8,696			-
	Sale	41,344	€14.25	€589,350	
Keyvan Shamsa	2020 LTIP	8,696			14,696
	Sale	1,500	€12.42	€18,630	
Thibault Surer	2020 LTIP	13,044			126,863

2020 LTIP: 2020 bonus share allocation plan – delivery on February 17, 2023.

(1) Average purchase price in euros.

(2) At December 31, 2023, including purchases and sales in previous financial years.

7.2 DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

7.2.1 Distribution of capital

The table below breaks down the change in the Company's capital and voting rights over the last three years:

	DEC. 31, 2023				DEC. 31, 2022		DEC. 31, 2021	
	SHARES	%	VOTING RIGHTS	%	SHARES	VOTING RIGHTS	SHARES	VOTING RIGHTS
Natixis [1]	0	0%	0	0%	0	0	15,078,051	15,078,051
Arch Capital Group	44,849,425	29.86%	44,849,425	30.10%	44,849,425	44,849,425	44,849,425	44,849,425
Employees	1,265,554	0.84%	1,265,554	0.85%	1,223,920	1,223,920	857,423	857,423
Public	102,891,911	68.51%	102,891,911	69.05%	102,990,329	102,990,329	88,247,383	88,247,383
Treasury shares [2]	1,172,902	0.78%	0	0%	1,116,118	0	1,147,510	0
Other	-	-		-	-	-	-	-
TOTAL	**150,179,792**	**100%**	**149,006,890**	**100%**	**150,179,792**	**149,063,674**	**150,179,792**	**149,032,282**

(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) Own shares: liquidity agreement, treasury share transactions and repurchase for cancellation.

7.2.2 Voting rights of the majority shareholder

As at the date of this Universal Registration Document, the Company is not controlled by a majority shareholder. No shareholders have any specific voting rights.

7.2.3 Declaration relating to the Company's control by the majority shareholder

As at the date of this Universal Registration Document, the Company is not controlled by a majority shareholder.

In a bid to maintain transparency and inform the public, the Company has established a set of measures guided in particular by the recommendations of the Corporate Governance Code of listed companies (AFEP-MEDEF code). In particular, the Company has set up:

- a Risk Committee;
- an Audit and Accounts Committee; and
- a Nominations, Compensation and CSR Committee.

consisting mainly of independent directors in order to avoid conflicts of interest (see Section 2.1.8 "Specialised committees, offshoots of the Board of Directors").

7.2.4 Crossing of disclosure thresholds

The Company sets out below the disclosures of changes in shareholdings above or below legal thresholds reported in 2023 and until February 28, 2024:

a) crossing of the regulatory threshold, reported to the AMF (Article L.233-7 of the French Commercial Code); and

b) crossing of the statutory threshold, reported by registered letter by major shareholders (Article 10 of the Articles of Association).

The Company is not responsible for checking the completeness of these disclosures.

YEAR	DATE OF RECEIPT OF REPORT	DATE THRESHOLD WAS CROSSED	LEGAL OR STATUTORY THRESHOLD	UP/DOWN	INVESTOR	COUNTRY	NUMBER OF SHARES	% OF CAPITAL
2023	Jan. 2	Dec. 30	Statutory	↓	BlackRock	United Kingdom	2,804,163	1.87%
2023	Jan. 3	Jan. 2	Statutory	↑	BlackRock	United Kingdom	3,107,531	2.07%
2023	Jan. 10	Jan. 9	Statutory	↑	Invesco Ltd.	United Kingdom	3,006,570	2.00%
2023	Feb. 10	Feb. 9	Statutory	↓	BlackRock	United Kingdom	2,984,870	1.99%
2023	Feb. 15	Feb. 14	Statutory	↑	BlackRock	United Kingdom	3,062,803	2.04%
2023	Feb. 17	Feb. 16	Statutory	↓	BlackRock	United Kingdom	2,995,707	1.99%
2023	Feb. 23	Feb. 22	Statutory	↑	BlackRock	United Kingdom	3,126,155	2.08%
2023	Mar. 3	Mar. 2	Statutory	↓	BlackRock	United Kingdom	2,801,031	1.87%
2023	May 3	May 2	Statutory	↓	Silchester	United Kingdom	9,006,214	6.00%
2023	Sep. 1	Aug. 31	Statutory	↓	Invesco Ltd.	United Kingdom	2,779,111	1.85%
2023	Nov. 21	Nov. 20	Statutory	↑	Silchester	United Kingdom	9,054,142	6.03%
2024	Feb. 22	Feb 20.	Statutory	↑	Millennium Partners	United Kingdom	3,043,972	2.03%

7.2.5 Employee profit-sharing

At December 31, 2023, the Group's employees held 1,265,554 shares, 602,325 of which were held in France through the Coface Actionnariat mutual fund. In total, employees in France and overseas (including management, excluding the Chief Executive Officer) hold 0.84% of the Company's capital.

7.3 STOCK MARKET INFORMATION

7.3.1 The COFACE share

MARKET PROFILE	
Listing market	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
Initial public offering	June 27, 2014 at €10.40 per share
Presence in stock market indices	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150
Codes	ISIN: FR0010667147; Ticker: COFA; Reuters: COFA.PA; Bloomberg: COFA FP
Capital (par value of share €2)	€300,359,584
Number of shares outstanding at December 31, 2023	150,179,792
Number of voting rights exercisable at December 31, 2023	149,006,890
Market capitalisation at December 31, 2023	€1,778,128,737
Highest/lowest price	€14.36 (on Mar. 6, 2023)/€10.90 (on Nov. 15, 2023)

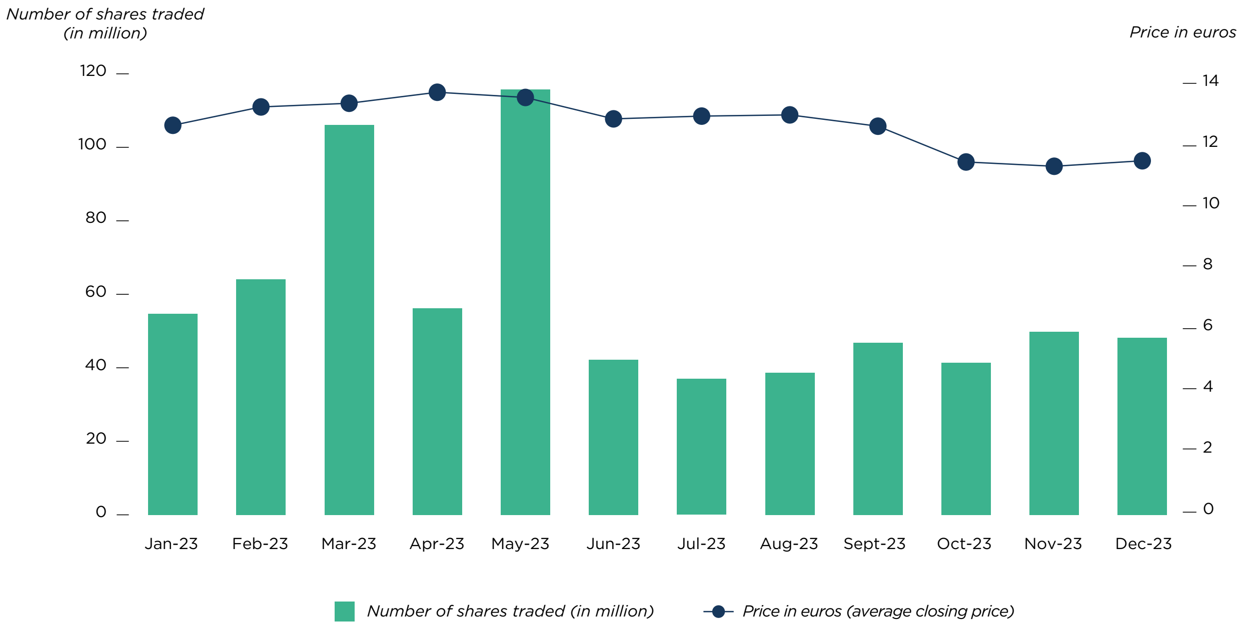
7.3.2 Dividend distribution policy

The Build to Lead strategic plan aims to distribute at least 80% of profits provided the solvency ratio is within the target range of 155% to 175%.

	FOR THE FINANCIAL YEAR			
	2023	2022	2021	2020
Dividend per share	€1.30[(1)]	€1.52	€1.50	€0.55

(1) The dividend proposal is subject to the approval of the Shareholders' Meeting of May 16, 2024.

7.3.3 Trends in theshare price and monthly trading volumes [(1)]



Source: Euronext Paris

1) On Euronext Paris

7.3.4 Monthly transactions in 2023

		PRICE (IN EUROS)			TRANSACTIONS	
MONTH	NUMBER OF TRADING SESSIONS	LOW	HIGH	AVERAGE CLOSING PRICE	NUMBER OF SHARES TRADED	CAPITAL *(in millions of euros)*
Jan-23	22	12.43	12.85	12.65	4,322,812	54.70
Feb-23	20	12.87	13.96	13.25	4,807,144	64.13
Mar-23	23	12.47	14.36	13.37	8,018,721	106.12
Apr-23	18	13.17	14.04	13.73	4,100,620	56.24
May-23	22	12.13	14.19	13.56	8,615,628	115.80
Jun-23	22	12.56	13.31	12.86	3,284,274	42.27
Jul-23	21	12.45	13.56	12.95	2,847,018	36.97
Aug-23	23	12.37	13.40	12.99	2,985,794	38.68
Sept-23	21	12.08	12.97	12.62	3,721,373	46.85
Oct-23	22	11.27	11.68	11.45	3,609,658	41.44
Nov-23	22	10.90	11.75	11.31	4,425,158	49.77
Dec-23	19	11.02	11.94	11.02	4,214,338	48.25

(Source: Euronext Paris)

7.3.5 List ofregulated information published in 2023

All the regulated information is available on the website: https://www.coface.com/investors

Financial press releases published in 2023

30 January 2023	Coface acquires North America data analytics boutique Rel8ed
16 February 2023	FY-2022 results: record net income at €283.1m and 80% pay-out ratio
7 April 2023	Coface announces the publication of its 2022 Universal Registration Document
11 April 2023	Combined Shareholders' Meeting on Tuesday 16 May 2023 at 02.00pm
27 April 2023	Publication FY-2022 accounts applying IFRS 17 methodology
28 April 2023	Publication of Group and Standalone SFCR as of 31 December 2022
16 May 2023	Combined Shareholders' Meeting of 16 May 2023 approved all the proposed resolutions
22 May 2023	AM Best affirms Coface's main operating subsidiaries rating at A (Excellent) with a stable outlook
25 May 2023	Coface records a very good start to the year with a net income of €61.2m
10 August 2023	Coface confirms its very good start to the year with first-half net income of €128.8m. Annualised return on tangible equity at 14.3%
10 August 2023	Communication setting out the arrangements for the supplying of the Interim Financial report for the first half of 2023
28 September 2023	Moody's upgrades Coface's main operating company to A1 IFSR, stable outlook
9 November 2023	Fitch affirms Coface AA- rating, with 'stable' outlook
14 November 2023	Coface records excellent income of €189.7m in the first nine months amidst slowing inflation and claims normalisation. Annualised ROATE at 14.1%
27 November 2023	COFACE SA announces the issuance of €300,000,000 tier 2 notes

07

7.4 FACTORS LIABLE TO HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L.22-10-11 of the French Commercial Code, the Company notes the following points, which could have an effect in the event of a public offering:

- the Company's capital structure as well as its known direct or indirect interests and all the corresponding information are described in Section 7.1;
- there is no statutory restriction on the exercise of voting rights, with the exception of the elimination of voting rights in respect of shares which exceed the portion that should have been reported, which may be requested by one or more shareholders holding an interest which is at least equal to 2% of the capital or voting rights, in the event of failure to report that the statutory threshold was exceeded;
- the Company is not aware of the existence of any shareholders' agreements;
- there are no instruments entailing special control rights;
- the voting rights attached to the shares of the Company held by staff through the Company's Coface Actionnariat mutual fund are exercised by an authorised representative designated by the fund's Supervisory Board to represent it at the Shareholders' Meeting;
- the rules on appointment and revocation of members of the Board of Directors are the legal and statutory rules described in Section 9.1.5;
- the Company's Articles of Association are amended in compliance with legal and regulatory provisions;
- there is no significant agreement entered into by the Company that would be amended or terminated in the event of a change in the Company's control.

7.5 MATERIAL CONTRACTS

No contract (other than those entered into in the normal course of business) has been signed by any entity of the Group that contains a significant obligation or commitment for the Group as a whole.

16 MAY 2024

COMBINED SHAREHOLDERS' MEETING

€1.30

DIVIDEND PROPOSAL

REMUNERATION STRUCTURE

OF THE CEO - FINANCIAL YEAR 2023

8

GENERAL MEETING

The Board of Directors has renewed the term of office of Mr. Xavier Durand as Chief Executive Officer for a period of four years. This term of office will terminate at the Shareholders' Meeting called to approve in 2028 the financial statements for the financial year ended December 31, 2027.

8.1 DRAFT REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING

The purpose of this report is to present the draft resolutions to be submitted by your Board of Directors to the Combined General Meeting of May 16, 2024.

The presentation of Coface's financial situation, activity and profits during the past financial year, as well as the different information required by the laws and regulations in force, can be found in the 2023 Universal Registration Document to which you are invited to refer (available on the Coface website: www.coface.com).

These resolutions are divided into two groups:

- the first twelve resolutions (the 1st to the 12th resolutions) fall within the purview of the ordinary General Meeting;
- the following nine resolutions (the 13th to the 21st resolutions) fall within the purview of the extraordinary General Meeting.

8.1.1 Resolutions within the purview of the ordinary General Meeting

Approval of the financial statements for the 2023 financial year

(1st and 2nd resolutions)

In the first two resolutions, it is proposed that the ordinary General Meeting approve the Company financial statements (1st resolution), then the consolidated financial statements (2nd resolution) of COFACE SA for the 2023 financial year.

Comments on the Company and consolidated financial statements of COFACE SA are detailed in the COFACE SA 2023 Universal Registration Document.

Allocation of profit or loss and dividend payment

(3rd resolution)

The purpose of the third resolution is to allocate COFACE SA's corporate profits and to pay dividends.

As of December 31, 2023, the Company financial statements of COFACE SA show a net profit of €208,001,241. Given a €99,527,048 retained earnings on December 31, 2023, and the fact that the legal reserve has a balance beyond the legal requirements, the distributable profit amounts to €307,528,288.

It is suggested that an amount of €193,708,957 be distributed, which represents a dividend of €1.30 per share, which corresponds to a payout rate of 81% of consolidated net profit, in line with our capital management policy.

For individuals who are tax residents in France, this dividend will be automatically subject to the single flat-rate deduction provided for in Article 200 A of the French General Tax Code, unless the overall option for the progressive scale is chosen. In the event of an option for the progressive scale, this option would be entitled to the proportional reduction of 40% set out in Article 158-3-2 of the French General Tax Code. The paying institution shall make the flat-rate levy at source (not effecting full discharge) provided for in Article 117 quater of the French General Tax Code, except for beneficiaries who are tax residents in France who have made a request for exemption under the conditions of Article 242c of the French General Tax Code.

All shareholders - and particularly those residing or established outside France with regard to the regulations applicable in the country of residence or establishment - are invited to contact their usual counsel to determine by a detailed analysis the tax consequences to be drawn in consideration of the sums received under this distribution.

In accordance with the legal provisions, we hereby inform you that the dividends distributed for the previous three financial years were as follows:

FINANCIAL YEAR	NUMBER OF SHARES PAYIN OUT (1)	TOTAL AMOUNT (in €)	DISTRIBUTED DIVIDEND ELIGIBLE FOR A 40% REDUCTION MENTIONED IN ARTICLE 158-3-2 OF THE FRENCH GENERAL TAX CODE (in €)
2020	149,047,713	81,976,242	81,976,242
2021	149,352,439	224,028,659	224,028,659
2022	149,311,069	226,952,825	226,952,825

** The number of shares that pay out excludes treasury shares.*

The dividend will be detached on May 22, 2024. The payment will be made as of May 24, 2024.

Authorisation of the Board of Directors to trade in the shares of the Company

(4th resolution)

By the fourth resolution, the Board of Directors proposes to your General Meeting to authorise it to purchase or procure the purchase of a number of Company shares not exceeding (i) 10% of the total number of shares making up the share capital at any time or (ii) 5% of the total number of shares comprising the share capital in the case of shares acquired by the Company for the purpose of their custody and subsequent payment or exchange in connection with a merger, demerger or contribution, it being specified that the acquisitions made by the Company may under no circumstances lead the Company to hold at any time whatsoever more than 10% of the shares making up its share capital.

The shares may be purchased in order to: a) generate liquidity and stimulate the market for the Company's securities through an investment service provider acting independently under a liquidity agreement in line with market practice admitted by the Autorité des marchés financiers (French financial market authority), b) allocate shares to corporate officers and employees of the Company and other Group entities, c) deliver Company shares upon exercise of rights attached to securities giving entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or in any other manner to the allocation of Company shares within the framework of the regulations in force, as well as to carry out any hedging transactions relating to these transactions, according to the conditions laid down by the market authorities and at such times as the Board of Directors or the person acting on the delegation of the Board of Directors shall deem appropriate, d) retain the Company shares and subsequently deliver them as a payment or exchange in the context of any external growth, merger, demerger or contribution operations, e) cancel all or part of the shares thus purchased (in the context of the thirteenth resolution of this General Meeting authorising the Board of Directors to reduce the share capital accordingly) or f) implement any market practice that may be admitted by the Autorité des marchés financiers and, more generally, carry out any transaction in accordance with the regulations in force.

The maximum unit purchase price may not exceed €16 per share excluding fees. The Board of Directors may however, in the event of transactions involving the Company's capital, including changes in the nominal value of the share, capital increase by incorporation of reserves followed by the creation and free allocation of shares, split or consolidation of securities, adjust the aforementioned maximum purchase price in order to take into account the impact of these transactions on the value of the Company's share.

The acquisition, sale or transfer of such shares may be effected and paid by any means authorised by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic or over-the-counter internaliser, including through the acquisition or sale of blocks, by the use of options or other derivative financial instruments, or warrants or, more generally, securities granting entitlement to Company shares, at such times as the Board of Directors would deem appropriate.

It is specified that the Board of Directors may not, except with the prior authorisation of your General Meeting, make use of this authorisation as from the filing by a third party of a draft public offering covering the shares of the Company, until the end of the offer period.

In compliance with the legal and regulatory provisions in force, the Board of Directors, if your General Meeting authorises it, will have all powers, with the option of sub-delegation, in order to proceed with the allocations and, where applicable, the permitted reallocations of shares redeemed for one of the objectives of the programme for one or more of its other objectives, or their transfer, on the market or off the market.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the fourth (4th) resolution of the General Meeting of May 16, 2023, be granted for a period of eighteen (18) months from your General Meeting.

Arch Capital Group did not take part in the vote related to this draft resolution during the Board of Directors meeting of February 27, 2024.

Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code

(5th resolution).

The special report of the Company's Statutory Auditors on related-party agreements, referred to in Articles L.225-38 et seq. of the French Commercial Code, does not mention any new agreement, subject to the provisions of Article L.225-38, which would have been entered into during the financial year ended December 31, 2023. You are asked, under the fifth resolution, to take note of this and to approve the special report of the Statutory Auditors.

Approval of the compensation of corporate officers for the financial year ended December 31,2023

(6th, 7th and 8th resolutions)

Pursuant to the provisions of Article L.22-10-34 of the French Commercial Code, your meeting is asked to vote on the following compensation for the financial year ended December 31, 2023:

- in the sixth resolution, on the information mentioned in Article L.22-10-9 Section I of the French Commercial Code on the compensation of non-executive corporate officers, pursuant to Article L.22-10-34 I of the French Commercial Code;
- in the seventh resolution, on the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Mr Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L.22-10-34 Section II of the French Commercial Code;
- in the eighth resolution, on the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Mr Xavier Durand, Chief Executive Officer, pursuant to Article L.22-10-34 Section II of the French Commercial Code.

All of these items are detailed in the corporate governance report of COFACE SA attached to the management report and included in Chapter 8 of the Company's 2023 Universal Registration Document.

Approval of the compensation policy of corporate officers for the 2024 financial year

(9th, 10th and 11th resolutions)

You are requested in the ninth, tenth and eleventh resolutions to approve, pursuant to Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to the members of the Board of Directors (ninth resolution), the Chairman of the Board of Directors (tenth resolution) and the Chief Executive Officer (eleventh resolution) for the 2024 financial year.

Policies details are described in COFACE SA's corporate governance report attached to the management report and included in Chapter 8 of the Company's 2023 Universal Registration Document. It is specified that, as part of the renewal of the Chief Executive Officer term of office for a further four years decided by the Board of Directors of February 27, 2024, it is suggested to amend the amount and structure of the Chief Executive Officer's compensation.

Appointment of an auditor responsible for sustainability reporting

(12th resolution)

Ordinance No. 2023-1142 of December 6, 2023 on the publication and certification of sustainability-related information and the environmental, social and corporate governance obligations of commercial companies, transposes into French law the provisions of the Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive, or "CSRD").

Pursuant to these provisions, which introduce new obligations around the publication of non-financial data in the form of a sustainability report to be published in 2025 on the data of the 2024 financial year, an auditor must be appointed to certify the data published in this report.

It is specified that, pursuant to the provisions of Article 38 of the aforementioned Ordinance of December 6, 2023, "by way of derogation from the provisions of the first paragraph of Article L.821-44 and the first paragraph of Article L.822-20, for the first appointment to carry out the role of certifying sustainability-related information occurring after the entry into force of this Ordinance, persons and entities may also appoint a statutory auditor or an independent third party in this role:

1. Either for the remainder of their term in respect of certifying the financial statements;
2. Or for a first term of three years, at the end of which the entity may appoint the statutory auditor or independent third party for a term of six years or for the remainder of their term in respect of certifying the financial statements."

It is suggested to appoint the company Deloitte & Associés SAS as the auditor responsible for certifying sustainability-related information. Given the complexity of the project, this choice is driven by Deloitte good knowledge of the Coface business, all its initiative and its Corporate Social Responsibility strategy, insofar as Deloitte acts as an independent third-party for the certification of the data published in the extra-financial performance declaration.

It is also asked to your General Meeting to approve this appointment for the remainder of Deloitte term of office as auditor of financial statements, as provided in the aforementioned provisions of the Ordinance of December 6, 2023.

8.1.2 Resolutions within the purview of the extraordinary General Meeting

Reduction of the share capital by cancellation of treasury shares

(13th resolution)

The purpose of the thirteenth resolution is to authorise the Board of Directors to reduce the share capital by cancelling treasury shares, up to a limit of 10% of the amount of the share capital existing on the date of cancellation per 24-month period and to charge the difference to the available premiums and reserves of its choice.

Arch Capital Group did not take part in the vote related to this draft resolution during the Board meeting of February 27, 2024.

Delegations of authority and authorisations given to the Board of Directors to carry out transactions on the Company's capital

(14th to 20th resolutions)

Under the fourteenth to twentieth resolutions, the Board of Directors proposes that your General Meeting renew the financial authorisations granted by the Annual General Meetings in 2022 and 2023.

Under these authorisations, the Board of Directors may, if necessary, carry out capital increases and/or issue securities giving access to the capital. It should be noted that the Board of Directors may not, without the prior authorisation of the General Meeting, make use of these delegations of authority as from the filing by a third party of a proposed public offer for the Company's shares until the end of the offer period.

Your company would thus have new authorisations enabling it to assemble with speed and flexibility the financial resources necessary for the implementation of the Coface Group's development strategy, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders.

The table below provides a summary of the financial delegations (excluding employee shareholding operations that are the subject of the nineteenth and twentieth resolutions), the adoption of which is proposed at your General Meeting.

RESOLUTION	PURPOSE OF THE DELEGATION	MAXIMUM NOMINAL AMOUNT	TERM OF AUTHORISATION
14th	Delegation of authority to the Board of Directors with a view to increasing the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted	€75,000,000 (or 25% of the share capital at the date of this report)	26 months
15th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with the maintenance of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued	With regard to capital increases: €115,000,000 (1) (or 38% of the share capital at the date of this report) In the case of issues of debt securities: €500,000,000 (2)	26 months
16th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities €500,000,000 (2)	26 months
17th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings referred to in Article L.411-2, Section 1, of the French Monetary and Financial Code	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities: €500,000,000 (2)	26 months
18th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities: (2) €500,000,000	26 months

(1) Delegation subject to the overall nominal ceiling for capital increases of €115,000,000 (i.e. 38% of the share capital at the date of this report).

(2) Delegation subject to the overall nominal ceiling for debt security issues of €500,000,000.

(3) Delegation subject to the nominal ceiling for capital increases with cancellation of the preferential subscription right of €29,000,000 (i.e. 9.5% of the share capital at the date of this report).

The corresponding draft delegations are detailed below.

Capital increase by incorporation of reserves, profits or premiums

(14th resolution)

Under the fourteenth resolution, your Board of Directors requests from the General Meeting to delegate it the authority to increase the capital by incorporation of reserves, profits or premiums, up to a maximum nominal amount of seventy-five million euros (€75,000,000), an autonomous ceiling that is separate from the limit of other resolutions submitted to the vote of the General Meeting. The capital increases likely to result from this resolution could be carried out, at the discretion of the Board of Directors, either by the free allocation of new shares, or by raising the nominal value of the existing shares or according to a combination of these two methods of realisation according to the terms and conditions it shall determine.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the seventeenth resolution of the General Meeting of May 17, 2022, be granted for a period of twenty-six (26) months from the date of this General Meeting.

Issuance of shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with preferential subscription rights of shareholders

(15th resolution)

Under the fifteenth resolution, your Board of Directors requests from the General Meeting to delegate it the authority to issue shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with preferential subscription rights, up to a maximum nominal amount of one hundred and fifteen million euros (€115,000,000).

Shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to capital securities to be issued under this delegation could include debt securities or the issuance of such securities, or allow them to be issued as intermediate securities.

The nominal amount of debt securities that could be issued under this delegation may not exceed five hundred million euros (€500,000,000) on the date of the decision to issue.

The shareholders could exercise, under the conditions provided by law, their preferential subscription right, irreducible and, where applicable, on a reducible basis if provided by the Board of Directors, to subscribe for the shares or securities issued.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the eighteenth resolution of the General Meeting of May 17, 2022, be granted for a period of twenty-six (26) months from your General Meeting.

Issuance of shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights of shareholders

(16th and 17th resolutions)

The Board of Directors requests from your General Meeting delegations of authority to issue shares and/or equity securities giving access to other equity securities and/or securities giving access to capital securities to be issued, without preferential subscription rights of shareholders to the shares or securities thus issued. In accordance with the recommendations of the AMF, these issues are the subject of two separate resolutions, depending on whether they are carried out in the context of public offerings other than those referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code (sixteenth resolution) or public offerings referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code, that is to say by investments reserved for qualified investors (seventeenth resolution).

Depending on market conditions, the nature of the investors concerned and the type of securities issued, and in order to be able to seize the opportunities offered by the market, your Board of Directors considers that it could be useful to have the option to make use of capital increases without preferential subscription rights of shareholders, but setting limits to them that are more limited than for capital increases with maintenance of the preferential subscription right; the ceiling for capital increases without preferential subscription rights of shareholders would thus be set at 9.5% of the share capital as at the date of this report.

The nominal amount of the capital increases that may be carried out pursuant to the sixteenth resolution may not exceed twenty-nine million euros (€29,000,000), it being recalled that this ceiling would be deducted from the overall nominal ceiling provided for capital increases in the fifteenth resolution. This ceiling shall also correspond to the nominal ceiling applicable to capital increases with cancellation of the preferential subscription right made pursuant to the sixteenth resolution as well as the seventeenth and eighteenth resolutions submitted to your meeting.

The total nominal amount of the capital increases that may be carried out pursuant to the seventeenth resolution may not exceed twenty-nine million euros (€29,000,000), it being recalled that this ceiling would be deducted from the overall nominal ceiling provided for the capital increases in the fifteenth resolution as well as to the nominal ceiling provided for capital increases with cancellation of the preferential subscription right provided for in the sixteenth resolution.

The Board of Directors would be entitled to issue, by means of public offerings other than those referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code (sixteenth resolution) and/or public offerings referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code (seventeenth resolution), shares and/or equity securities giving access to other equity securities and/or securities giving access to equity securities to be issued which could in particular consist of debt securities or be associated with the issue of such securities, or allow the issuance of intermediate securities. The nominal amount of debt securities that could be issued pursuant to the sixteenth and seventeenth resolutions would be deducted from the ceiling of five hundred million euros (€500,000,000) set by the fifteenth resolution.

Within the framework of the sixteenth resolution on the issuance, by way of public offerings other than those referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code, of shares and/or equity securities giving access to other equity securities and/or securities giving access to equity securities to be issued, the Board of Directors may establish, for the benefit of the shareholders, a subscription priority right on an irreducible and/or reducible basis under the conditions provided for by the regulations.

The issue price of the shares issued on the basis of the sixteenth and seventeenth resolutions would be set under the legislative and regulatory conditions in force at the time of issue which currently provide for a price at least equal to the weighted average of the Company's share prices over the last three trading sessions preceding the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017, potentially reduced by a maximum discount of 10%.

The Board of Directors proposes that these delegations, which would cancel and replace those granted by the nineteenth and twentieth resolutions of the General Meeting of May 17, 2022, be granted for a period of twenty-six (26) months from your General Meeting.

Issuance of shares and/or equity securities giving access to other equity securities and/or granting entitlement to allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind up to a limit of 10% of the share capital

(18th resolution)

Under the eighteenth resolution, the Board of Directors requests from your General Meeting a delegation of authority to issue shares and/or equity securities giving access to other equity securities and/or securities giving access to equity securities to be issued, in consideration of contributions in kind granted to the Company and comprising equity securities or securities giving access to the capital, within the limit of a nominal amount of a capital increase of twenty-nine million euros (€29,000,000), in addition to the legal limit of 10% of the share capital of the Company, being imposed on the overall nominal ceiling provided for the capital increases established by the fifteenth resolution as well as on the nominal ceiling provided for capital increases with cancellation of the preferential subscription right provided for in the sixteenth resolution.

The nominal amount of debt securities that may be issued pursuant to this resolution would be deducted from the ceiling of five hundred million euros (€500,000,000) set by the fifteenth resolution.

This delegation would entail the cancellation, in favour of the holders of the securities or securities that are the subject of the contributions in kind, of the preferential subscription rights of shareholders to the shares or securities thus issued.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the twenty-first resolution of the General Meeting of May 17, 2022, be granted for a period of twenty-six (26) months from your General Meeting.

Capital increases reserved for employees

(19th and 20th resolutions)

Under the nineteenth resolution, we propose that you delegate to the Board of Directors, for a period of 26 months, with the option of sub-delegation, your authority to increase the share capital by issuing shares of the Company reserved for members of a Company savings plan, up to a maximum nominal amount of three million two hundred thousand euros (€3,200,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation would be deducted from the overall nominal ceiling provided for capital increases in the fifteenth resolution of this General Meeting and that the ceiling of this delegation will fall under the common ceiling of the twentieth resolution of this General Meeting.

This delegation of authority would result in the cancellation of the preferential subscription rights of shareholders in favour of said employees, former employees and corporate officers eligible for the shares thus issued, where applicable allocated free of charge.

The subscription price of the shares issued will be determined under the conditions provided for by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount compared to an average of the listed prices of the share during the twenty trading sessions preceding the decision to set the opening date of the subscription may not therefore exceed 30% (or 40% when the unavailability period provided for in the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labour Code is greater than or equal to ten years). The Board of Directors may reduce or remove the aforementioned discount, if it deems it appropriate, in particular to take into account the legal, accounting, tax and social security requirements applicable in the country of residence of certain beneficiaries. The Board of Directors may also decide to allocate shares free of charge to the subscribers of new shares, in substitution of the discount and/or in respect of the contribution.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the thirteenth resolution of the General Meeting of May 16, 2023, be granted for a period of twenty-six (26) months from your General Meeting.

In line with the nineteenth resolution, we propose in the twentieth resolution that you delegate to the Board of Directors, for a period of 18 months, with the option of sub-delegation under the conditions provided by law, the power to proceed with one or more capital increases reserved for the benefit of (i) the employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more French or foreign mutual funds or other entity, whether or not having legal personality, subscribing on behalf of persons designated in paragraph (i) above, and (iii) one or more financial institutions mandated by the Company to propose to the persons designated in paragraph (i) above a system of savings or shareholding comparable to those offered to employees of the Company in France.

This delegation would entail the cancellation of the preferential subscription right of the shareholders to the shares issued within the framework of the twentieth resolution in favour of the category of beneficiaries defined above.

The purpose of such a capital increase would be to allow Group employees, former employees and corporate officers residing in certain countries to benefit, taking into account the regulatory or tax constraints that may exist locally, from formulas as close as possible, in terms of economic profile, to those offered to other Group employees in the context of the application of the nineteenth resolution.

The nominal amount of capital increase likely to be issued within the framework of this delegation would be limited to three million two hundred thousand euros (€3,200,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation would be deducted from the overall nominal ceiling provided for the capital increases set out in the fifteenth resolution of your General Meeting, and that the ceiling of this resolution would fall under the common ceiling of the nineteenth resolution.

The subscription price of the securities issued pursuant to this delegation may not be more than 30% or, where applicable, 40% lower than the average of the listed prices of the share over the twenty trading sessions on the Euronext

Paris regulated market preceding the date of the decision setting the opening date of the subscription, nor higher than this average and the Board of Directors may reduce or remove the aforementioned discount if it deems it appropriate in order to, in particular, take into account the legal, accounting, tax and social security requirements applicable in the country of residence of certain beneficiaries. Furthermore, in the event of a transaction carried out under this resolution at the same time as a transaction carried out pursuant to the nineteenth resolution, the subscription price of the shares issued under this resolution may be identical to the subscription price of the shares issued on the basis of the nineteenth resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the fourteenth resolution of the General Meeting of May 16, 2023, be granted for a period of eighteen (18) months from your General Meeting.

Powers

(21st resolution)

This resolution is intended to confer the powers necessary to carry out the formalities following the holding of your General Meeting.

8.1.3 Extract of the COFACE SA corporate governance report (appendix relating to the 6th, 7th, 8th, 9th, 10th and 11th resolutions)

Compensation policy for corporate officers

Pursuant to Article L.22-10-8 of the French Commercial Code, the Board of Directors, at the recommendation of the Nominations, Compensation and CSR Committee has established a compensation policy for corporate officers. This policy, the principles of which are described in this document, is consistent with the interests of the Company, helps to ensure its continuity and is in line with its business strategy.

It describes all components of fixed and variable compensation and explains the process by which it is determined, reviewed and implemented.

It is presented in a clear and comprehensible manner in the Company Governance report and will be the subject of draft resolutions to be submitted for approval at the General Meeting of Shareholders each year and upon any proposed material amendment.

The compensation policy for Company officers defines the principles, structure and governance rules applicable to the compensation of the Chief Executive Officer and the directors.

Compensation of the Chief Executive Officer

Principles applicable to the Chief Executive Officer's compensation

At the beginning of each financial year, the Board of Directors, on a proposal from the Nominations, Compensation and CSR Committee, determines the various components of the Chief Executive Officer (CEO)'s compensation. The Nominations, Compensation and CSR Committee proposes the principles of the CEO's compensation policy, in accordance with the rules laid down in the Solvency II Directive and the recommendations of the AFEP-MEDEF Code.

The Committee therefore ensures that the principles of balance, external competitiveness, consistency and internal fairness are respected when determining the components of the compensation. It ensures the correlation between the responsibilities performed, the results achieved and the level of compensation over a performance year.

It also ensures that the compensation practices contribute to effective risk management in the Company, including:

- strict compliance with the legal and regulatory provisions applicable to insurance companies;
- the prevention of conflicts of interest and the framework for taking risks within the Company's risk tolerance limits;
- consistency with the Company's long-term strategy, interests and results;
- the taking into account of social and environmental issues.

Each year, a comparative market analysis of the CEO's compensation is carried out by a compensation consulting company, to ensure that the compensation is competitive in the market and that its fixed, short-term and long-term components have the right balance. The result of this analysis is communicated to the Nominations, Compensation and CSR Committee as part of the CEO's annual compensation review.

Compensation objectives, practices and governance are clearly defined and communicated. The components of the CEO's compensation are transparently shown in the Company governance report submitted for approval of the General Meeting of Shareholders.

Components of the Chief Executive Officer's compensation

The compensation of the Chief Executive Officer comprises:

- **fixed compensation**: the annual fixed compensation was revalued to €750,000 gross upon the reappointment of the Chief Executive Officer in 2020 in order to take into account the responsibilities exercised, performance and market practices (see detailed explanations in the CEO-to-employee pay ratio section below);
- **annual variable compensation** ("bonus"): the bonus is assessed based on performance over a given year. The target is set at 100% of the base salary. Financial objectives account for 60% of the compensation, and strategic and management objectives account for the remaining 40%. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- **long-term variable compensation** in the form of free shares of the Company. They are subject to attendance and performance conditions and have a vesting period of three years. The shares allocated to the Chief Executive Officer may not represent more than 20% of the budget

allocated for the financial year, and the value of the shares is limited to 150% of his basic salary for the 2022 financial year and 150% of his basic salary from 2023 onwards. They are allocated under the same conditions as for all beneficiaries, but the Chief Executive Officer must retain 30% of the allocated shares until the end of his term of office. These long-term incentive plans (LTIPs) in the form of free shares are in particular intended to ensure that the CEO's interests are aligned with the shareholders' interests over the long term;

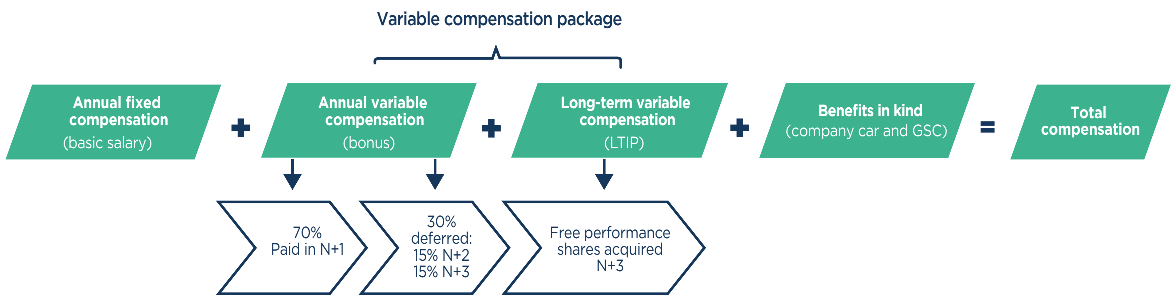
- **benefits in kind:** the CEO has the use of a company car, and 62.5% of the contributions due in respect of the social security regime for company managers is covered.

He benefits from the Group health and welfare schemes provided to all employees, as well as from a supplementary pension scheme for the members of the Executive Committee, including the Chief Executive Officer. A medical check-up is offered every two years to the Chief Executive Officer and to the members of the Executive Committee.

Please note:

- The variable compensation package is made up of the annual variable compensation ("bonus") and the long-term variable compensation (Long-Term Incentive Plan) in the form of free shares;
- The payment of 30% of the annual variable compensation ("bonus") is deferred, 50% of which is paid in Y+2 and 50% in Y+3. The deferred portion of compensation is not paid in the event of a loss observed on the date of payment, or of dismissal for serious or gross misconduct;
- the deferred compensation rate, including the deferred bonus portion and the free shares awarded under the Long-Term Incentive Plan, represents more than 60% of total variable compensation;
- Any risk hedging transaction is prohibited.

The Chief Executive Officer's compensation may be summarised as follows:



a. Target total compensation for 2023

For 2023, at the recommendation of the Nominations, Compensation and CSR Committee, after a decision by the Board of Directors and on the basis of the fifteenth resolution approved by the General Shareholders' Meeting on May 16, 2023, Xavier Durand's target compensation was defined as follows:

COMPENSATION COMPONENTS	TARGET AMOUNT	COMMENTS
Fixed compensation	€750,000	Gross annual compensation set at €750,000 in the context of Xavier Durand's reappointment in 2020, maintained at the same level for 2023.
Target annual variable compensation ("bonus")	€750,000	The target variable compensation is maintained at 100% of the fixed compensation, or €750,000. Its structure remains unchanged. Financial objectives account for 60% of the compensation, and strategic and management objectives account for the remaining 40% for 2023 as defined below:

FINANCIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION REFERENCE
Turnover	-/+10%	10%
Net income	-/+20%	20%
Cost ratio net of reinsurance	+/-3 pts	10%
Gross loss ratio excluding claims management costs	+/-5 pts	10%
Business Information services & Debt collection turnover	-/+20%	10%
TOTAL (A)		**60%**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION REFERENCE
Strategic plan (review of the 2020-2023 Plan, preparation of the 2024-2027 Plan)	0/125%	15%
CSR strategy (implementation of the action plan to reduce emissions in accordance with the planned trajectory)	0/125%	10%
Maintaining employee commitment and customer satisfaction	0/125%	10%
Executive Committee's succession plan	0/125%	5%
TOTAL (B)		**40%**
TOTAL (A + B)		**100%**

The objectives set reflect the Company's strategy. They respect the Company's interests, contribute to its commercial strategy and its sustainability.

The maximum achievement rate for variable compensation is 200% broken down as follows:

- 150% for financial targets (a maximum achievement rate of 250% per target);
- 50% for strategic and managerial objectives (a maximum achievement rate of 125% per target).

The rate of achievement of financial objectives is defined within the framework of variation limits as follows:

- the low end of the variation limit corresponds to the trigger level, which is 0% achievement;
- the target level corresponds to 100% achievement;
- between the low end of the variation limit and the target, the achievement rate is set in a linear manner between 0% and 100% achieved;
- between the target and the top end of the variation limit, the achievement rate is set in a linear manner between 100% and 250% achieved.

Thus, if the achievement rate of one of the financial objectives is less than or equal to the low end of the variation limit of said target, no compensation will be paid in this respect.

Note: strategic and managerial objectives are mainly assessed using quantifiable and measurable indicators (achievement of the business development targets included in the strategic plan, monitoring of changes to our CO2 emissions, employee engagement survey, customer satisfaction measured using NPS, etc.).

The payment of 30% of the annual variable compensation ("bonus") **is deferred**, with 50% paid in Y+2 and 50% in Y+3. A **malus** [penalty] system is introduced in the event of termination for serious misconduct or gross negligence or losses observed before the payment date.

COMPENSATION COMPONENTS	TARGET AMOUNT	COMMENTS
Long-term variable compensation (Award of performance free shares) – 2023 LTIP	€779,250 (IFRS fair value)	75,000 shares were awarded under the 2023 Long-Term Incentive Plan (2023 LTIP), representing a value of €779,250 at fair value under IFRS (€964,838 at the grant date based on the average of the last 20 market opening prices preceding the date of the Board of Directors' meeting). **The number of shares awarded in 2023 is identical to previous financial years (2021 and 2022), with a valuation up 10% due to the rise in the share price over the period.** **For the 2023 financial year, the maximum amount of the free share allocation awarded to Xavier Durand under the LTIP is set at 20% of the budget allocated for the financial year and 150% of his fixed compensation. For 2023, Xavier Durand's award corresponds to 17% of the maximum budget allocated for the fiscal year and 129% of his fixed compensation on the award date.** The bonus shares will vest on February 16, 2026, subject to attendance and performance conditions measured over the duration of the plan until December 31, 2025, as follows: • 35% of the shares awarded will vest subject to the relative performance of the COFACE SA share measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of the institutions making up the Euro Stoxx Assurances index over the period from January 1, 2023 to December 31, 2025; • 35% of the shares awarded will vest subject to the realisation of the net earnings per share at December 31, 2025; • 15% of the shares awarded will vest subject to meeting a CSR criteria, the objective of reducing the emissions of the investment portfolio at December 31, 2025; • 15% of the shares awarded will vest subject to the achievement of a second CSR criterion linked to the increase in the proportion of women in senior management (Top 200) at December 31, 2025. The trigger threshold shall be set at 80% of the target for each criterion. Thus, if the achievement rate of one of the criteria is less than 80% of the target, the performance condition will be considered not met. The achievement rate of the criteria may vary between 80% and 120%, and the achievement rates may be offset. However, this offsetting cannot be applied if the achievement rate of one of the criteria is less than 80% of the target and cannot result in the vesting of more than 100% of the shares in total. The vesting period for the shares is set at three years from February 16, 2023. The plan does not provide for a holding period. It was decided that the percentage of shares acquired under the 2023 LTIP to be retained by the Chief Executive Officer until the end of their corporate office or any other position they would have to perform within Coface should be set at 30%. The objective of long-term variable compensation is to have the Chief Executive Officer act with a view to the long term, but also to retain them and to promote the alignment of their interests with the corporate interest of the Company and that of the shareholders.
Other benefits	€160,560	Mr Xavier Durand has the use of a company car, and 62.5% of the contributions due in respect of the social security regime for company managers is covered. He benefits from Group health and welfare schemes as maintained for all employees. Since 2022, members of the Executive Committee who do not have a specific supplementary pension plan benefit from a plan that is also applicable to Xavier Durand, subject to the achievement of the performance criteria provided for in respect of the severance pay, *i.e.*: • he attains at least 75% of his annual targets on average over the last three financial years; and • the Company's combined ratio after reinsurance is no greater than 95% on average over the three financial years preceding the date on which contributions are made to the scheme. As these two conditions were met for 2020-2023, a contribution will be made to the pension scheme equal to 10% of the Chief Executive Officer's fixed compensation, together with an amount to offset the additional tax liability of up to a maximum of 10%.
Total compensation target for 2023	**€2,439,810**	

b. Total compensation awarded and paid in 2023

- The compensation awarded to Mr Durand in respect of 2023, **including the valuation of the 2023 bonus,** complies with the proposal of the Nominations, Compensation and CSR Committee dated January 23, 2024, approved by the Board of Directors on February 27, 2024 and submitted for approval of the Ordinary General Meeting following the closing of the 2023 financial year.
- The compensation paid to Mr Durand in 2023 is in accordance with the proposed compensation policy of the Nominations, Compensation and CSR Committee dated January 23, 2023, approved by the Board of Directors on February 16, 2023 and by the General Shareholders' Meeting of May 16, 2023 in its eighth and eleventh resolutions.

COMPENSATION COMPONENTS	AMOUNT AWARDED	AMOUNT PAID	COMMENTS
Fixed compensation	€750,000	€750,000	Gross annual compensation set at €750,000 for Xavier Durand's reappointment and effective since May 2020, the date of the General Meeting of Shareholders to close the 2019 financial year.
Annual variable compensation awarded ("2023 bonus")	€1,259,102		The rate of achievement of the 2023 objectives proposed by the Nominations, Compensation and CSR Committee at its meeting on January 23, 2024, approved by the Board of Directors at its meeting on February 27, 2024, and submitted to the approval of the General Shareholders' Meeting convened to decide on the 2023 financial statements, amounts to 167.88%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMITS	WEIGHT	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (IN €)
Turnover	-/+10%	10%	119.36%	89,517
Net income	-/+20%	20%	250.00%	375,000
Cost ratio net of reinsurance	+/-3 pts	10%	250.00%	187,500
Gross loss ratio excluding claims management costs	+/-5 pts	10%	250.00%	187,500
Turnover of the Business Information and Debt Collection activities	-/+20%	10%	96.95%	72,710
TOTAL (A)			**121.63%**	**912,227**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	WEIGHT	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (IN €)
Strategic plan (review of the 2020-2023 Plan, preparation of the 2024-2027 Plan)	0/125%	15%	125.00%	140,625
CSR strategy (implementation of the action plan to reduce emissions in accordance with the planned trajectory)	0/125%	10%	100.00%	75,000
Maintaining employee commitment and customer satisfaction	0/125%	10%	125.00%	93,750
Executive Committee's succession plan	0/125%	5%	100.00%	37,500
TOTAL (B)			**46.25%**	**346,875**
Total (A + B)			**167.88%**	**1,259,102**

The bonus due in respect of 2023 therefore amounts to €1,259,102 and will be paid as follows:
- **70% of the total amount paid in 2024, *i.e.* €881,371;**
- 15% of the total amount deferred to 2025, *i.e.* €188,666;
- 15% of the toal amount deferred to 2026, *i.e.* €188,665.

COMPENSATION COMPONENTS	AMOUNT AWARDED	AMOUNT PAID	COMMENTS
Annual variable compensation paid ("2022 bonus")		€990,889	The achievement rate of the 2022 targets was 188.74%, broken down as follows: (see tables below) The bonus due for the 2022 financial year therefore amounts to €1,415,555 paid as follows: • **70% of the total amount in 2023, *i.e.* €990,889;** • 15% of the total amount deferred to 2024, *i.e.* €212,333; • 15% of the total amount deferred to 2025, *i.e.* €212,333.
Deferred variable compensation "2020 bonus"		€74,810	Xavier Durand's 2020 bonus amounted to €498,733, paid as follows: • 70% of the total amount in 2021, *i.e.* €349,113; • **15% of the total amount deferred to 2022, *i.e.* €74,810;** • 15% of the total amount deferred to 2023, *i.e.* €74,810.
Deferred variable compensation "2021 bonus"		€186,916	Xavier Durand's 2021 bonus amounted to €1,246,100, paid as follows: • 70% of the total amount in 2021, *i.e.* €872,278; • 15% of the total amount deferred to 2022, *i.e.* €186,916; • **15% of the total amount deferred to 2023, *i.e.* €186,916.**

FINANCIAL OBJECTIVES	VARIATION LIMITS	WEIGHT	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (IN €)
Turnover	-/+10%	15%	250.00%	281,250
Net income	-/+20%	20%	250.00%	375,000
Cost ratio net of reinsurance	+/-3 pts	10%	210.00%	157,500
Gross loss ratio excluding claims management costs	+/-5 pts	10%	250.00%	187,500
Revenue from the information activity	+/-5 pts	5%	104.81%	39,305
TOTAL (A)		**60%**	**138.74%**	**1,040,555**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	WEIGHT	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (IN €)
Strategic plan	0/125%	15%	125%	140,625
CSR strategy/Integration of CSR into the commercial policy	0/125%	10%	125%	93,750
Maintaining employee commitment and customer satisfaction	0/125%	10%	125%	93,750
Executive Committee's succession plan	0/125%	5%	125%	46,875
TOTAL (B)			**50.00%**	**375,000**
Total (A + B)			**188.74%**	**1,415,555**

ÉLÉMENTS DE RÉMUNÉRATION	MONTANT ATTRIBUÉ	MONTANT VERSÉ	COMMENTAIRES
Long-term variable compensation (Award of performance free shares) – 2023 LTIP	€779,250 (IFRS fair value)		75,000 shares were awarded under the 2023 Long-Term Incentive Plan (2023 LTIP), representing a value of €779,250 at fair value under IFRS (€964,838 at the grant date based on the average of the last 20 market opening prices preceding the date of the Board of Directors' meeting). The final vesting is subject to the attendance and performance conditions as detailed above.
Other benefits	€160,560	€15,995	Mr Xavier Durand has the use of a company car, and 62.5% of the contributions due in respect of the social security regime for company managers is covered. He benefits from the Group health and welfare schemes provided to all employees, and a supplementary pension scheme from which the members of the Executive Committee benefit. For Xavier Durand, payment of the contributions provided for by this supplementary retirement plan is subject to the condition that the performance criteria provided for in respect of the severance pay are met, *i.e.*: • he attains at least 75% of his annual targets on average over the last three financial years; and • the Company's combined ratio after reinsurance is no greater than 95% on average over the three financial years preceding the date on which contributions are made to the scheme. As these two conditions were met for 2020-2023, a contribution will be made to the pension scheme equal to 10% of the Chief Executive Officer's fixed compensation, together with an amount to offset the additional tax liability of up to a maximum of 10%.
TOTAL COMPENSATION*	**€2,947,581**	**€2,163,175***	

** Please note: Following the achievement of the performance conditions under the 2020 LTIP Plan, the shares awarded to Mr Durand under that plan, i.e. 75,000 shares (for a value of €862,463 at the date of award and €719,900 at fair value under IFRS) were delivered in February 2023.*

It is specified that the payment of the "2023 bonus" is subject to the approval of the Ordinary General Meeting which approves the financial statements for the 2023 financial year.

c. Equity ratio calculated between CEO compensation and the average and median compensation of Company employees

Pursuant to Article L.22-10-9 of the French Commercial Code, the Company hereby presents its Equity ratio calculated between CEO compensation and the average and median compensation of Company employees on full-time equivalent basis.

This analysis was carried out taking into account the "guidelines on compensation ratios" provided by AFEP on September 27, 2019 and updated in February 2021. The scope used for the analysis is the France scope (all employees based in France and continuously present over the reporting year), the reference market for the Chief Executive Officer, which appears to be the most relevant for this study. It takes into account elements paid or granted in respect of financial year Y (fixed part, variable part paid in year Y in respect of Y-1, deferred variable portion paid during financial year Y in previous financial years, performance free shares awarded in respect of financial year Y valued at their IFRS value and benefits in kind).

It only concerns the Chief Executive Officer, as the Chairperson of the Board of Directors only receives annual fixed compensation of €180,000 for carrying out their duties.

FINANCIAL YEAR	2019	2020	2021	2022	2023	BENCHMARK SBF 120*
Ratio to average compensation	24.1	29.1	24.2	28.0	29.8	53
Ratio to median compensation	29.0	35.2	29.4	34.6	37.1	68

** average ratio; source: Willis Towers Watson*

Explanation of the change in ratio over the reference period

- **2018 financial year**: first year of full compensation for Xavier Durand, including an outperformance bonus for 2017 (152.01% achievement in meeting the targets set over the period) as well as the first amount of deferred variable compensation paid in respect of the 2016 bonus;
- **2019 financial year**: Xavier Durand's compensation includes an outperformance bonus for 2018 (157.83% achievement in meeting the targets set for the period), comparable to 2017 as well as the second amount of deferred variable compensation paid in respect of the 2016 bonus and the first in respect of the 2017 bonus; the ratios were relatively stable between 2018 and 2019;
- **2020 financial year**: Xavier Durand's compensation includes an outperformance bonus for 2019 (151.43% achievement in meeting the targets set over the period), comparable to 2017 and 2018, as well as the second amount of deferred variable compensation paid in respect of the 2017 bonus and the first in respect of the 2018 bonus. Furthermore, Xavier Durand's fixed compensation was increased from €575,000 to €750,000 in 2020 at the time of his reappointment, in order to take into account:
  - Individual performance: Mr Durand surpassed his performance targets over the previous three financial years,
  - Market practices: Xavier Durand's fixed compensation was voluntarily set under the market median when he took office in 2016 (to reach -17% compared to the market median [1] in base salary and -21% overall in 2019) and was not reassessed during the first four years on the job, in accordance with the Company's policy and in accordance with the recommendations of the Afep-Medef Code. This reassessment made it possible to position Xavier Durand's compensation at a competitive level, slightly above the market median (+7% compared to the median in base salary and +9% overall).

The equity ratio therefore changed over the period but remains well below the benchmarks made up of the companies in the SBF 120.

- **2021 financial year**: the compensation paid or awarded to Xavier Durand in 2021 mainly includes:
  - the base annual compensation set at €750,000 upon his reappointment in 2020 and unchanged in 2021,
  - the upfront portion of the bonus due in respect of 2020, estimated at 72.11% of achievement in meeting the targets set over the period, which is therefore down significantly compared to previous years,
  - the second amount of deferred variable compensation paid in respect of the 2018 bonus and the first in respect of the 2019 bonus, the amounts of which were stable compared to the previous financial year,
  - the amount allocated under the 2021 LTIP, *i.e.* 75,000 shares, valued at €533,850 (IFRS value), corresponding to a 25% decrease compared to the 2020 LTIP, estimated at €717,900 (IFRS value).

  Given these factors, the CEO-to-employee pay ratio was down significantly over the period.
- **2022 financial year**: the compensation paid or awarded to Xavier Durand in 2022 mainly includes:
  - the base annual compensation set at €750,000 upon his reappointment in 2020 and unchanged in 2022,
  - the upfront portion of the bonus due in respect of 2021, assessed at 166.148% of achievement in meeting the targets set over the period, which is therefore up from previous financial years, and up significantly in comparison with 2020 results,
  - the second instalment of the deferred variable compensation paid in respect of the 2019 bonus is stable compared with the previous financial year; the first instalment of the deferred compensation in respect of the 2020 bonus is lower than historical payments,
  - the amount awarded under the 2022 LTIP, *i.e.* 75,000 shares, valued at €737,700 (IFRS value), an increase on the amount awarded under the 2021 LTIP, valued at €533,850 (IFRS value).

2023 financial year: the compensation paid or awarded to Xavier Durand in 2023 mainly includes:

- the base annual compensation set at €750,000 upon his reappointment in 2020 and unchanged in 2023;
- the upfront portion of the bonus due in respect of 2022, estimated at 188.74% of achievement in meeting the targets set over the period, which therefore increases compared to previous years;
- the second instalment of the deferred variable compensation paid in respect of the 2020 bonus is down compared with historical payments; the first instalment of the deferred compensation in respect of the 2021 bonus is up compared with previous years;
- the amount awarded under the 2023 LTIP, *i.e.* 75,000 shares, valued at €779,250 (IFRS value), an increase on the amount awarded under the 2021 LTIP, valued at €737,700 (IFRS value).

1) ** Benchmark for Willis Towers Watson on a panel of 30 companies in the SBF 80 comparable to COFACE in terms of headcount, turnover and/or geographic scope*

/ ANNUAL CHANGE IN COMPENSATION, THE COMPANY'S PERFORMANCE, THE AVERAGE COMPENSATION ON A FULL-TIME EQUIVALENT BASIS OF THE COMPANY'S EMPLOYEES AND THE RATIOS MENTIONED ABOVE DURING THE FIVE MOST RECENT FINANCIAL YEARS

	2019-2018	2020-2019	2021-2020	2022-2021	2023-2022
Evolution of the Chief Executive Officer's compensation	9%	22%	(17%)	35%	14%
Change in average employee compensation	7%	1%	0%	17%	7%
Change in CEO-to-employee pay ratio based on average employee pay	2%	21%	(17%)	15%	7%
Change in CEO-to-employee pay ratio based on median employee pay	(1%)	21%	(16%)	18%	7%
Change in net income	20%	(44%)	170%	26%	0%
Turnover growth	7%	(2%)	8%	16%	4%

Note: after a decrease in the Chief Executive Officer's compensation in 2021, it increased in 2022 and in 2023, following an increase in the upfront portion of the bonus in respect of 2021-2022 and paid in 2022-2023.

With regard to long-term variable compensation in the form of free shares, the same number of shares was granted in 2022 and 2023, but the fair value under IFRS of the shares awarded in 2023 was up from 2022.

These changes show the close connection between the Company's results and the valuation of annual variable compensation (bonuses) and therefore the effectiveness of the Chief Executive Officer's compensation mechanism.

The structure and principles of the compensation of the Chief Executive Officer will be reviewed in 2024, in view of the renewal of Chief Executive Officer's term of office decided by the Board of Directors on February 27, 2024.

d. Structure of the compensation of the Chief Executive Officer for 2024

In respect of 2024, on the proposal of the Nominations, Compensation and CSR Committee, after the decision of the Board of Directors and **subject to the approval of the General Shareholders' Meeting**, Xavier Durand's compensation shall consist of the following elements:

COMPENSATION COMPONENTS	TARGET AMOUNT	COMMENTS
Fixed compensation	€980,000	Gross annual compensation set at €980,000 for Xavier Durand's reappointment and effective since May 2024, the date of the General Meeting of Shareholders closing the 2023 financial year.
Target annual variable compensation ("bonus")	€980,000	The target variable compensation is maintained at 100% of the fixed compensation, or €980,000. Its structure remains unchanged. Financial objectives account for 60% of the compensation, and strategic and management objectives account for the remaining 40% for 2024 as defined below:

FINANCIAL OBJECTIVES	VARIATION LIMITS	WEIGHT
Net income	-/+20%	20%
Turnover	-/+10%	10%
Cost ratio net of reinsurance	+/-3 pts	10%
Gross loss ratio excluding claims management costs	+/-5 pts	10%
Turnover of the Business Information & debt collection activities	-/+20%	10%
TOTAL (A)		**60%**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	WEIGHT
Strategic plan: implementation and monitoring of key strategic plan initiatives (BI, Mid-market, technology investments, etc.)	0/125%	15%
CSR strategy: continuation of the emissions reduction plan, implementation of the CSRD.	0/125%	10%
Maintaining employee commitment and customer satisfaction	0/125%	10%
Executive Committee's succession plan	0/125%	5%
TOTAL (B)		**40%**
TOTAL (A + B)		100%

The objectives set reflect the Company's strategy. They respect the Company's interests, contribute to its commercial strategy and its sustainability.

The maximum achievement rate for variable compensation is broken down as follows*:
- The maximum achievement rate for financial objectives is 150% (*i.e.* a maximum achievement rate for each objective of 250%);
- The maximum achievement rate for strategic and managerial objectives is 50% (*i.e.* a maximum achievement rate for each objective of 125%).

The rate of achievement of financial objectives is defined within the framework of variation limits as follows:
- the low end of the variation limit corresponds to the trigger level, which is 0% achievement;
- the target level corresponds to 100% achievement;
- between the low end of the variation limit and the target, the achievement rate is set in a linear manner between 0% and 100% achieved;
- between the target and the top end of the variation limit, the achievement rate is set in a linear manner between 100% and 250% achieved.

Thus, if the achievement rate of one of the financial objectives is less than or equal to the low end of the variation limit of said target, no compensation will be paid in this respect.

Note: strategic and managerial objectives are mainly assessed using quantifiable and measurable indicators (construction of the strategic plan, monitoring of changes to our CO_2 emissions, employee engagement survey, customer satisfaction measured using NPS, etc.).

The payment of 30% of the annual variable compensation ("bonus") is deferred, with 50% paid in Y+2 and 50% in Y+3. A malus [penalty] system is introduced in the event of termination for serious misconduct or gross negligence or losses observed before the payment date.

*Note: the maximum achievement rate has been reduced from 200% to 170%.

COMPENSATION COMPONENTS	TARGET AMOUNT	COMMENTS

Long-term variable compensation (Award of performance free shares) – 2024 LTIP	Maximum €1,666,000 (value date of allocation)	At its meeting of February 27, 2024, the Board of Directors approved the structure of the Chief Executive Officer's target compensation, where the allocation of LTIs is expressed as a % of the fixed compensation (maximum 170%, *i.e.* €1,666,000); the number of shares allocated under the 2024 Long-Term Incentive Plan (LTIP 2024), is defined on the basis of the average of the last 20 stock market opening prices preceding the date of the Board of Directors' meeting.
		
		In 2023, the maximum amount of the free share allocation awarded to Xavier Durand under the LTIP is 20% of the budget allocated for the financial year; the LTIP award ceiling as a % of his fixed compensation is 150%.
		
		Under the compensation structure approved by the Board of Directors on February 27, 2024, the allocation of LTIP to Xavier Durand may represent a maximum of 25% of the total budget allocated for the financial year and 170% of his fixed compensation on the allocation date.
		
		The shares will vest on February 27, 2027, subject to presence and performance conditions measured over the duration of the plan until December 31, 2026, as follows:
		• 35% of the shares awarded will vest subject to the relative performance of the COFACE SA share measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of the institutions making up the Euro Stoxx Assurances index over the period from January 1, 2024 to December 31, 2026;
		• 35% of the shares awarded will vest subject to the realisation of the net earnings per share at December 31, 2026;
		• 30% of the shares awarded will vest subject to the achievement of two CSR criteria:
		  ◦ Criterion linked to the increase in the proportion of women in senior management (Top 200) as of December 31, 2026,
		  ◦ Criterion for reducing CO2 emissions of the investment portfolio as of December 31, 2026.
		
		The trigger threshold shall be set at 80% of the target for each criterion. Thus, if the achievement rate of one of the criteria is less than 80% of the target, the performance under that criterion will not be met. The achievement rate of the criteria may vary between 80% and 120%, and the achievement rates may be offset. However, this offsetting cannot be applied if the achievement rate under one of the criteria is less than 80% of the target and cannot result in the acquisition of more than 100% of the shares in total.
		
		The vesting period for the shares is set at three years from February 27, 2023. The plan does not provide for a holding period.
		It was decided that the percentage of shares acquired under the 2024 LTIP to be retained by the Chief Executive Officer until the end of their corporate office or any other position they would have to perform within Coface should be set at 30%.
		The objective of long-term variable compensation is to have the Chief Executive Officer act with a view to the long term, but also to retain them and to promote the alignment of their interests with the corporate interest of the Company and that of the shareholders.

Other benefits	€160,560	Xavier Durand has the use of a company car, and 62.5% of the contributions due in respect of the social security regime for company managers is covered. He benefits from the Group health and welfare schemes provided to all employees, and a supplementary pension scheme from which the members of the Executive Committee also benefit.
TOTAL COMPENSATION TARGET FOR 2024	**€3,786,560**	**SUBJECT TO APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING**

** Please note: At its meeting of February 27, 2024, the Board of Directors approved the 2023 financial statements, confirmed the achievement of the performance conditions attached to the 2021 Long-Term Incentive Plan (2021 LTIP); the shares granted to Xavier Durand under this plan were therefore delivered on February 27, 2024, i.e. 75,000 shares for a fair value of €533,850 under IFRS (€ [to be specified] in capital gain on acquisition).*

Severance pay

Mr Xavier Durand benefits, in the event that his term of office ends, from severance in the amount of two years' compensation (fixed plus variable). The reference used for the fixed part is the salary for the current financial year on the date his duties end. The reference amount for the variable part will be the average of the variable parts received for the three financial years preceding the date his duties end.

This severance pay shall be due if the following performance criteria have been met:

- achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and
- the Company's combined ratio after reinsurance is at most 95% on average over the three financial years preceding the departure date.

If only one of the above two conditions is met, 50% of the severance will be due. If none of the above conditions is met, no severance will be due. No severance shall be paid by the Company if the term of office is ended at Mr Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The components of compensation and employee benefits covered by the regulated agreements procedure in accordance with the provisions of the French Commercial Code will be subject to the approval of the Company's General Meeting.

Xavier Durand does not have an employment contract.

As of his reappointment in 2020, given his responsibilities as Chief Executive Officer and in order to preserve the Company's interests, the Board of Directors decided to implement a non-compete agreement.

It is understood that the maximum total amount paid to Xavier Durand in respect of the application of the severance payment and the non-compete agreement may under no circumstances exceed two years' compensation (fixed plus variable).

Directors' compensation

Principles of directors' compensation

The Group's policy is not to award compensation to management representatives who perform the duties of directors in Group companies.

The compensation policy for corporate officers has been adapted to the usual practices of listed companies and guarantees the independence of directors.

Components of directors' compensation

Total compensation of directors in 2023 was €450,000 (excluding the compensation of the Chairman of the Board of Directors), which was divided among the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations, Compensation and CSR Committee.

The rules for allocating directors' fees are as follows:

		FIXED PORTION (PER YEAR PRORATA TO THE TERM OF OFFICE)	VARIABLE PORTION (PER MEETING AND CAPPED*)
Board of Directors	Members	€8,000	€3,000
	Chairman	€17,000	€3,000
Audit and Accounts Committee	Members	€5,000	€2,000
	Chairman	€17,000	€3,000
Risk Committee	Members	€5,000	€2,000
	Chairman	€8,000	€3,000
Nominations, Compensation and CSR Committee	Members	€3,000	€2,000

** Capped:*
- at six meetings for the Board of Directors, the Audit and Accounts Committee and the Risk Committee;
- at five meetings for the Nominations, Compensation and CSR Committee.

N.B. The Chairman of the Board of Directors receives compensation of €180,000 for his corporate office within COFACE SA.

a. Compensation payable to directors for 2022

ON THE BASIS OF SIX BOARD MEETINGS PER YEAR; SIX AUDIT AND ACCOUNTS COMMITTEE MEETINGS; SIX RISK COMMITTEE MEETINGS; FIVE NOMINATIONS, COMPENSATION AND CSR COMMITTEE MEETINGS	FINANCIAL YEAR 2021 – MAXIMUM GROSS COMPENSATION AMOUNTS		
	AMOUNT OF COMPENSATION	FIXED PORTION (IN %)	VARIABLE PORTION (IN %)
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + Member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + Member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations, Compensation and CSR Committee	€49,000	33	67
Member of the Board of Directors + Member of the Nominations, Compensation and CSR Committee	€39,000	28	72

The table below presents the compensation owed to the members of the Company's Board of Directors in 2022 and 2023.

	COMPENSATION OF DIRECTORS		OTHER COMPENSATION AND BENEFITS		TOTAL	
(in €)	2023 (1)	2022 (2)	2023 (1)	2022 (2)	2023 (1)	2022 (2)
Janice Englesbe	41,000	41,000	-	-	41,000	41,000
David Gansberg	41,000	41,000	-	-	41,000	41,000
Éric Hémar	-	23,458	-	-	-	23,458
Chris Hovey	26,000	26,000	-	-	26,000	26,000
Isabelle Laforgue	56,000	56,000	-	-	56,000	56,000
Laetitia Léonard-Reuter (3)	58,000	40,542	-	-	58,000	40,542
Nathalie Lomon	58,000	58,000	-	-	58,000	58,000
Sharon MacBeath	49,000	42,708	-	-	49,000	42,708
Laurent Musy (3)	41,000	31,042	-	-	41,000	31,042
Nicolas Papadopoulo	39,000	39,000	-	-	39,000	39,000
Olivier Zarrouati		28,333	-	-		28,333
TOTAL	**409,000**	**427,083**	**-**	**-**	**409,000**	**427,083**

(1) Amount allocated for 2023, in euros, on a gross basis (before social security contributions and taxes).
(2) Amount allocated for 2022, in euros, on a gross basis (before social security contributions and taxes).
(3) Following the Combined General Meeting held on May 17, 2022, Laetitia Leonard-Reuter and Laurent Musy were appointed as directors. These appointments fol low the expiry of the terms of office of Olivier Zarrouati and Éric Hémar, respectively.

a. Principles and components of directors' compensation for 2024

In accordance with the provisions of the PACTE Act, which entered into force in November 2019, the policy on attendance fees was replaced by the compensation policy for directors in January 2020.

For 2024, the compensation of chair and members of the of the Nominations, Compensation and CSR Committee is aligned with that of other committees:

- Chair
  - fixed portion: 17,000 euros per year (pro rata to their term of office),
  - variable portion: 3,000 euros per meeting, capped at five meetings.
- Members of the Nominations, Compensation and CSR Committee
  - fixed portion: 5,000 euros per year (pro rata to their term of office),
  - variable portion: 2,000 euros per meeting, capped at five meetings.

The other terms of directors' compensation remain unchanged for 2024.

8.2 RESOLUTIONS SUBMITTED TO THE VOTE OF THE COMBINED SHAREHOLDERS' MEETING OF MAY 16, 2024

8.2.1 Draft agenda

For details of this draft, please refer to Section 8.1 "Draft report of the Board of Directors on the draft resolutions submitted to the Combined Shareholders' Meeting" of this Universal Registration Document.

Within the authority of the Ordinary Shareholders' Meeting

- Reports of the Board of Directors and of the Statutory Auditors on the Company's operations during the financial year ended December 31, 2023;
- Approval of the Company financial statements for the financial year ended December 31, 2023;
- Approval of the consolidated financial statements for the financial year ended December 31, 2023;
- Allocation of profit or loss and dividend payment;
- Authorisation of the Board of Directors to trade in the shares of the Company;
- Approval of the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code;
- Approval of the information mentioned in Article L.22-10-9 Section I of the French Commercial Code on the compensation of non-executive corporate officers pursuant to Article L.22-10-34 Section I of the French Commercial Code;
- Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L.22-10-34 Section II of the French Commercial Code;
- Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Xavier Durand, Chief Executive Officer, pursuant to Article L.22-10-34 Section II of the French Commercial Code;
- Approval of the compensation policy applicable to the members of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code;
- Approval of the compensation policy applicable to the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code;
- Approval of the compensation policy applicable to the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code;
- Appointment of an auditor responsible for sustainability reporting.

Within the authority of the Extraordinary Shareholders' Meeting

- Authorisation to the Board of Directors to reduce the share capital of the Company by cancellation of treasury shares;
- Delegation of authority to the Board of Directors with a view to increasing the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted;
- Delegation of authority to the Board of Directors to increase the share capital by issuing, with the maintenance of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued;
- Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings other than those referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code;
- Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code;
- Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind;
- Delegation of authority to the Board of Directors to increase the share capital with cancellation of the preferential subscription right by issuing Company shares reserved for members of a Company savings plan;
- Delegation of authority to the Board of Directors to increase the share capital by issuing shares with cancellation of the preferential subscription right in favour of a specific category of beneficiaries;
- Powers for the completion of formalities.

8.2.2 Draft resolutions to be submitted to the Combined General Meeting

WITHIN THE REMIT OF THE ORDINARY GENERAL MEETING

First resolution

(Approval of the Company financial statements for the financial year ended December 31, 2023)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the reports of the Board of Directors and the Statutory Auditors relating to the financial statements for the financial year ended December 31, 2023, approves the Company financial statements for the said financial year as presented, as well as the transactions reflected in these financial statements and summarised in these reports.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2023)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the reports of the Board of Directors and the Statutory Auditors relating to the consolidated financial statements for the financial year ended December 31, 2023, approves the consolidated financial statements for the said financial year as presented, as well as the transactions reflected in these financial statements and summarised in these reports.

Third resolution

(Allocation of profit or loss and dividend payment)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings:

- notes that the Company financial statements as at December 31, 2023 show a net profit for the financial year of €208,001,241;
- notes that the legal reserve, amounting to €31,449,646 as at December 31, 2023, exceeds the legal requirements;
- notes that retained earnings as at December 31, 2023 shows a credit of €99,527,048;
- notes that the distributable profit comes to €307,528,288;
- resolves to allocate a total amount of €193,708,957 to shareholders, representing a payment of €1.30 per share and to transfer the balance to retained earnings.

It is specified that, after distribution, retained earnings will be equal to €113,819,331. This amount includes dividends not paid on treasury shares at December 31, 2023.

For individuals who are tax residents in France, this dividend would be automatically subject to the single flat-rate deduction set out in Article 200 A of the French General Tax Code, unless the overall option for the progressive scale was chosen. In the event of an option for the progressive scale, this option would be eligible for the proportional reduction of 40% set out in Article 158(3) (2) of the French General Tax Code. The paying institution would make the flat-rate levy at source (not effecting full discharge) set out in Article 117 quater of the French General Tax Code, except for beneficiaries who are tax residents in France who have made a request for exemption under the conditions of Article 242 quater of the French General Tax Code.

All shareholders - and specially those domiciled or established outside France as regards the regulation applicable in the State of residence or establishment - are invited to contact their usual advisor to determine, by means of a detailed analysis, the tax consequences of this distribution.

The General Meeting recalls, in accordance with the legal provisions, that the dividends distributed for the previous three financial years were as follows:

FINANCIAL YEAR	NUMBER OF SHARES PAYING OUT [1]	TOTAL AMOUNT *(in €)*	DISTRIBUTED DIVIDEND ELIGIBLE FOR A 40% REDUCTION MENTIONED IN ARTICLE 158-3-2 OF THE FRENCH GENERAL TAX CODE *(in €)*
2020	149,047,713	81,976,242	81,976,242
2021	149,352,439	224,028,659	224,028,659
2022	149,311,069	226,952,825	226,952,825

** The number of shares that pay out excludes treasury shares.*

The dividend will be detached from the share on May 22, 2024 and paid as of May 24, 2024. The treasury shares held by the Company on May 22, 2024 will not give rise to the right to distribution.

The General Meeting confers full powers on the Board of Directors to determine the final overall amount of the amounts distributed according to the number of shares held by the Company on May 22, 2024 and make the necessary adjustments, based on the amount of dividends actually paid, and more generally do whatever is necessary to ensure the proper completion of the transactions covered by this resolution.

Fourth resolution

(Authorisation of the Board of Directors to trade in the shares of the Company)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report of the Board of Directors:

1. 1.Authorises the Board of Directors, with the option of subdelegation under the conditions set out by the law and regulations, in accordance with the provisions of Articles L.22-10-62 et seq. of the French Commercial Code, to purchase or cause to be purchased, on one or more occasions and at the times set by it, a number of the Company's shares not exceeding:
   - i. i.10% of the total number of shares making up the share capital at any time, or
   - ii. ii.5% of the total number of shares making up the share capital in the case of shares acquired by the Company in view of their conservation and subsequent delivery in payment or in exchange in the context of a merger, demerger or contribution transaction.

These percentages apply to an adjusted number of shares, as the case may be, depending on the transactions that may affect the share capital after this General Meeting.

The acquisitions made by the Company may under no circumstances lead the Company to hold at any time whatsoever more than 10% of the shares comprising its share capital;

2. Decides that thisauthorisation may be used to:
   - i. generate liquidity and stimulate the securities market of the Company through an investment service provider acting independently under a liquidity agreement in line with market practice admitted by theAutorité des marchés financiers (French financial market authority),
   - ii. grant shares to corporate officers and employees of the Company and other Group entities, including (i) Company profit sharing, (ii) any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code, or (iii) any savings plan pursuant to the provisions of Articles L.3331-1 et seq. of the French Labour Code or (iv) any free allocation of shares within the framework of the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code, as well as to carry out any hedging transactions relating to these transactions, in accordance with the conditions laid down by the market authorities and at such times as the Board of Directors or the person acting on the delegation of the Board of Directors will assess,
   - iii. deliver Company shares upon exercise of rights attached to securities giving entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or in any other manner to the allocation of Company shares within the framework of the regulations in force, as well as to carry out any hedging transactions relating to these transactions, according to the conditions laid down by the market authorities and at such times as the Board of Directors or the person acting on the delegation of the Board of Directors will assess,
   - iv. retain the Company shares and subsequently deliver them as a payment or exchange in the context of any external growth, merger, demerger or contribution operations,
   - v. cancel all or part of the shares thus purchased,
   - vi. implement any market practice that may be accepted by theAutorité des marchés financiers and, more generally, carry out any transaction in accordance with the regulations in force;
3. Decides that the maximum unit purchase price will not exceed €16 per share, excluding charges. The Board of Directors may, however, in the event of transactions concerning the Company's capital, in particular changes in the nominal value of the share, capital increase by incorporation of reserves followed by the creation and free allocation of shares, division or consolidation of shares, adjust the aforementioned maximum purchase price in order to take into account the impact of these transactions on the value of the Company's share;
4. Decides that the acquisition, sale or transfer of such shares may be carried out and paid by any meansauthorised by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic or over-the-counter internaliser, including by way of acquisition or sale of blocks, by means of options or other derivative financial instruments, or warrants or, more generally, securities giving entitlement to Company shares, at such times as the Board of Directors will assess;
5. Decides that the Board of Directors may not, except with the priorauthorisation of the General Meeting, make use of this authorisation as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;
6. Decides that the Board of Directors will have all powers, with the option ofsubdelegation under the conditions set out by the law and regulations, in order, in accordance with the relevant legal and regulatory provisions, to make the allocations and, where applicable, the permitted reallocations of shares redeemed for one or more of the objectives of the plan to one or more of its other objectives, or to their transfer, on the market or off the market.

   All powers are therefore conferred on the Board of Directors, with the option of subdelegation under the conditions set out by the law and regulations, to implement this authorisation, specify, if necessary, the terms and determine the terms and conditions under the legal conditions and of this resolution, and in particular to place all stock market orders, to enter into all agreements, in particular to keep the registers of purchases and sales of shares, make all declarations to the Autorité des marchés financiers or any other competent authority, prepare any information document, complete all formalities, and in general, do whatever is necessary.

   The Board of Directors must inform the General Meeting, under the conditions set out by law, of the operations carried out under this authorisation;
7. Decides that thisauthorisation, which cancels and replaces that granted by the fourth resolution of the General Meeting of May 16, 2023, is granted for a term of eighteen (18) months from the date of this General Meeting.

Fifth resolution

(Approval of the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code)

The General Meeting, ruling under the quorum and majority conditions required for ordinary General Meetings, having read the Board's report and the special report of the Statutory Auditors mentioned in Article L.225-40 referred to under the provision of Articles L.225-38 and following of the French Commercial Code, approves the report and acknowledges that no new agreements falling under the scope of Article L.225-38 of the French Commercial Code was signed in the financial year ended December 31, 2023.

Sixth resolution

(Approval of the information mentioned in Article L.22-10-9 Section I of the French Commercial Code on the compensation of non-executive corporate officers pursuant to Article L.22-10-34 Section I of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the corporate governance report referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Section I of Article L.22-10-34 of the French Commercial Code, the information mentioned in Article L.22-10-9 of the French Commercial Code on the compensation of non-executive corporate officers for the financial year ended December 31, 2023, as presented in the aforementioned report.

Seventh resolution

(Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L.22-10-34 Section II of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report on corporate governance referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Article L.22-10-34 Section II of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or allocated for the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, as presented in the aforementioned report.

Eighth resolution

(Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or awarded in respect of the same financial year to Xavier Durand, Chief Executive Officer, pursuant to Article L.22-10-34 Section II of the French Commercial Code)

The General Meeting, acting with the quorum and majority conditions required for ordinary General Meetings, having read the report on corporate governance referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Article L.22-10-34 Section II of the French Commercial Code, fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the financial year ended December 31, 2023, or allocated for the same financial year to Xavier Durand, Chief Executive Officer of the Company, as presented in the aforementioned report.

Ninth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority conditions required for ordinary General Meetings, having read the corporate governance report referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to the members of the Board of Directors as determined by the Board of Directors of the Company on the proposal of the Nominations and Compensation Committee and presented in the aforementioned report.

Tenth resolution

(Approval of the compensation policy applicable to the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report on corporate governance, referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to the Chairman of the Board of Directors of the Company, as determined by the Board of Directors of the Company on the proposal of the Nominations and Compensation Committee and presented in the aforementioned report.

Eleventh resolution

(Approval of the compensation policy applicable to the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report on corporate governance, referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2023 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to the Chief Executive Officer of the Company, as determined by the Board of Directors of the Company on the proposal of the Nominations and Compensation Committee and presented in the aforementioned report.

Twelfth resolution

(Appointment of an auditor responsible for sustainability reporting)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report of the Board of Directors, and in accordance with Ordinance No. 2023-1142 of December 6, 2023, resolves to appoint as auditor in charge of certifying sustainability-related information, for a period of one financial year, *i.e.* until the end of the General Meeting convened to approve the financial statements for the financial year ended December 31, 2024:

- the company Deloitte & Associés: a simplified joint stock company (*société par actions simplifiée*) having its registered office at 6 place de la Pyramide, 92908 à Paris La Défense Cedex, registered in the Nanterre Trade and Companies Register under number 572 028 041.

The company Deloitte & Associés has indicated that it accepts these functions and that it is not affected by any incompatibility or prohibition likely to prevent its appointment.

MATTERS COMING WITHIN THE PURVIEW OF THE EXTRAORDINARY GENERAL MEETING

Thirteenth

(Authorisation to the Board of Directors to reduce the share capital of the Company by cancellation of treasury shares)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Article L.22-10-62 of the French Commercial Code:

1. Authorises the Board of Directors, with the option of subdelegation under the conditions set out by the law and regulations, to:
   i. cancel, on its own decisions, on one or more occasions, up to a limit of 10% of the amount of the share capital existing on the date of cancellation (thatis to say adjusted according to the transactions on the share capital since the adoption of this resolution), in a period of twenty-four months, all or part of the shares acquired by the Company under a share buyback programme authorised by the shareholders,
   ii. reduce the share capital accordingly and allocate the difference between the redemption price of the cancelled shares and their nominal value against the available premiums and reserves of its choosing;
2. Confers all powers on the Board of Directors, with the option of subdelegation under the conditions set out by the law and regulations, for the purpose of determining the final amount of capital reductions within the limits laid down by law and this resolution, fixing the terms thereof, recording their completion, carrying out all acts, formalities or declarations with a view to making final any reductions of capital that may be made pursuant to this authorisation and for the purpose of amending the Articles of Association accordingly;
3. Decides that this authorisation, which cancels and replaces that granted by the twelfth resolution of the General Meeting of May 16, 2023, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Fourteenth resolution

(Delegation of authority to the Board of Directors with a view to increasing the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted)

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having read the report of the Board of Directors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129, L.225-129-2, L.225-130 and L.22-10-50:

1. Delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, its competence to increase, on one or more occasions, in the proportions and at the times it determines, the share capital of the Company by incorporation of reserves, profits or premiums of issue, merger or contribution, or any other sum, the capitalisation of which will be legally possible, to be carried out by issuing new shares or by raising the nominal amount of the existing shares or combining these two modes of realisation in accordance with the terms and conditions it will determine;
2. Decides that the nominal amount of the capital increases which may be decided by the Board of Directors and carried out, immediately and/or in the future, under this delegation may not exceed a maximum amount of seventy-five million euros (€75,000,000), this limit being independent of the limit specified in paragraph 2 of the fifteenth resolution below. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions, the rights of holders of securities or other rights giving access to the Company's capital;
3. Specifies that in the event of a capital increase giving rise to the free allocation of new shares, the Board of Directors may decide that the rights forming fractional shares will not be negotiable and that the corresponding shares will be sold, in accordance with the provisions of Articles L.225-130 and L.22-10-50 of the French Commercial Code, the sums arising from the sale being

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allocated to the holders of the rights within the time limits laid down by the regulations;

4. Decides that the Board of Directors will have all powers, with the option of subdelegation under the legislative and regulatory conditions, to implement this delegation, and in particular:
   i. determine the terms and conditions of theauthorised transactions and in particular to determine the amount and nature of the reserves, profits, premiums or other amounts to be incorporated into the capital, determine the number of new shares to be issued and/or the amount of which the nominal value of the existing shares making up the share capital will be increased, to determine the date, even retroactive, from which the new shares will be exercised or that on which the increase of the nominal value will take effect and proceed, where applicable, with all charges against the share premium(s) and, in particular, the costs incurred by the realisation of the issues,
   ii. take all measures intended to protect the rights of holders of securities or other rights giving access to the capital, existing on the date of the capital increase,
   iii. take all appropriate measures and enter into all agreements in order to ensure the correct completion of the planned transaction (s) and, generally, to do all that is necessary, to carry out all acts and formalities for the purpose of making final the capital increase(s) that may be carried out under this delegation as well as to amend the Company's Articles of Association accordingly,
   iv. take all measures and have all formalities required for the admission to trading of the securities sold on the regulated market of Euronext Paris;
5. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;
6. Decides that this delegation, which cancels and replaces that granted by the seventeenth resolution of the General Meeting of May 17, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Fifteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with the maintenance of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 et seq., L.225-132, L.225-133, L.22-10-49 and L.228-91 et seq.:

6. Delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, the power to decide to proceed, on one or more occasions, in the proportions and at the times it assesses, both in France and abroad, in euros or foreign currency, with the issuance, maintaining the preferential subscription right, of Company shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by offsetting certain receivables, liquid and payable, either in whole or in part, by the incorporation of reserves, profits or premiums;
7. Decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation will not exceed a maximum amount of one hundred and fifteen million euros (€115,000,000), or its equivalent value in another currency, it being specified that the nominal amount of the capital increases realised pursuant to this resolution and the sixteenth to twentieth resolutions submitted to this General Meeting will be deducted from such limit. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions, the rights of holders of securities or other rights giving access to the Company's capital;
8. Decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issuance of such securities, or allow them to be issued as intermediate securities. The maximum overall nominal amount of debt issues that could be carried out on the basis of this delegation may not exceed five hundred million euros (€500,000,000) or its equivalent value in another currency, it being specified that the nominal amount of debt securities issued pursuant to this resolution and the sixteenth to eighteenth resolutions submitted to this General Meeting will be deducted from such ceiling;
9. Acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right immediately or in the future;
10. Decides that the shareholders may exercise, under the conditions provided by law, their preferential subscription right on an irreducible basis to the equity securities and/or securities the issuance of which is to be decided by the Board of Directors pursuant to this delegation of authority. The Board of Directors shall be entitled to confer on shareholders the right to subscribe, on a reducible basis, a number of securities higher than that which they could subscribe on an irreducible basis, in proportion to the subscription rights available to them and, in any event, up to the limit of their requests.

    If the subscriptions on an irreducible basis, and, where applicable, on a reducible basis, have not absorbed all the capital securities and/or securities issued, the Board of Directors will have the option, to the extent it determines, to limit, in accordance with the law, the issue in question to the amount of subscriptions received, subject to the condition that it reaches at least three-quarters of the issue initially decided, either to freely distribute all or part of the securities not subscribed among the persons of its choosing, or to offer in the same way to the public, on the

French or international market, all or part of the securities not subscribed, with the Board of Directors being able to use all or only some of the options set out above;

11. Further specifies that the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, may in particular:
    i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription, their payment and their date of enjoyment (even retroactive),
    ii. in the event of the issuance of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it will determine, that the warrants may be redeemed, or thatthey will be allocated free of charge to the shareholders in proportion to their right in the share capital,
    iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,
    iv. decide to use the shares acquired as part of a share buybackprogramme authorised by the shareholders to allot them as a result of the issuance of the securities issued on the basis of this delegation,
    v. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,
    vi. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the applicable laws and regulations and contractual provisions,
    vii. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,
    viii. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;
12. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;
13. Decides that this delegation, which cancels and replaces that granted by the eighteenth resolution of the General Meeting of May 17, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Sixteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings other than those referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 et seq., L.225-135, L.225-136, L.22-10-49, L.22-10-51, L.22-10-52, L.22-10-54 and L.228-92:

1. Delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, the power to decide to proceed by means of offers to the public other than those referred to in Section 1 of Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it will assess, both in France and abroad, in euros or foreign currency, the issuance, with cancellation of the preferential subscription right, of Company shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by offsetting against certain, liquid and payable receivables. These securities may in particular be issued in order to remunerate securities contributed to the Company, in the context of a public exchange offer made in France or abroad in accordance with local rules (*e.g.* in the context of what is known in English as a reverse merger) on securities meeting the conditions set out in Article L.22-10-54 of the French Commercial Code;
2. Decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation will not exceed a maximum amount of twenty-nine million euros (€29,000,000) or its equivalent value in another currency, it being specified that (i) that the nominal amount of capital increases made pursuant to this resolution as well as the seventeenth to eighteenth resolutions submitted to this General Meeting will be deducted from this limit and (ii) that the nominal amount of any capital increase carried out pursuant to this delegation will be deducted from the overall nominal ceiling provided for capital increases in paragraph 2 of the fifteenth resolution of this General Meeting.

   These ceilings will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions the rights of holders of securities or other rights giving access to the Company's capital;

3. Decides to waive the preferential subscription right of shareholders to shares and other securities to be issued pursuant to this resolution;
4. Decides that, with respect to issues carried out under this delegation, the Board of Directors may establish for the benefit of the shareholders a period of priority for subscription, in an irreducible and potentially reducible manner, not giving entitlement to the creation of negotiable rights, and therefore delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, the ability to set this time limit and its terms, in accordance with the provisions of Articles L.225-135 and L.22-10-51 of the French Commercial Code;
5. Decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issuance of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€50,000,000) or its equivalent value in foreign currency, it being specified that this amount will be deducted from the overall nominal ceiling for debt issues set out in paragraph 3 of the fifteenth resolution;
6. Acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;
7. Decides that if the subscriptions have not absorbed all the capital securities and/or securities issued, the Board of Directors will have the option, to the extent to be determined, to limit the issue to the amount of subscriptions received under the condition that the issue reaches at least three-quarters of the issue decided, either to freely distribute all or part of the securities not subscribed to among the persons of its choosing, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
8. Further specifies that the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, may in particular:
   - i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription, their payment and their date of enjoyment,
   - ii. in the event of the issuance of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it will determine, that the warrants may be redeemed, or that they will be allocated free of charge to the shareholders in proportion to their right in the share capital,
   - iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,
   - iv. set the issue price of the shares or securities that may be created pursuant to the preceding paragraphs so that the Company receives for each share created or awarded independently of any remuneration, in any form, interest, share premium or redemption, an amount at least equal to the minimum price laid down by the laws or regulations applicable on the day of issue (or, to date, the weighted average of the Company's share prices of the last three trading sessions on the regulated market of Euronext Paris preceding the start of the public offering within the meaning of Regulation (EU) No 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%,
   - v. in the event of the issue of securities in order to remunerate securities tendered as part of a public exchange offer (or a mixed or alternative public purchase or exchange offer or any other offer including an exchange component), set the exchange parity as well as, where applicable, the amount of the cash balance to be paid without the procedures for determining the price set out in paragraph 8.iv applying, record the number of securities tendered to the exchange, and determine the conditions of issue,
   - vi. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,
   - vii. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the applicable laws and regulations and contractual provisions,
   - viii. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,
   - ix. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;
9. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;
10. Decides that this delegation, which cancels and replaces that granted by the nineteenth resolution of the General Meeting of May 17, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Seventeenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings referred to in Article L.411-2 Section 1 of the French Monetary and Financial Code)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 et seq., L.225-135, L.225-136, L.22-10-49, L.22-10-51, L.22-10-52 and L.228-91 et seq.:

1. Delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, the power to decide to proceed in the context of public offerings referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code, under the conditions and maximum limits provided by the laws and regulations, on one or more occasions, in the proportions and at the times it will assess, both in France and abroad, in euros or foreign currency, with the issue, with cancellation of the preferential subscription right, of Company shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by set-off against certain, liquid and payable receivables;
2. Decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation may not exceed a maximum amount of twenty-nine million euros (€29,000,000) or its equivalent value in another currency, it being specified that this amount will be deducted from (i) the nominal ceiling of twenty-nine million euros (€29,000,000) provided for capital increases with cancellation of the preferential subscription right in paragraph 2 of sixteenth resolution of this General Meeting, and (ii) the overall nominal ceiling provided for the capital increases in paragraph 2 of the fifteenth resolution of this General Meeting. These ceilings will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions the rights of holders of securities or other rights giving access to the Company's capital;
3. Decides to waive the preferential subscription right of shareholders to shares and other securities to be issued pursuant to this resolution;
4. Decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issuance of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€500,000,000) or its equivalent in foreign currency, it being specified that this amount would be deducted from the overall nominal ceiling for debt issues provided for in paragraph 3 of the fifteenth resolution;
5. Acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;
6. Decides that if the subscriptions have not absorbed all the capital securities and/or securities issued, the Board of Directors will have the option, to the extent to be determined, to limit, in accordance with the law, the issue to the amount of subscriptions received under the condition that the issue reaches at least three-quarters of the issue decided, either to freely distribute all or part of the securities not subscribed to among the persons of its choosing, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
7. Further specifies that the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, may in particular:
   i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription and their date of enjoyment,
   ii. in the event of the issuance of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it will determine, that the warrants may be redeemed,
   iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,
   iv. set the issue price of the shares or securities that may be created pursuant to the preceding paragraphs so that the Company receives for each share created or awarded independently of any remuneration, in any form, interest, share premium or redemption, an amount at least equal to the minimum price laid down by the laws or regulations applicable on the day of issue (or, to date, the weighted average of the Company's share prices of the last three trading sessions on the regulated market of Euronext Paris preceding thestart of the public offering within the meaning of Regulation (EU) No 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%,

i. decide to use the shares acquired as part of a share buybackprogramme authorised by the shareholders to allot them as a result of the issuance of the securities issued on the basis of this delegation,

ii. take all measures to protect the rights of the holders of the securities issued required by the laws and regulations and the applicable contractual provisions;

iii. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the legal, regulatory and contractual provisions,

iv. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,

v. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;

8. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;

9. Decides that this delegation, which cancels and replaces that granted by the twentieth resolution of the General Meeting of May 17, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Eighteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 et seq., L.225-147, L.22-10-53 and L.228-92:

1. Delegates to the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, the power to decide to proceed, based on the report by the contributions auditor(s), on one or more occasions, in the proportions and at the times it will assess, both in France and abroad, in euros or foreign currency, with the issuance of Company shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with a view to remunerating contributions in kind granted to the Company and comprising equity securities or securities giving access to the capital, where the provisions of Article L.22-10-54 of the French Commercial Code are not applicable;

2. Decides that the total nominal amount of the capital increases which may be carried out under this delegation may not exceed, in addition to the legal limit of 10% of the share capital (assessed on the date of the decision of the Board of Directors deciding the issue), a maximum amount of twenty-nine million euros (€29,000,000) or its equivalent value in another currency, it being specified that this amount will be deducted from (i) the nominal ceiling of twenty-nine million euros (€29,000,000) provided for capital increases with cancellation of the preferential subscription right in paragraph 2 of sixteenth resolution of this General Meeting, and (ii) the overall nominal ceiling provided for capital increases in paragraph 2 of the fifteenth resolution of this General Meeting. These ceilings will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions the rights of holders of securities or other rights giving access to the Company's capital;

3. Decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issuance of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€500,000,000) or its equivalent in a foreign currency, it being specified that this amount will be deducted from the overall nominal ceiling for debt issues set out in paragraph 3 of the fifteenth resolution;

4. Decides to waive for the benefit of holders of securities subject to contributions in kind, the preferential subscription rights of shareholders to shares and other securities to be issued pursuant to this resolution;

5. Acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;

6. Further specifies that the Board of Directors, with the option of subdelegation under the legislative and regulatory conditions, may in particular:

i. rule, on the report of the contributions auditor(s), on the valuation of contributions and the granting of any special benefits,

ii. determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription and their date of enjoyment,

iii. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these contributions and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

iv. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,

v. record the completion of all issues of shares and securities, amend the Articles of Association rendered necessary by the completion of any capital increase, allocate the issue costs to the premium if it so wishes and also bring the legal reserve to one tenth of the new share capital as well as carry out all formalities and declarations and require allauthorisations that may prove necessary for the completion of these contributions,

vi. take all measures and have all formalities required for the admission of the securities created to trading on a regulated market;

7. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;
8. Decides that this delegation, which cancels and replaces that granted by the twenty-first resolution of the General Meeting of May 17, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Nineteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital with cancellation of the preferential subscription right by issuing Company shares reserved for members of a Company savings plan)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and pursuant to the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code and those of Articles L.3332-18 et seq. of the French Labour Code:

1. Delegates to the Board of Directors, with the option of subdelegation under the conditions set out by the law and regulations, its authority to proceed, on one or more occasions, as decided solely by it, in the proportions and at the times it will assess, with the issuance of new shares reserved for employees, to eligible former employees and corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, who are members of a Company savings plan;
2. Cancels, in favour of such members, the preferential subscription right of the shareholders to the shares that may be issued pursuant to this authorisation and waives all rights to the shares that may be granted free of charge on the basis of this resolution in respect of the discount and/or incentive contribution;
3. Decides that the nominal amount of the capital increase which may be carried out pursuant to this delegation of authority may not exceed three million two hundred thousand euros (€3,200,000), it being specified that this nominal amount will be set off against the overall nominal ceiling for capital increases specified in paragraph 2 of the fifteenth resolution of this General Meeting and that the ceiling applicable to this delegation will fall under the common ceiling in twentieth resolution of this General Meeting. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions, the rights of holders of securities or other rights giving access to the Company's capital;
4. Decides that the subscription price of the securities issued pursuant to this delegation will be determined under the conditions laid down by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount compared to the average of the quoted prices of the share during the twenty trading sessions preceding the date of the decision setting the opening date of the subscription may therefore not exceed 30% (or 40% when the unavailability period provided for in the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labour Code is greater than or equal to ten years). However, when implementing this delegation, the Board of Directors may reduce the amount of the discount on a case-by-case basis, in particular due to tax, social security or accounting constraints applicable in the countries where the Group entities involved in the capital increase transactions are located. The Board of Directors may also decide to allocate shares free of charges to the subscribers of new shares, in lieu of the discount and/or for the incentive contribution;
5. Decides that the Board of Directors will have all powers, with the option of subdelegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above for the purpose, in particular, to:

i. decide on the issuance of new shares of the Company,

ii. establish the list of companies whose employees, former employees and eligible corporate officers may benefit from the issue, set the conditions that the beneficiaries must fulfil in order to be able to subscribe, directly or through a mutual investment fund, to the shares that will be issued under this delegation of authority,

iii. set the amounts of these issues and determine the subscription prices of the securities and the subscription dates, terms and conditions of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even retroactive, from which the new shares will be exercised,

iv. decide that subscriptions may be made directly by members of a Company savings plan or through employee mutual funds or other structures or entities permitted by the applicable legal or regulatory provisions,

v. decide, pursuant to Article L.3332-21 of the French Labour Code, on the allocation, free of charge, of shares to be issued or already issued, in respect of the incentive contribution and/or, where applicable, the discount, provided that taking into account their financial equivalent, valued at the subscription price, has the effect of exceeding the limits provided for in Article L.3332-11 of the French Labour Code and, in the event of the issuance of new shares in respect of the discount and/or the incentive contribution, to capitalise the reserves, profits or share premiums necessary for the payment of such shares,

vi. set the time limit for subscribers to pay up their shares,

vii. vii.record or have recorded the completion of the capital increase up to the amount of the shares

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actually subscribed and modify the Articles of Association accordingly,

viii. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these increases and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

ix. in general, take all measures and carry out all formalities necessary for the issue and listing of the shares issued and further to the capital increases and the corresponding amendments to the Articles of Association pursuant to this delegation;

6. Decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;

7. Decides that this delegation, which cancels and replaces that granted by the thirteenth resolution of the General Meeting of May 16, 2023, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twentieth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares with cancellation of the preferential subscription right in favour of a specific category of beneficiaries)

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L.225-129 et seq. and L.225-138 of the French Commercial Code:

1. Delegates, with the option ofsubdelegation under the conditions set out by the law and regulations, its authority to proceed, on one or more occasions, on its decisions alone, in such proportions and at such times as it will assess, both in France and abroad, with the issue new shares, the issue being reserved for one or more of the categories of beneficiaries meeting the following characteristics: (i) employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more mutual funds or other entity governed by French or foreign law, with or without legal personality, subscribing on behalf of persons designated in paragraph (i) above, and (iii) one or more financial institutions mandated by the Company to offer to the persons designated in paragraph (i) above a savings or shareholding scheme comparable to those offered to the employees of the Company in France;

2. Cancels, infavour of such beneficiaries, the preferential subscription right of the shareholders to the shares that may be issued under this delegation;

3. Acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the equity securities of the Company to which the securities issued on the basis of this delegation may give right;

4. Decides that the nominal amount of the capital increase which may be carried out pursuant to this delegation of authority may not exceed three million two hundred thousand euros (€3,200,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation will be set off against the overall nominal ceiling for capital increases specified in paragraph 2 of the fifteenth resolution of this General Meeting and that the ceiling under this resolution will fall under the common ceiling of the nineteenth resolution of this General Meeting. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, as the case may be, the applicable contractual provisions, the rights of holders of securities or other rights giving access to the Company's capital;

5. Decides that the subscription price of the securities issued pursuant to this delegation may not be more than 30% or, where applicable, 40% of the average of the quoted prices of the share during the twenty trading days preceding the date of the decision setting the opening date of the subscription, nor higher than this average. However, when implementing this delegation, the Board of Directors may reduce the amount of the discount on a case-by-case basis, in particular due to tax, social security or accounting constraints applicable in the countries where the Group entities involved in the capital increase operations are located. Furthermore, in theevent of a transaction carried out under this resolution at the same time as a transaction carried out pursuant to the nineteenth resolution of this General Meeting, the subscription price of the shares issued under this resolution may be identical to the subscription price of the shares issued on the basis of the nineteenth resolution of this General Meeting;

6. Decides that the Board of Directors will have all powers, with the option ofsubdelegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above for the purpose, in particular, to:

i. determine the list of beneficiaries, within the categories of beneficiaries defined above, of each issue and the number of shares to be subscribed by each of them, under this delegation of authority,

ii. set the amounts of these issues and determine the prices and the subscription dates, terms and conditions of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even retroactive, from which the new shares will be exercised,

iii. set the time limit for subscribers to pay up their shares,

iv. record or have recorded the completion of the capital increase up to the amount of the shares actually subscribed,

v. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these increases and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

vi. in general, take all measures and carry out all formalities necessary for the issue and listing of the shares issued and further to the capital increases and the corresponding amendments to the Articles of Association pursuant to this delegation;

7. Decides that the Board of Directors may not, except with the priorauthorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a proposed public offer for the securities of the Company, until the end of the offer period;
8. Decides that this delegation, which cancels and replaces the delegation granted by resolution fourteen of the General Meeting of May 16, 2023, is granted for a period of eighteen (18) months from the date of this General Meeting.

Twenty-first resolution

(Powers for the completion of formalities)

The General Meeting, acting with the quorum and majority required for ordinary and extraordinary General Meetings, gives all powers to the bearer of copies or extracts of these minutes to fulfil all legal formalities.

8.3 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

This is a translation into English of the Statutory auditors' special report on regulated agreements. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of COFACE SA

In our capacity as statutory auditors of your company, we hereby present to you our report on regulated agreements.

It is our responsibility to report to you, on the basis of the information provided to us, the characteristics, the main terms and conditions and the reasons justifying the interest for the Company, of the agreements brought to our attention or which we may have identified in the course of our audit. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (code de commerce), to evaluate the advantages of entering into these agreements prior to their approval.

It is moreover our responsibility to report to you, where applicable, the information required by Article R.225-31 of the French Commercial Code (code de commerce) relating to the performance, during the past financial year, of the agreements already approved by the Shareholders' Meeting.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (*Compagnie nationale des commissaires aux comptes*) relating to this mission. These procedures consisted in verifying that the information provided to us was consistent with the reference documents it came from.

Agreements TO BE APPROVED BY the annual general meeting

Agreements authorised and entered into during the last financial year

We hereby inform you that we have not been advised of any agreements authorized and entered into during the last financial year that should be submitted to the approval of the General Shareholders' Meeting in accordance with Articles R.322-7 of the French Code of Insurance (*code des assurances*) and L. 225-38 of the French Commercial Code (*code de commerce*).

Agreements already approved by the annual general meeting

Agreements approved during prior years and that continued to be implemented during the year under review

In accordance with Articles R-322-7 of the French Code of Insurance and R.225-30 of the French Commercial Code (*code de commerce*), we have been informed that the following agreements, already approved by the Annual General Meeting in previous years, continued to be implemented during the past year.

A guarantee of the Compagnie française d'assurance pour le commerce extérieur to COFACE SA for payment of the subordinated debt

Nature and purpose:

On March 27, 2014, COFACE SA issued a subordinated debt in the form of bonds for a nominal amount of €380 million (380,000,000). On September 23rd, 2022, COFACE SA partly repaid the subordinated debt which nominal amount is €226,600,600 euros as of today.

In order to improve the rating of COFACE SA's subordinated debt issuance and thus its price, Compagnie Française d'Assurance pour le Commerce Extérieur issued a guarantee that improved the rating of the issuance by 2 notches (as a reminder, the issuance was rated Baa1 / A by Moody's and Fitch, while without this guarantee the rating would have been Baa3 / BBB).

Terms and conditions:

This guarantee was approved by the Board of Directors of COFACE SA on 14 February 2014 and its automatic modification following the partly repayment of the subordinated debt has been approved by the Board of Director of COFACE SA on February, 16th 2023.

Remuneration conditions for this guarantee: the price of the guarantee was thus set at 0.2% based on the total amount, representing a financial expense of four hundred fifty-three thousand and two hundred euros (€453,200) euros in respect of the 2023 financial year for COFACE SA.

Parties involved:

COFACE SA holds 99.99% of the capital of *Compagnie Française d'Assurance pour le Commerce Extérieur* at December 31, 2023.

COFACE SA and *Compagnie Française d'Assurance pour le Commerce Extérieur* have a joint representative, Xavier Durand (Chief Executive Officer of COFACE SA and Chairman and Chief Executive Officer of *Compagnie Française d'Assurance pour le Commerce Extérieur*).

Paris La Défense, on April 4th, 2024
The Statutory Auditors
French original signed by

Deloitte & Associés
Damien LEURENT
Partner

Mazars
Jean-Claude PAULY
Partner

8.4 STATUTORY AUDITORS' REPORT ON THE REDUCTION OF CAPITAL

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Shareholders' Meeting of May 16th, 2024 Resolution 13th

To the Annual General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Article L. 22-10-62 of the French Commercial Code in the event of a reduction in capital by cancelling shares purchased, we have prepared this report intended to inform you of our assessment of the terms and conditions for the proposed capital reduction.

Your Board of Directors proposes that you delegate to it, for a period of 26 months from the date of this Meeting, all powers to cancel, within the limit of 10% of the share capital per 24-month period, the shares purchased for the implementation of an authorisation to purchase its own shares by your company in accordance with the provisions of the aforementioned article.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (*Compagnie nationale des commissaires aux comptes*) relating to this mission. These procedures are designed to examine whether the terms and conditions for the proposed capital reduction, which is not likely to undermine the equality of shareholders, are legitimate.

We have no matters to report regarding the terms and conditions for the proposed capital reduction.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Damien LEURENT	Jean-Claude PAULY
Partner	*Partner*

8.5 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND VARIOUS INVESTMENT SECURITIES WITH MAINTENANCE AND/OR CANCELLATION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS

This is a translation into English of the Statutory auditors' report on the capital increase with cancellation of preferential subscription rights reserved for employees enrolled in a company savings plan issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Shareholders' Meeting of May 16th, 2024 – Resolutions 15th, 16th, 17th, and 18th

To the Annual General Meeting of COFACE SA,

In our capacity as statutory auditors of your company and in execution of the mission provided for in Articles L.228-92 and L.225-135 et seq. of the French Commercial Code (*code de commerce*) and Article L.22-10-52 of the French Commercial Code (*code de commerce*), we hereby present to you our report on the proposal to delegate authority to the Board of Directors for the issuing of various shares and/or investment securities, activities for which you are called upon to vote.

Your Board of Directors proposes, on the basis of its report:

- to delegate to the Board of Directors, for a period of 26 months from the date of this Annual General Meeting, the authority to decide on the following activities and to set the final terms and conditions of these issuances, and proposes, where applicable, to cancel your preferential subscription rights:
  - issuance with maintenance of preferential subscription rights (15th resolution) of ordinary shares and/or equity securities giving access to other equity securities and/or entitling holders to the allocation of debt securities, and/or securities giving access to equity securities to be issued;
  - issuance with cancellation of preferential subscription rights by means of offers other than those set forth in Article L. 411-2 under Section I of the French Monetary and Financial Code (*code monétaire et financier*) (16th resolution) of ordinary shares and/or equity securities giving access to other equity securities and/or entitling

holders to the allotment of debt securities and/or securities giving access to equity securities to be issued;

- with the proviso that such securities may be issued in consideration for securities contributed to the Company in connection with a public exchange offer executed in France or abroad in accordance with local rules for securities satisfying the conditions set forth in Article L. 22-10-54 of the French Commercial Code (*code de commerce*);

- issuance with cancellation of preferential subscription rights by means of offers set forth in Article L. 411-2 under Section I of the French Monetary and Financial Code (*code monétaire et financier*) and within the limit of 20% of the share capital per year (17th resolution) of ordinary shares and/or equity securities giving access to other equity securities and/or entitling holders to the allotment of debt securities and/or securities giving access to equity securities to be issued;

- to delegate to the Board of Directors, for a period of 26 months, the powers necessary to issue ordinary shares and/or equity securities giving access to other equity securities and/or entitling holders to the allocation of debt securities and/or securities giving access to equity securities to be issued, with a view to remunerating contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital (18th resolution), up to a limit of 10% of the share capital.

Pursuant to the 15th resolution, the total nominal amount of the capital increases that may be carried out immediately or in the future may not exceed 115 million euros under the 15th resolution to the 20th resolutions.

Pursuant to the 16th resolution, the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation will not exceed a maximum amount of 29 million euros, with the proviso (i) that the nominal amount of capital increases made pursuant to this resolution as well as the 17th to 18th resolutions will be deducted from this limit and (ii) that the nominal amount of any capital increase carried out pursuant to 16th to 18th resolutions will be deducted from the overall nominal ceiling provided for capital increases in paragraph 2 of the 15th resolution.

The total nominal amount of debt securities that may be issued under the 15th resolution may not exceed 500 million euros under the 15th resolution to 18th resolutions.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 et seq. of the French Commercial Code (code de commerce). Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning these transactions that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the methods for determining the price of the capital to be issued.

Subject to the subsequent review of the terms and conditions of any issuances that would be decided, we have no matters to report on the methods used for determining the issue price of the equity securities to be issued given in the Board of Directors' report under the 16th and 17th resolutions.

Moreover, as this report does not specify the methods used to determine the issue price of the equity securities to be issued in connection with implementing the 15th and 18th resolutions, we are not in a position to express an opinion on the choice of the elements used to calculate this issue price.

As the final terms under which the issues would be carried out have not yet been set, we express no opinion on these issues nor, consequently, on the proposed cancellation of preferential subscription rights made to you under the 16th and 17th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code (code de commerce), we will prepare an additional report, where applicable, when these delegations are used by your Board of Directors in the event securities are issued that are equity securities giving access to other equity securities and/or entitling holders to the allocation of debt securities, in the event securities are issued giving access to equity securities to be issued, and in the event of the issuance of shares with cancellation of preferential subscription rights.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Damien LEURENT	Jean-Claude PAULY
Partner	*Partner*

8.6 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS RESERVED FOR EMPLOYEES ENROLLED IN A COMPANY SAVINGS PLAN

This is a translation into English of the Statutory auditors' report on the capital increase with cancellation of preferential subscription rights reserved for employees enrolled in a company savings plan issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Shareholders' Meeting of May 16th, 2024 – resolution 19th

To the Annual General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Articles L.225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to delegate the Board of Directors the authority to approve a capital increase by issuing ordinary shares without preferential subscription rights, reserved for current employees, former employees and eligible corporate officers, of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, members of a company savings plan, for a maximum amount of €3,200,000, an operation on which you are called upon to vote.

Your Board of Directors hereby informs you that this nominal amount will be charged against the maximum limit set for capital increases in the 2nd paragraph of the 15th resolution (€115,000,000) of this General Meeting, and that the maximum limit for this delegation will be the same as that of the 20th resolution of this General Meeting.

This capital increase is subject to your approval in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the French Labour Code.

On the basis of its report, your Board of Directors proposes that you delegate it the authority, for a period of twenty-six months from this General Meeting, to approve a capital increase and to waive your preferential subscription rights to the ordinary shares to be issued. Where appropriate, the Board will be responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning the issue that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (*Compagnie nationale des commissaires aux comptes*) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods for determining the price of shares to be issued.

Subject to the subsequent review of the terms and conditions of the capital increase decided, we have no matters to report on the methods for determining the issue price of the ordinary shares to be issued as outlined in the Board of Directors' report.

As the final terms and conditions under which the capital increase would be carried out are not yet determined, we express no opinion on these nor, consequently, on the proposal to waive the preferential subscription right made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	**Mazars**
Damien LEURENT	Jean-Claude PAULY
Partner	*Partner*

8.7 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS RESERVED FOR A SPECIFIED CATEGORY OF BENEFICIARIES

This is a translation into English of the Statutory auditors' report on the capital increase with cancellation of preferential subscription rights issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Shareholders' Meeting of May 16th, 2024 – resolution 20th

To the Annual General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Articles L.225-135 et seq.of the French Commercial Code, we hereby present our report on the proposal to delegate to the Board of Directors the authority to approve a capital increase by issuing ordinary shares without preferential subscription rights, for a maximum amount of €3,200,000, an operation on which you are called upon to vote.

Your Board of Directors hereby informs you that this nominal amount will be charged against the maximum limit set for capital increases in the 2nd paragraph of the 15th resolution (€115,000,000) of this General meeting and that the maximum limit for this delegation will be the same as the 19th resolution of this General meeting.

This issue shall be reserved for:

- **(i)** employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France;
- **(ii)** one or more mutual funds or other entity under French or foreign law, regardless of whether or not they have legal personality, subscribing on behalf of persons referred to in paragraph (i) above;
- **(iii)** one or more financial establishments mandated by the Company to propose to those persons referred to in paragraph (i) above, a savings or shareholding scheme comparable to those proposed to the Company's employees in France.

On the basis of its report, your Board of Directors proposes that you delegate it the authority, for a period of eighteen months, to approve a capital increase and to waive your preferential subscription rights to the ordinary shares to be issued. Where appropriate, the Board will be responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning the issue that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods for determining the price of shares to be issued.

Subject to the subsequent review of the terms and conditions of the capital increase decided, we have no matters to report on the methods for determining the issue price of the ordinary shares to be issued as outlined in the Board of Directors' report.

As the final terms and conditions under which the capital increase would be carried out are not yet determined, we express no opinion on these nor, consequently, on the proposal to waive the preferential subscription right made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Damien LEURENT	Jean-Claude PAULY
Partner	*Partner*

COFACE SA
CORPORATE NAME

MEMORANDUM
AND ARTICLES OF ASSOCIATION

SELECTED FINANCIAL INFORMATION
OVER 3 YEARS

FITCH - MOODY'S - AM BEST
GROUP RATINGS

9

ADDITIONAL INFORMATION

COFACE SA's Articles of Association and Internal Rules are available on the website: https://www.coface.com/the-group/our-governance.

9.1 MEMORANDUM AND ARTICLES OF ASSOCIATION

9.1.1 Legal corporate name

The corporate name of the Company is "COFACE SA".

9.1.2 Location and registration number

The Company is registered in the Nanterre Trade and Companies Register under number 432 413 599.

The Legal Entity Identifier (LEI) is 96950025N07LTJYFSN57.

9.1.3 Date of formation and term

Date of incorporation

The Company was incorporated on August 7, 2000.

Term of the Company

The Company was formed for a term of 99 years as of the date of its registration in the Trade and Companies Register, save for early dissolution or extension.

9.1.4 Head office, legal form and applicable laws

Registered office: 1, place Costes et Bellonte, 92270 Bois-Colombes, France

Telephone number of head office: +33 (0)1 49 02 20 00.

Legal form and applicable laws: limited company (*société anonyme*) under French law with a Board of Directors.

9.1.5 Articles of Association

The Company's Articles of Association were prepared in compliance with the legal and regulatory provisions applicable to limited companies with a Board of Directors.

Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose is to perform any civil or commercial operations involving moveable and real estate property and financial operations, to take all direct or indirect shareholdings and, in general, to perform any operations directly or indirectly relating to its corporate purpose.

Articles of Association relating to the management and administrative bodies – Internal Rules of the Board of Directors

(a) Articles of Association

Board of Directors (see also Section 2.1 "Composition and operation of the Board of Directors and its specialised committees")

Composition of the Board of Directors (Article 12 of the Articles of Association)

The Company is administered by a Board of Directors consisting of at least three (3) and at most eighteen (18) members.

Term of office – Age limit – Replacement (Article 12 of the Articles of Association)

Board members serve for a term of four years. In case of a vacancy owing to the death or resignation of one or more directors representing the shareholders, the Board of Directors may temporarily replace these members between two Shareholders' Meetings, in compliance with the terms of Article L.225-24 of the French Commercial Code. The Board must make temporary appointments within three months following the date of the vacancy if the number of directors falls below the minimum required by the Articles of Association, without however being lower than the legal minimum.

The number of directors who are aged 70 or over cannot exceed one third of the total number of serving directors. Should this proportion be exceeded, the oldest director shall be deemed to have resigned as of the end of the next Ordinary Shareholders' Meeting.

The term of office of a director expires at the end of the Ordinary Shareholders' Meeting called to approve the accounts for the previous financial year and is held in the year during which the director's term of office is due to expire.

If a director is appointed to replace another director during that director's term, they shall only serve for the remaining duration of their predecessor's term.

Directors may be re-elected without limitation, subject to legal and statutory provisions, in particular with regards to their age.

Directors are personally liable for fulfilling their mandate, in accordance with commercial laws.

Directors' shares (Article 12 of the Articles of Association)

Each director must hold at least 500 of the Company's shares.

Chairman of the Board of Directors (Article 13 of the Articles of Association)

The Board appoints a Chairman from among the individuals serving as members for a period which cannot exceed their term of office as director.

The Chairman can be re-elected.

The age limit for performing the duties of Chairman is set at 70. When a serving Chairman reaches this age, they are considered to have resigned at the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year during the Chairman reaches this age.

The Chairman of the Board of Directors organises and directs the work of the Board of Directors and reports on it to the Shareholders' Meeting. They oversee the effective operation of the Company's corporate bodies and, in particular, ensures that the directors are in a position to fulfil their duties.

Should the Chairman be temporarily indisposed or in the event of their death, the statutory and regulatory provisions are applicable.

Should the Board consider it necessary, it may appoint one or more Vice-Chairmen from the directors, who will, in the order of their own appointment, chair Board meetings in the event that the Chairman is absent or indisposed.

In the event that the Chairman or Vice-Chairmen are absent or indisposed, the Board appoints, for each meeting, one of the members present to chair the proceedings.

The amount and procedures for the compensation of the Chairman and Vice-Chairmen are set by the Board of Directors.

Exercise of general management (see also Section 2.2 "Chief Executive Officer and Group general management specialised committees")

General management (Article 14 of the Articles of Association)

The general management of the Company is handled either by the Chairman of the Board of Directors, or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer (CEO).

The Board appoints its Chairman and decides by a simple majority whether to grant them the powers of Chief Executive Officer or whether to grant these powers to another person. This decision on whether the offices of Chairman and Chief Executive Officer should be held by the same person or by two separate persons, as well as any subsequent change to this arrangement, shall remain in force until a decision is taken to the contrary by the Board of Directors, which may then decide, by a simple majority, to opt for the other arrangement for the exercise of general management. The Board of Directors of the Company keeps the shareholders and third parties informed about this change in accordance with applicable law.

Where general management is handled by the Chairman, the legal and statutory provisions of the Company's Articles of Association related to the Chief Executive Officer apply to them.

Chief Executive Officer (Article 15 of the Articles of Association)

The Board of Directors determines the duration of the Chief Executive Officer's term and their compensation.

The age limit for performing the duties of Chief Executive Officer is 65. Should a Chief Executive Officer exceed this age limit, they are considered to have resigned at the Shareholders' Meeting called to approve the accounts for the financial year during which that CEO turned 65.

The Chief Executive Officer is invested with the broadest powers to act under all circumstances on behalf of the Company. They exercise these powers within the limits of the corporate purpose and subject to those powers that the law expressly grants to Shareholders' Meetings and to the Board of Directors.

They represent the Company in its dealings with third parties. Provisions of the Articles of Association or decisions of the Board of Directors limiting the powers of the Chief Executive Officer are unenforceable against third parties.

If the Chief Executive Officer does not assume the duties of the Chairman of the Board of Directors and is not a director, they attend Board meetings in a consultative capacity.

Deputy Chief Executive Officer (Article 16 of the Articles of Association)

At the request of the Chief Executive Officer, the Board of Directors can appoint an individual to assist the CEO, with the title of Deputy Chief Executive Officer.

The Board of Directors determines the compensation of the Deputy CEO.

The age limit for performing the duties of Deputy CEO is 65. If a serving Deputy CEO attains this age, they are considered to have resigned at the Ordinary Shareholders' Meeting called to approve the accounts for the financial year in which they turned 65.

In collaboration with the CEO, the Board determines the scope and duration of the powers conferred upon the Deputy CEO. The Deputy CEO has the same powers vis-à-vis third parties as the CEO.

If the Deputy CEO is not a director, they attend Board meetings in a consultative capacity.

Operation of the Board of Directors (Article 18 of the Articles of Association)

The Board of Directors meets as often as required in the interests of the Company, and at least once per quarter.

Board meetings are convened by the Chairman. However, directors representing at least one third of the Board members may convene a meeting of the Board, detailing the agenda, if there has been no meeting for more than two months. Where the duties of CEO are not performed by the Chairman, the Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a fixed agenda. Board meetings are held either at the registered office or any other location indicated in the convening notice. The convening notice to attend is in the form of a simple letter or e-mail addressed to the Board members. If there is a degree of urgency, the convening notice may be given by any other appropriate means, including verbally.

Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, should they be absent, by the oldest director present, or by one of the Vice-Chairmen, if there are any.

A director may appoint another director, by means of a letter, to represent them at a meeting of the Board of Directors.

Each director may have only one proxy vote during a given meeting by virtue of the foregoing paragraph.

The meeting can only pass resolutions if at least half of the serving directors are present.

Decisions are taken by means of majority voting by those directors present or represented.

In the event of a split vote, the director chairing the meeting has the casting vote.

In compliance with applicable statutory and regulatory provisions, the Board's Internal Rules may provide that directors who take part in a meeting *via* video conferencing or other means of telecommunication that meet the technical requirements set by the prevailing statutory and regulatory provisions are deemed to be present for the purposes of the calculation of quorum and majority.

Certain decisions of the Board of Directors may, under the conditions provided for by the laws and regulations in force, and in particular Article L.225-37 of the French Commercial Code, be made by consulting the directors in writing.

The Board may appoint a secretary who may be, but need not be, one of its members.

At the suggestion of its Chairman, the Board may decide to form among its members, or with the involvement of persons who are not directors, committees or commissions in charge of looking into matters that it or its Chairman shall refer to them for assessment; these committees or commissions exercise their powers under its responsibility.

The minutes of each meeting shall state the names of the directors who are present or represented and the names of the directors who are absent, to act as evidence towards third parties.

Powers of the Board of Directors (Article 21 of the Articles of Association)

The Board of Directors determines the Company's business strategy and oversees its implementation. Subject to powers expressly assigned to the Shareholders' Meetings and within the limitations of the corporate purpose, the Board deliberates on all matters relating to the effective operation of the Company and decides on all matters that affect it. The Board of Directors carries out the inspections and verifications it considers necessary. The Chairman or the Chief Executive Officer must send each director all the documents and information needed to fulfil their duties.

The Internal Rules of the Board of Directors determine which decisions are to be submitted to the prior authorisation of the Board of Directors, in addition to those which must be submitted to it in accordance with the law.

Remuneration allocated to directors (Article 19 of the Articles of Association)

Independently of all reimbursement of costs or allowances for particular services which may be granted, directors may receive a fixed amount of remuneration recorded as overheads. The total amount of these fees is set by the Shareholders' Meeting. The Board of Directors divides the aforementioned remuneration among its members as it sees fit.

(b) Internal Rules of the Board of Directors

The Internal Rules of the Board of Directors specify, on the one hand, how the Board is organised and operates, its powers, rights and prerogatives and those of the committees it has established (see Article 4 "Creation of committees – Joint provisions" and Article 1.2 "Operations subject to the prior authorisation of the Board of Directors" for a description of the various committees established and the limits on the powers of general management) and, on the other hand, the terms of control and evaluation of its operations.

The Internal Rules of the Board of Directors may be consulted online in the "Investors/Governance" Section of the corporate website at www.coface.com.

(c) Control and evaluation of the Board of Directors' operations

Article 2 of the Board of Directors' Internal Rules requires at least one third of members to be independent, pursuant to the Corporate Governance Code of Listed Companies (AFEP-MEDEF Code), within the Board of Directors.

Pursuant to Article 2.3.2 of the Board of Directors' Internal Rules, a director is considered to be independent if they do not maintain a relationship of any kind whatsoever with the Company, management or the Coface Group, which could compromise the exercise of their free judgement or be of a nature to place them in conflict with the interests of management, the Company or the Coface Group.

The qualification of an independent member of the Board of Directors is discussed by the Nominations, Compensation and CSR Committee, which drafts a report on the matter for the Board. Each year, prior to publication of the Universal Registration Document, the Board of Directors examines the status of each director with respect to the independence criteria defined in Article 2.3.2 of the Board of Directors' Internal Rules, using the Committee's report as a reference. The Board of Directors must provide the shareholders with the findings of its examination in the annual report and at the Shareholders' Meeting at which the directors are appointed.

In addition, in compliance with Article 3.5 of the Board of Directors' Rules of Procedure, at least once a year, an agenda item is devoted to evaluating the Board's operations, which is reported in the Company's annual report.

The Board of Directors is formally evaluated every three years. The evaluation is conducted by the Nominations, Compensation and CSR Committee, potentially with the assistance of an outside consultant (see Section 2.1.6 "Evaluation of the work of the Board of Directors").

Rights, privileges and restrictions attached to the shares

Form of shares (Article 8 of the Articles of Association)

The Company's shares shall either be registered or bearer shares, at the discretion of each shareholder.

Ownership of the Company's shares shall result from their registration in an account in the name of their holder in the registers kept by the Company or by a duly authorised intermediary.

Voting rights (Article 11 of the Articles of Association)

Each share grants its holder the right to vote and be represented at Shareholders' Meetings, in accordance with the law and the Articles of Association.

As an exception to the allocation of a double voting right for any share that has been fully paid up, as proven by registration in the name of the bearer for two years, pursuant to Article L.225-123, paragraph 3 of the French Commercial Code, each shareholder is entitled to the same number of votes as the number of shares that they own or represent.

Right to dividends and profits (Article 11 of the Articles of Association)

Each Company share grants its holder the right to a proportional share in any distribution of the Company's earnings, assets and liquidation profits.

The rights and obligations attached to the shares follow them when they change hands.

Ownership of a share automatically implies acceptance of the Articles of Association of the Company and the decisions duly taken by Shareholders' Meetings.

Shareholders shall only bear liability to the extent of the nominal value of each share they hold.

Whenever it is necessary to hold several shares in order to exercise a particular right, in the event of an exchange, grouping or allocation of shares, or as a result of an increase in or a reduction of the share capital, a merger or other corporate operation, the owners of single shares or of an insufficient number of shares may only exercise this right provided that they arrange to group together and to buy or sell any shares as may be required.

The joint owners of shares shall be represented at Shareholders' Meetings by one of their number or by a single representative. Should the parties involved fail to agree on the appointment of their representative, the latter shall be appointed by a court order issued pursuant to a petition filed by the first joint owner to do so.

Unless otherwise agreed and notified to the Company, in the event of the division of ownership of a share, the voting right belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary or Special Shareholders' Meetings. However, in any event, the bare owner has the right to take part in all Shareholders' Meetings.

Payment of the dividend in shares (Article 24 of the Articles of Association)

The Shareholders' Meeting called to approve the accounts for the financial year has the authority to offer each shareholder the option to receive all or part of the dividend payout in the form of shares, in accordance with the legal conditions, or in cash. This option may also be granted in the case of interim dividends.

The procedures for dividend payments in cash are fixed by the Shareholders' Meeting or, alternatively, by the Board of Directors.

Preferential subscription right

The Company's shares benefit from a preferential subscription right to capital increases under the terms provided for by the French Commercial Code.

Limitation on voting rights

No statutory clause restricts the voting right attached to the shares.

Shareholders' Meetings (Article 23 of the Articles of Association)

Powers

The shareholders take their decisions in Shareholders' Meetings which are designated as ordinary or extraordinary.

The Ordinary Shareholders' Meeting takes all decisions which do not entail modification to the Company's share capital or Articles of Association. In particular, it appoints, replaces, re-elects and dismisses directors. It also approves, rejects or corrects the accounts and decides on the breakdown and allocation of profits.

The Extraordinary Shareholders' Meeting deliberates on all proposals emanating from the Board of Directors which entail modification to the Company's share capital or Articles of Association.

Convening notice and meeting location

Shareholders' Meetings are convened as per the terms and conditions set forth in the law.

Meetings take place at the registered office or any other location indicated in the convening notice.

Access to and conduct of the meetings

All shareholders may take part in the Shareholders' Meetings in person or through a representative, in accordance with the prevailing regulations, upon presentation of suitable evidence of their identity and of their ownership of shares, in accordance with the applicable laws and regulations.

Shareholders who take part in a Shareholders' Meeting by video conferencing or other means of telecommunication or by remote transmission, including over the Internet, which enable them to be identified in accordance with the prevailing regulations, are deemed to be present for the purposes of calculating the quorum and the majority, subject to a decision by the Board of Directors to make use of such means of telecommunication and said decision being mentioned in the announcement or convening notice to attend the Shareholders' Meeting.

Any shareholder may vote remotely or appoint a proxy in accordance with the prevailing regulations, using a form drawn up by and sent to the Company, including by electronic means or remote transmission, if this is permitted by the Board of Directors. This form must be received by the Company in accordance with the regulatory requirements in order for it to be taken into consideration.

Chairmanship, committee, attendance sheet

Each Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in their absence, by a director appointed for that purpose by the Board.

Where the meeting is called by the Statutory Auditors or a legal officer, the meeting is chaired by the person or individuals issuing the notice to attend.

The duties of deputy returning officer are performed by the two members present at the meeting who hold the largest number of shares and are willing to act in that capacity. The committee appoints the secretary, who is not necessarily a shareholder.

An attendance sheet is kept in accordance with statutory requirements.

Deliberations, minutes

Shareholders' Meetings deliberate subject to the quorum and majority requirements prescribed by law. Voting is on a one-share, one-vote basis.

Deliberations are recorded in minutes entered in a special register and signed by members of the committee.

Copies or extracts of the minutes are duly certified by the Chairman of the Board of Directors, the Chief Executive Officer, if they are a director, or the secretary of the meeting.

Shareholders' right to information

Each shareholder has the right to receive disclosure of the documents required to enable them to make an informed decision and to develop an informed opinion on the Company's management and operations. The Company has the obligation to make these documents available to or send them to shareholders.

The nature of these documents and the terms under which they must be sent or made available are set by law.

Statutory clauses likely to have an impact on a change in control

None.

Crossing of thresholds and identification of shareholders (Article 10 of the Articles of Association) (see also Section 7.3.4)

In compliance with prevailing laws and regulations, the Company may ask any duly empowered body or intermediary for any information about the identity, nationality and address of the holders of any securities that confer an immediate or deferred right to vote in its Shareholders' Meetings, as well as the number of securities they hold and any restrictions that may apply to these securities.

Any individual or legal entity that directly or indirectly holds, alone or in conjunction with others, 2% of the share capital or voting rights (calculated in accordance with the provisions of Articles L.233-7 and L.233-9 of the French Commercial Code and the provisions of the general rules of the Autorité des marchés financiers [French Financial Markets Authority, AMF]), or any multiple of this percentage, must notify the Company of the total number (i) of the shares and voting rights held directly or indirectly, alone or in conjunction with others, (ii) of the securities that provide deferred access to the share capital of the Company, held directly or indirectly, alone or in conjunction with others, and the voting rights potentially attached thereto, and (iii) of shares already issued that this party may acquire under an agreement or a financial instrument mentioned in Article L.211-1 of the French Monetary and Financial Code. This notification must take place by means of a letter sent by registered post with acknowledgement of receipt within four stock market days after the relevant threshold has been exceeded.

The obligation to inform the Company shall also apply, within the same timescales and on the same terms, whenever the shareholder's shareholding or voting rights fall to a level below any of the above-mentioned thresholds.

Should a shareholder fail to comply with the obligation to declare the fact that it has exceeded or fallen below the above-mentioned thresholds, then at the request of one or more shareholders who account for at least 2% of the share capital or voting rights of the Company, recorded in the minutes of the Shareholders' Meeting, the shares which exceed the fraction that should have been declared are deprived of their voting rights for a period of two years from the date on which notification is effectively sent.

The Company is entitled to inform the public and bring to the attention of the shareholders either the information it has been notified of, or any failure to comply with the above-mentioned obligation by the relevant party.

Specific clauses governing modifications to share capital

There is no specific stipulation in the Company's Articles of Association governing modifications to its capital.

Such capital may thus be increased, reduced or amortised in any manner authorised by law.

9.2 PERSONS RESPONSIBLE

9.2.1 Names and positions

9.2.1.1 Person responsible for the Universal Registration Document

Xavier Durand, Chief Executive Officer of COFACE SA

9.2.1.2 Person responsible for financial information

Phalla Gervais, Chief Financial & Risk Officer

9.2.1.3 Person responsible for financial communication

Thomas Jacquet, Head of Investor Relations and Rating Agencies

9.2.2 Statement by the person responsible for the Universal Registration Document

I hereby declare that the information contained in this Universal Registration Document, to my knowledge, is true to fact and that no material aspects of such information have been omitted.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and are an accurate reflection of the assets, financial position and results of the Company and all consolidated companies, and that the management report in this Universal Registration Document presents an accurate picture of events, results and the financial position of the Company and all consolidated companies, and describes the principal risks and uncertainties that they face.

I have received a work completion letter from the Statutory Auditors indicating that they have verified the information about the financial position and the financial statements provided in this Universal Registration Document and have read the full document.

Paris, April 5, 2024

Xavier Durand

Chief Executive Officer

9.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC

All COFACE SA Group publications (press releases, annual reports, annual and half-yearly presentations, etc.) and regulated information are available on request or on the website: https://www.coface.com/investors. They may also be consulted at its head office, preferably by appointment.

This Universal Registration Document is available in the "Investors" Section of the Company website and on the AMF website (www.amf-france.org). Copies are available free of charge at the Company's head office.

In addition, under Solvency II, the Solvency and Financial Condition report (SFCR) for financial year 2022 which is aimed at the public, was filed with the ACPR on April 28, 2023. It is published in the "Investors" Section of the Company website www.coface.com. The next SFCR on financial year 2023 will be published at the end of April 2024.

Any person wishing to obtain additional information on the Group may request the documents without appointment and free of charge:

- **by post:**

Coface

Financial Communications – Investor Relations

1, place Costes et Bellonte, 92270 Bois-Colombes, France

- **by e-mail:**

investors@coface.com

Thomas Jacquet, Head of Investor Relations and Rating Agencies

Benoît Chastel/Investor Relations Officer

9.4 STATUTORY AUDITORS

9.4.1 Principal Statutory Auditors

DELOITTE & ASSOCIÉS

6, place de la Pyramide

92908 Paris-La Défense Cedex

Represented by Damien Leurent

Deloitte & Associés was appointed by the Company's Annual Shareholders' Meeting of May 16, 2019 for a period of six financial years until the close of the Annual Shareholders' Meeting to approve the accounts for the financial year ended December 31, 2024.

Deloitte & Associés is a member of Compagnie régionale des commissaires aux comptes de Versailles.

MAZARS SA

Tour Exaltis

61, rue Henri Regnault

92400 Courbevoie

Represented by Jean-Claude Pauly

Mazars SA was appointed by the Company's Shareholders' Meeting of May 14, 2020 for a period of six financial years until the close of the Annual Shareholders' Meeting to approve the accounts for the financial year ended December 31, 2025.

Mazars SA is a member of Compagnie régionale des commissaires aux comptes de Versailles.

9.5 SELECTED FINANCIAL INFORMATION OVER TWO YEARS

*** Coface applied IFRS 17 and IFRS 9 accounting standards from January 1, 2023. All comparisons are made using the FY-2022 figures applying IFRS 17 methodology presented on April 27, 2023.**

The tables below present extracts of income statements and consolidated financial statements for the 2022 and 2023 financial years.

This selected financial information must be read in conjunction with Chapters 3 and 4 of this Universal Registration Document.

CONSOLIDATED INCOME STATEMENT

(in thousands euros)	2023	2022
Gross written premiums	1,694,189	1,666,489
Premium refunds	(129,073)	(139,102)
Net change in unearned premium provisions	(6,053)	(11,725)
Insurance Revenue	**1,559,063**	**1,515,663**
Claims expenses	(558,644)	(540,425)
Attributable costs	(546,999)	(531,463)
Loss component & reversal of loss component	596	2,735
Insurance Service Expenses	**(1,105,047)**	**(1,069,153)**
INSURANCE SERVICE REVENUE, BEFORE REINSURANCE	**454,016**	**446,510**
Income and expenses from ceded reinsurance	(104,240)	(138,640)
INSURANCE SERVICE REVENUE	**349,776**	**307,870**
Fee and commission income	171,374	158,574
Net income from banking activities	72,686	70,414
Income from services activities	65,109	54,380
Other revenue	**309,168**	**283,367**
Non attributable expenses from insurance activity	(106,515)	(98,815)
G&A - Investigation expenses - Services	(14,018)	(14,331)
G&A – Overheads Services	(142,470)	(129,766)
Operating expenses	**(263,003)**	**(242,913)**
Risk cost	**(534)**	**308**
INCOME AFTER REINSURANCE, OTHER REVENUES AND COST OF RISK	**395,407**	**348,633**
Investment income, net of management expenses	12,427	35,699
Insurance finance income or expenses	(52,642)	(8,432)
Insurance finance income or expenses from ceded reinsurance	12,683	(9,119)
Net Financial income	**(27,533)**	**18,148**
CURRENT OPERATING INCOME	**367,874**	**366,782**
Other operating income and expenses	(4,952)	(9,537)
OPERATING INCOME	**362,922**	**357,245**
Financial costs	(34,269)	(29,605)
Income tax expenses	(88,033)	(86,923)
CONSOLIDATION NET INCOME BEFORE NON-CONTROLLING INTERESTS	**240,620**	**240,717**
Net income - minority interests	(120)	(273)
NET INCOME FOR THE YEAR	**240,500**	**240,444**

SIMPLIFIED CONSOLIDATED BALANCE SHEET

(in thousands euros)	2023	2022
Assets		
Intangible assets	239,715	238,835
Financial assets	3,341,112	3,015,136
Receivables from bank and other activities	2,903,980	2,906,639
Assets - Ceded insurance contracts	384,810	356,217
Other assets	533,107	515,650
Cash and equivalents	495,558	553,786
TOTAL ASSETS	**7,898,282**	**7,586,265**

(in thousands euros)	2023	2022
Liabilities		
Capital and reserves - Group share	2,050,765	2,018,606
Capital - minority interests excluding unrealized and deferred gains or losses	2,173	2,266
Total equity	**2,052,938**	**2,020,871**
Contingency reserve	73,942	68,662
Financial debts	831,743	534,280
Lease liabilities - Leasing	67,621	74,622
Liabilities - Issued insurance contracts	1,468,406	1,432,580
Resources from banking sector activities	2,893,072	2,927,389
Other liabilities	510,560	527,861
TOTAL LIABILITIES	**7,898,282**	**7,586,265**

TURNOVER BY BUSINESS LINE AS AT DECEMBER 31, 2023

CONSOLIDATED REVENUE BY ACTIVITY *(in thousands euros)*	ALSO SEE PARAGRAPH	DEC. 31, 2023	DEC. 31, 2022
Earned premiums - Credit		1,464,765	1,432,845
Earned premiums - Single Risk		24,644	20,510
Earned premiums - Credit insurance		1,489,409	1,453,355
Fees and commission income (1)		171,374	158,574
Other insurance-related services (2)		51	39
Revenue of credit insurance activity	1.3.1	**1,660,834**	**1,611,968**
Earned premiums - Guarantees	**1.3.3**	**69,654**	**62,307**
Financing fees		34,688	32,888
Factoring fees		40,794	41,126
Other		(2,797)	(3,600)
Net income from banking activities (factoring)	1.3.2	**72,686**	**70,414**
Business information and other services		56,419	48,359
Receivables management		8,638	5,982
Revenue of business information and other services activity	1.3.4	**65,057**	**54,341**
CONSOLIDATED REVENUE		**1,868,231**	**1,799,030**

(1) Policy management cost
(2) IPP commission – International policies commission; business contributors' commission

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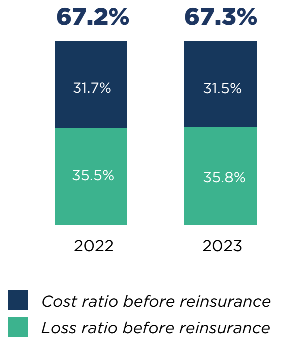
/ TURNOVER BY REGION AS OF DECEMBER 31, 2023 (1)

(in thousands of euros)	2023	2022
Northern Europe	379,557	373,057
Western Europe	380,075	359,627
Central & Eastern Europe	177,058	181,959
Mediterranean & Africa	526,285	484,703
North America	171,850	168,391
Latin America	100,303	100,763
Asia-Pacific	133,102	130,529
TOTAL	**1,868,231**	**1,799,030**

Performance indicators

These operating ratios and the methodology for calculating them are defined in Section 3.7 "Key financial performance indicators".

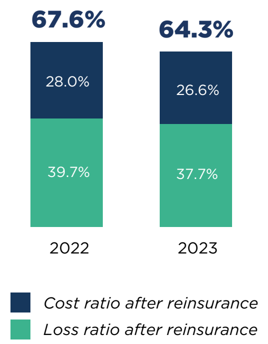
/ COMBINED RATIO BEFORE REINSURANCE



/ ROATE

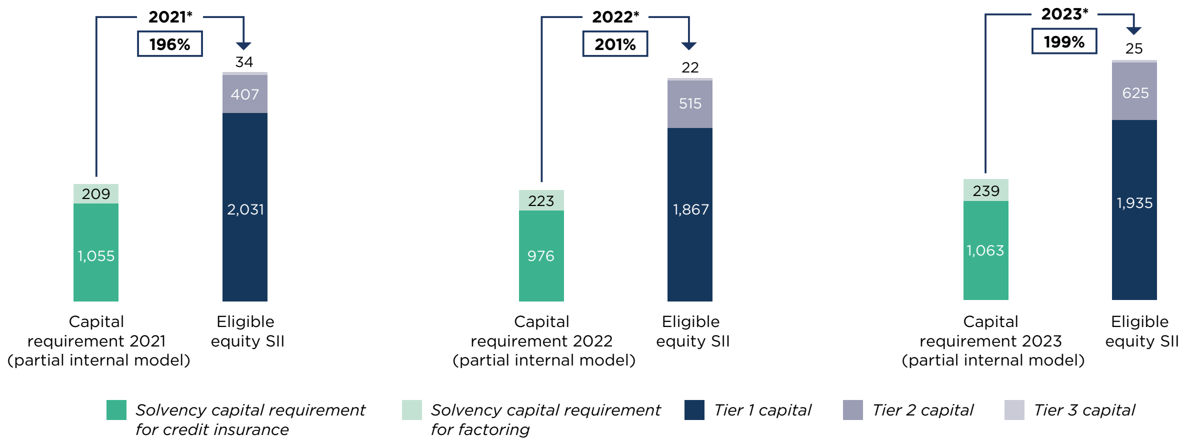
Return on average tangible equity (RoATE) is computed as net income (Group share)/average book equity (Group share) net of intangible assets – see Section 3.4.3. "Return on equity".

/ COMBINED RATIO AFTER REINSURANCE



1) *See details in Note 22.*

/ SOLVENCY RATIO



** This estimated solvency ratio constitutes a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The result of the definitive calculation may differ from the preliminary calculation. The estimated solvency ratio is not audited.*

9.6 MAIN RATINGS OF THE COFACE GROUP AT FEBRUARY 29, 2024

The Company and some of its subsidiaries are assessed by well-known financial ratings agencies. The Company rating can vary from agency to agency.

At February 29, 2024, the main ratings for the Company and its principal operational subsidiary are as follows:

INSURER FINANCIAL STRENGTH RATING	AGENCY	RATING	OUTLOOK
Compagnie française d'assurance pour le commerce extérieur and its branches	Fitch Moody's AM Best	AA- A1 A	Stable Stable Stable
RATING FOR COFACE SA DEBT			
Long-term counterparty risk rating	Fitch Moody's	A+ A3	Stable Stable
Short-term counterparty risk rating (commercial paper)	Fitch Moody's	F1 P-2	Stable Stable
ISIN: FR0011805803			
Subordinated bonds - due March 27, 2024	Fitch Moody's	A- Baa1	Stable Stable
ISIN: FR001400CSY7			
Tier 2 subordinated notes - due September 22, 2032	Fitch Moody's	BBB+ Baa2	Stable Stable
ISIN: FR001400M8W6			
Tier 2 subordinated notes - due November 28, 2033	Fitch Moody's	BBB+ Baa1	Stable Stable

The ratings shown above may be subject to revision or withdrawal at any time by the ratings agencies awarding them. None of these ratings represent an indication of past or future performance of Coface shares or debt issued by the Company and should not be used as part of an investment decision. The Company is not responsible for the accuracy and reliability of these ratings. The information is available and updated on the Company's website: https://www.coface.com/investors/coface-share/ratings.

9.7 CROSS-REFERENCE TABLE

9.7.1 Universal Registration Document

This cross-reference table contains the items provided for in Annex I and II of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of this Universal Registration Document on which the information relating to each of these items is provided.

9.7.2 Annual financial report

This Universal Registration Document contains all the elements of the financial report as mentioned in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

INFORMATION	PAGE
Parent company financial statements	206-218
Consolidated financial statements	126-205
Management report	see details in Section 9.7.4
Corporate governance report	see details in Section 9.7.4
Statement of the person responsible for the annual financial report	381
Statutory Auditors' report on the parent company financial statements	225-227
Statutory Auditors' report on the consolidated financial statements	219-224
Statutory Auditors' report on the corporate governance report	226

9.7.3 AMF tables on the compensation of corporate officers

The following table has been drawn up to put the information on compensation into perspective with the presentation in the form of 11 tables recommended by the AMF in its guide to preparing Universal Registration Documents published on January 5, 2022 (see also the AFEP-MEDEF Code).

COMPENSATION TABLES AS PER AMF RECOMMENDATIONS	PAGE
Table 1. Summary of compensation, stock options and shares granted to each executive corporate officer	83
Table 2. Summary of the compensation of each executive corporate officer	84
Table 3. Compensation awarded for directorship and other compensation received by non-executive corporate officers	90
Table 4. Stock options or warrants awarded during the financial year to each executive corporate officer by the Company or any Group company	N/A
Table 5. Stock options or warrants exercised during the financial year by each executive corporate officer	N/A
Table 6. Performance shares awarded to each corporate officer	92
Table 7. Performance shares that have vested for each corporate officer	92
Table 8. History of awards of stock options or warrants	N/A
Table 9. History of free share awards	N/A
Table 10. Stock options or warrants granted to the top ten employees who are not corporate officers and options exercised by these employees	93
Table 11. Commitments related to the termination of the functions of executive corporate officers	N/A

9.7.4 Board of Directors' management report

To make it easier to understand this document, the cross-reference table below identifies the information to be included in the management report, in accordance with the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors.

INFORMATION REQUIRED	LEGAL DOCUMENT	CHAPTERS	PAGE
1. Group situation and activity			
Situation of the company during the year and an objective and exhaustive analysis of the development of the business, results and financial position of the company and the Group, in particular its debt situation, with respect to business volume and complexity	Articles L.225-100-1, I. (1), L.232-1, II, L.233-6 and L.233-26 of the French Commercial Code	3; 4	102-113; 126-217
Key performance indicators of a financial nature	Article L.225-100-1, I (2)	0; 3	5; 14-15; 102-108
Key performance indicators of a non-financial nature relating to the specific activity of the company and the Group, in particular information relating to environmental and employee issues	Article L.225-100-1, I (2)	0; 6	4; 259-260
Significant events occurring between the balance sheet date and the date on which the management report was prepared	Articles L.232-1, II. and L.233-26 of the French Commercial Code	3	114
Identity of the main shareholders and holders of voting rights at General Shareholders' Meetings, and changes during the financial year	Article L.233-13 of the French Commercial Code	7	328-329
Branches	Article L.232-1, II of the French Commercial Code	4	134-137
Significant equity investments in companies having their registered office in France	Article L.233-6 para. 1 of the French Commercial Code	N/A	N/A
Disposals of cross-shareholdings	Articles L.233-29, L.233-30 and R.233-19 of the French Commercial Code	N/A	N/A
Expected changes in the situation of the company and the Group and outlook for the future	Articles L.232-1, II and L.233-26 of the French Commercial Code	3	114
Research and development activities	Articles L.232-1, II and L.233-26 of the French Commercial Code	N/A	N/A
Table showing the company's results in each of the last five financial years	Article R.225-102 of the French Commercial Code	4	217
Information on supplier and customer payment terms	Article D.441-4 of the French Commercial Code	4	218
Amount of inter-company loans granted and statement by the statutory auditor	Articles L.511-6 and R.511-2-1-3 of the French Monetary and Financial Code	N/A	N/A
2. Internal control and risk management			
Description of the main risks and uncertainties with which the company is faced	Article L.225-100-1, I (3) of the French Commercial Code	5	230-254
Information about financial risks linked to the effects of climate change and presentation of the measures taken by the company to mitigate these risks by adopting a low-carbon strategy in all aspects of its business	Article L.22-10-35 (1) of the French Commercial Code	5; 6	247; 259-260
Main characteristics of internal control and risk management procedures set up by the company and the Group relating to the preparation and processing of financial and accounting information	Article L.22-10-35 (2) of the French Commercial Code	5	248-254
Guidance on the hedging objectives and policy for each main category of transactions and exposure to price, credit, liquidity and treasury risks, including the use of financial instruments	Article L.225-100-1 (4) of the French Commercial Code	5	230-243
Anti-corruption system	Law no. 2016-1691 of December 9, 2016 known as "Sapin II"	6	259; 273-274
Vigilance plan and report on its effective implementation	Article L.225-102-4 of the French Commercial Code	6	274-275
3. Corporate governance report			
Information on compensation			
Compensation policy for corporate officers	Article L.22-10-8, I., paragraph 2 and Article R.22-10-14 of the French Commercial Code	2	80-83
Compensation and benefits of any kind paid to each corporate officer during the financial year or awarded in respect of the financial year	Article L.22-10-9, I (1) and Article R.22-10-15 of the French Commercial Code	2	83-84

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INFORMATION REQUIRED	LEGAL DOCUMENT	CHAPTERS	PAGE
Relative proportion of fixed and variable compensation	Article L.22-10-9, I (2) of the French Commercial Code	2	85
Use of the possibility of requesting the return of variable remuneration	Article L.22-10-9, I (3) of the French Commercial Code	N/A	N/A
Commitments of any kind made by the Company to its corporate officers, corresponding to components of compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or subsequent to the exercise of said duties	Article L.22-10-9, I (4) of the French Commercial Code	2	94
Compensation paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code	Article L.22-10-9, I (5) of the French Commercial Code	2	N/A
Ratio between the level of compensation of each executive officer and the average and median compensation of the company's employees	Article L.22-10-9, I (6) of the French Commercial Code	2	87
Annual changes in compensation, the company's performance, average compensation for the company's employees and the ratios indicated above during the five most recent financial years	Article L.22-10-9, I (7) of the French Commercial Code	2	89
Explanation of how total compensation complies with the compensation policy adopted, including how it contributes to the company's long-term performance and how the performance criteria were applied	Article L.22-10-9, I (8) of the French Commercial Code	2	88
Manner in which the vote at the last Ordinary Shareholders' Meeting provided for Article L.22-10-34, I. of the French Commercial Code was taken into account	Article L.22-10-9, I (9) of the French Commercial Code	2	85-89
Deviation from and any exceptions to the procedure for implementing the compensation policy	Article L.22-10-9, I (10) of the French Commercial Code	N/A	N/A
Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code (suspension of the payment of directors' compensation in the event of non-compliance with diversity rules applicable to the Board of Directors)	Article L.22-10-9, I (11) of the French Commercial Code	N/A	N/A
Award of stock options to corporate officers and retention thereof	Articles L.225-185 and L.22-10-57 of the French Commercial Code	2	83-84; 90-94
Award of free shares to executive corporate officers and retention thereof	Articles L.225-197-1 and L.22-10-59 of the French Commercial Code	2	83-84; 90-94
Information on governance			
List of all offices and positions held in any company by each of the officers during the financial year	Article L.225-37-4 (1) of the French Commercial Code	2	54-61
Agreements entered into between a senior manager or a significant shareholder and a subsidiary	Article L.225-37-4 (2) of the French Commercial Code	N/A	N/A
Summary table of valid authorisations granted by the General Shareholders' Meeting in respect of capital increases	Article L.225-37-4 (3) of the French Commercial Code	7	322
General management procedures	Article L.225-37-4 (4) of the French Commercial Code	2	74-78
Composition, conditions of preparation and organisation of the Board's work	Article L.22-10-10 (1) of the French Commercial Code	0; 2	16; 63-71
Application of the principle of balanced representation of women and men on the Board	Article L.22-10-10 (2) of the French Commercial Code	2	63-64
Any limitations of the powers of the Chief Executive Officer by the Board	Article L.22-10-10 (3) of the French Commercial Code	2	73
Reference to a Corporate Governance Code and application of the "comply or explain" principle	Article L.22-10-10 (4) of the French Commercial Code	2	73
Specific means of shareholder participation in the Annual Shareholders' Meeting	Article L.22-10-10 (5) of the French Commercial Code	9	379-380
Procedure for evaluating current agreements - Implementation	Article L.22-10-10 (6) of the French Commercial Code	2	64
Information that may have an impact in the event of a public offer	Article L.22-10-11 of the French Commercial Code	2; 7	73; 332

INFORMATION REQUIRED	LEGAL DOCUMENT	CHAPTERS	PAGE
4. Shareholding and capital			
Structure, change in the Company's share capital and crossing of thresholds	Article L.233-13 of the French Commercial Code	0; 7	19; 327-329
Acquisition and sale by the Company of its own shares	Articles L.225-211 and R.225-160 of the French Commercial Code	7	323-327
Statement of employee holdings in the share capital on the last day of the financial year (proportion of capital held)	Article L.225-102, paragraph 1 of the French Commercial Code	7	328-329
Indication of any adjustments for securities giving access to capital in the event of share buybacks or financial transactions	Articles R.228-90 and R.228-91 of the French Commercial Code	7	327
Information on transactions on the Company's shares by officers and related persons	Article L.621-18-2 of the French Monetary and Financial Code	7	328
Amounts of dividends paid in respect of the three previous financial years	Article 243 bis of the French General Tax Code	8	336
5. Statement on non-financial performance			
Business model	Articles L.225-102-1 and R.225-105, I of the French Commercial Code	0; 6	14-15; 258
Description of the main risks associated with the business of the company or Group, including, where relevant and material, the risks created by business relationships, products or services	Articles L.225-102-1 and R.225-105, I (1) of the French Commercial Code	6	259-260
Information on the effects of the activity in terms of respect for human rights and the fight against corruption and tax evasion, and how the company or Group takes into account the social and environmental consequences of its business (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the company's or Group's activity)	Articles L.225-102-1, III, L.22-10-36 and R.22-10-29, R.225-104 and R.225-105, I (2) of the French Commercial Code	6	258-319
Results of policies applied by the company or Group, including key performance indicators	Articles L.225-102-1 and R.225-105, I (3) of the French Commercial Code	6	259-260
Employee-related information (employment, work organisation, health and safety, social relations, training, equal treatment)	Articles L.225-102-1 and R.225-105, II A (1) of the French Commercial Code	6	276-288
Environmental information (general environmental policy, pollution, circular economy, climate change)	Articles L.225-102-1 and R.225-105, II A (2) of the French Commercial Code	6	288-300
Societal information (commitments to sustainable development, subcontracting and suppliers, fair practices)	Articles L.225-102-1 and R.225-105, II A (3) of the French Commercial Code	6	262-275
Information on the fight against corruption and tax evasion	Articles L.225-102-1, L.22-10-36 and R.22-10-29 and R.225-105, II B (1) of the French Commercial Code	6	259; 272-275
Information related to human rights initiatives	Articles L.225-102-1, L.22-10-36 and R.22-10-29 and R.225-105, II B (2) of the French Commercial Code	6	271
Specific information: - technological accident risk prevention policy implemented by the company; - the company's ability to cover its civil liability with respect to property and persons as a result of the operation of such facilities; - the means provided by the company to manage the compensation of victims in the event of a technological accident for which it is liable.	Article L.225-102-2 of the French Commercial Code	N/A	N/A
Collective agreements entered into by the company and their impact on the company's economic performance as well as on employees' working conditions	Articles L.225-102-1, III and R.225-105 of the French Commercial Code	N/A	N/A
Certification by the independent third party on the information contained in the statement on non-financial performance	Articles L.225-102-1, III and R.225-105-2 of the French Commercial Code	6	317-319

INFORMATION REQUIRED	LEGAL DOCUMENT	CHAPTERS	PAGE
6. Other information			
Additional tax information	Articles 223 quater and 223 quinquies of the French General Tax Code	4	207; 2013
Injunctions or financial penalties for anti-competitive practices	Article L.464-2 of the French Commercial Code	N/A	N/A

9.7.5 Shareholders' Meeting

(Article L.225-100 et seq. of the French Commercial Code)

SUMMARY OF THE COMPANY'S POSITION DURING THE PAST FINANCIAL YEAR	PAGE
Parent company financial statements	206-218
Consolidated financial statements	126-205
Group management report	see details in Section 9.7.4
Corporate governance report	see details in Section 9.7.4
Usual first names and surnames of directors and executive officers, as well as the details of the other companies in which these persons exercise management, leadership, administration or supervisory roles (Articles L.225-115 and R.225-83 of the French Commercial Code)	54-61
The draft resolutions proposed and the explanations of the reasons, as well as information concerning candidates for the Board of Directors, if applicable (Articles L.225-115 and R.225-83 of the French Commercial Code)	336-354; 355-367
A table of appropriation of income, specifying in particular the origin of the sums proposed for distribution (Article R.225-83 of the French Commercial Code)	336
Board of Directors' report on the draft resolutions proposed	355
Report of the Statutory Auditors on the annual financial statements (Article L.823-9 of the French Commercial Code)	225-227
Report of the Statutory Auditors on the consolidated financial statements (Article L.823-9 of the French Commercial Code)	219-224
Report of the Statutory Auditors on the corporate governance report (Article L.823-10 of the French Commercial Code) included in the Statutory Auditors' report on the annual financial statements	226
Report of the Statutory Auditors on regulated agreements and commitments (Articles L.225-40 and R.225-83 of the French Commercial Code)	368
Report of one of the Statutory Auditors, designated independent verifiers, on the consolidated corporate, environmental and societal information presented in the management report (Articles L.225-102-1 and R.225-105 of the French Commercial Code)	317-319

9.8 INCORPORATION BY REFERENCE

Pursuant to Article 19 of European regulation No. 2017/1129, the following information is included by reference in this Universal Registration Document:

- For the year ended December 31, 2022:

  The management report (as set out in the cross-reference table), the consolidated financial statements, the parent company financial statements and the related Statutory Auditors' reports, appearing in the Universal Registration Document for the 2022 financial year filed with the AMF on April 6, 2023, under number D.23-0244, respectively on pages 352-354, 128-193, 194-207, 208-212 and 212-215;
- For the year ended December 31, 2021:

  The management report (as set out in the cross-reference table), the consolidated financial statements, the parent company financial statements and the related Statutory Auditors' reports, appearing in the Universal Registration Document for the 2021 financial year filed with the AMF on April 6, 2022, under number D.22-0244, respectively on pages 347-349, 130-195, 196-209, 210-213 and 214-216;

The information included in these two Universal Registration Documents other than that referred to above is, as applicable, replaced or updated by the information included in this Universal Registration Document. These two Universal Registration Documents are available at the Company's registered office and on the website: https://www.coface.com/investors under "Financial results and reports".

9.9 GLOSSARY

This glossary is a sample of terms used in the credit insurance sector and is therefore not exhaustive. It does not contain all the terms used in this Universal Registration Document or all terms used in the credit insurance industry.

Fee and commission income: fees ancillary to the insurance policy corresponding to the remuneration of services related to credit insurance, such as the costs of monitoring the credit limits issued to the policyholder on its clients.

Factoring: all the services a factor provides to companies, enabling them to outsource the management of their accounts receivable: management of invoices, including payment collection, protection against insolvency, financing, etc.

Credit insurance: a technique whereby a company protects itself against the risks of non-payment of its trade receivables.

Earnings per share: ratio calculated by dividing net income for the year attributable to shareholders by the weighted average number of shares outstanding.

Gains/losses on premiums: liquidation of provisions on premiums from years prior to the financial year with a positive or negative impact on premiums earned in the current financial year.

Gains/losses on claims: liquidation of provisions for claims and recoveries from years prior to the financial year with a positive or negative impact on the cost of benefits under insurance contracts for the current financial year.

Stock market capitalisation: a company's market value, calculated by multiplying the share price by the number of shares comprising share capital.

Surety bond: a credit transaction and not an insurance transaction, a surety bond is a written undertaking given to a creditor by a guarantor to fulfil a debtor's obligation in the event of default.

Turnover: sum of earned premiums and service revenues.

Ceding commission: the commission paid by the reinsurer to the ceding company on reinsurance agreements as compensation for placing the business with the reinsurer and to cover the ceding company's business acquisition expenses.

Broker: an independent intermediary who canvasses companies in order to offer them a credit insurance policy. Brokers advise policyholders during the implementation of the policy or agreement and in its day-to-day management.

Dividend: the portion of a company's profit attributable to the shareholder. A distinction is made between the net dividend, the sum actually paid by the company to its shareholder, and the gross dividend, which also includes the tax credit.

Price effect: indicator of trends in policy pricing.

Indemnities paid: amount of claims paid by the insurer during the accounting year.

Insolvency: legally recognised incapacity of the debtor to meet its commitments and as such to pay its debts.

Limit: the maximum amount up to which the insurer accepts the trade credit risk (risk of default) on the debtor.

Partial internal model: used to quantify the risks incurred by Coface. In particular, it is used to calculate the Solvency Capital Requirement.

Premium: amount paid by the policyholder in exchange for the insurer's commitment to cover the risks provided for in the policy.

Earned premium: sum of gross written premiums and reserves for premiums: the portion of the premium issued during the accounting year or earlier, corresponding to the coverage of the risks covered during the accounting year in question.

Issued premium: amount of premium invoiced during the financial year to cover the risks provided for in the contract.

Provision for premiums payable: premiums related to an accounting period that could not be invoiced during this period.

Unearned premium provisions: portion of premiums written during the accounting period relating to the coverage of risks covered for the period between the closing date of the accounting period and the expiry date of the contracts.

Provisions for incurred but not yet reported (IBNR) claims: provision relating to claims not yet known but deemed probable.

Combined ratio: represents total expenses, including service margin, and total claims, divided by total earned premiums. It is therefore the sum of the cost ratio and the claims ratio.

Cost ratio: contract acquisition expenses, administrative expenses and the service margin as a proportion of earned premiums. The service margin corresponds to service revenues less other ordinary operating income and expenses. It can be expressed in gross terms, *i.e.* before reinsurance, or net terms, which includes the ceding commission.

Loss ratio: claims costs from all related years as a proportion of earned premiums. It can be expressed in gross terms, *i.e.* before reinsurance, or net terms, which includes the portion ceded to reinsurers.

Solvency II ratio: a regulatory indicator that reflects the company's ability to meet its commitments to its clients, investors and other counterparties. It corresponds eligible own funds divided by the amount of own funds required by the company according to the risks to which it is exposed (SCR: Solvency Capital Requirement).

Reinsurance: a transaction whereby an insurance company transfers some of the risk it covers to a third party (the reinsurer) in exchange for the payment of a premium.

Debt collection: an amicable and/or legal procedure undertaken by the Group to obtain payment by the debtor of it debt.

Recovery: amounts recovered by the insurer from the debtor (buyer in default of payment) after the insured party has been compensated for the claim.

Underwriting income: sum of turnover, claims expenses, operating expenses (contract acquisition costs, administrative costs and service costs) and reinsurance income.

Credit risk: the risk of a loss resulting from a deterioration in a counterparty's credit quality or default by a counterparty.

Market risk: the risk of loss arising from to changes in prices on the financial markets or changes in the parameters that may influence these prices.

RoATE – Return on average tangible equity: net income (Group share) over average tangible equity (average equity (Group share) for the period restated for intangible assets).

Loss: a situation in which a risk occurs, giving the right to compensation for the policyholder that makes a claim under the cover provided for in the credit insurance policy.

Ceded claims/total claims (rate of ceded claims): ratio of ceded claims to total claims. Ceded claims correspond to the share of Coface claims ceded to its reinsurers under reinsurance treaties signed with them.

Claims paid: indemnities paid net of recoveries received, plus expenses incurred to manage them (claims handling expenses).

Net production: a business performance indicator equal to the sum of annualised premiums relating to credit insurance policies newly written during the financial year and annualised premiums relating to policies cancelled during the same financial year.

Solvency II: European regulatory reform of the insurance sector aimed at better adapting the capital requirements of insurance and reinsurance companies to the risks they incur in their business.

Premium ceding rate (ceded premiums/gross earned premiums): ratio of premiums ceded to earned premiums. Ceded premiums correspond to the share of earned premiums that Coface cedes to its reinsurers under reinsurance treaties signed with them. Earned premiums correspond to the sum of written premiums and provisions on earned premiums not written.

Accounting rate of return of financial assets: investment income before income from equity securities, foreign exchange income and financial expenses compared with the balance sheet total of financial assets excluding equity securities.

Accounting rate of return of financial assets excluding income from disposals: investment income before income from equity securities, foreign exchange income and financial expense excluding capital gains or losses on disposals compared with the balance sheet total of financial assets excluding equity securities.

Economic rate of return on financial assets: the economic performance of the asset portfolio. This measures the change in revaluation reserves for the year over the balance sheet total of financial assets plus the accounting rate of return.

Retention rate: ratio between the total value of policies actually renewed and the total value of policies to be renewed. This indicator is expressed as a percentage.

Business volume: reported value of customer turnover relative to the amount of the annualised premiums of the corresponding policies.

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