INTERIM FINANCIAL REPORT – FIRST HALF 2024

coface
FOR TRADE

The information contained in this document is a free translation of the Coface Group's Interim Financial Report for the first semester 2024 ("*Rapport Financier, premier semestre 2024*") and while efforts are made to provide an accurate translation, there may be material errors, omissions or inaccuracies in the reporting.

In no way does Coface assume any responsibility for any investment or other decisions made based upon the information provided on this translation. The original language version of the document in French prevails over the translation.

This document is publicly available at www.coface.com/Investors.

NOTE

COFACE SA (hereinafter, the "*Company*") is a public limited company (*société anonyme*) with a Board of Directors (*conseil d'administration*) incorporated under the laws of France, having its head office at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France and registered with the Nanterre Trade and Companies Register under number 432 413 599. Unless stated otherwise, references in this document to the "Group" or the "Coface Group" are references to the Company and its subsidiaries, branches and holdings.

At the date of 30 June 2024, the Company's share capital amounted to €300,359,584 divided into 150,179,792 shares with a nominal value of €2 (two) each, all of the same class, and all of which are fully subscribed and paid up.

Presentation of financial and other information

This report includes free English language translations of the audited consolidated financial statements of COFACE SA as of and for the year ended 31 December 2023 and for the six months ended 30 June 2023 and 2024. The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and the interim financial statements were prepared in accordance with International Accounting Standard ("IAS") 34. COFACE SA publishes its consolidated financial statements in euros. Sums of aggregates and totals in this report may not match exactly due to rounding.

This report presents certain figures on an actual historical value basis, on a "constant scope" basis or on a "constant exchange rate" basis. Where figures are presented at constant scope, the previous year's figures (N-1) are adjusted to reflect the entities that entered or left the scope of consolidation during the most recent year (N). The Coface Group believes that comparing periods at constant scope and exchange rate is helpful in enabling investors to understand the effect of exchange rate fluctuations and changes in scope of consolidation on its financial results. However, figures adjusted for the effects of changes in the scope of consolidation and in exchange rates should not be substituted for the IFRS data.

Forward-Looking Statements

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

These forward-looking statements are based on data, assumptions and estimates that the Coface Group deems reasonable. They may evolve or be modified due to uncertainty linked, in particular, to the economic, financial, competitive or regulatory environment. Furthermore, the forward-looking statements contained in this report also involve risks, both known and unknown, uncertainty and other factors that were they to occur, could affect the Coface Group's future results, performance and achievements. Such factors may include, in particular, changes in the economic and business climate as well as the risk factors presented in chapter 5 of the Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on April 5th 2024 under the number D.24-0242.

Risk factors

You are strongly encourages to carefully consider the risk factors presented in the aforementioned sections of the Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on April 5th 2024 under the number D.24-0242.

The occurrence of all or any of these risks is liable to have an adverse effect on the Coface Group's business, financial position or financial results. Additional risks that are not known at the date of this report, or that the Coface Group currently considers immaterial, may have the same adverse on the Coface Group, its business, financial position, operating results or growth prospects, as well as on the market price of its shares listed on Euronext Paris **(ISIN: FR0010667147)**.

All this information is available on the website of the Company (www.coface.com/Investors) and the AMF (www.amf-france.org).

This page has been intentionally left blank

I. Half Year Activity Report

I. Half-year activity report

Coface Group’s economic research team revised its global growth forecasts for the current year in June, as well as its short-term levels of corporate credit risk, broken down by country, major geographic area and business sector.

a) Economic environment and outlook

In Q1 2024, the global economy improves slightly from previous years marked by pandemic, Russia-Ukraine conflict, and US banking crisis. US activity slows down and emerging countries drive global economy growth. Global economic, social, and political risks persist, as shown by the dissolution of the French National Assembly.

The world economy above the waterline

Our global growth forecast for 2024 has been upgraded to 2.5%, with stabilization expected at 2.7% in 2025. Moderate growth in the US and China should be offset by acceleration in several emerging countries.

Despite the slowdown in the US economy, labor market figures appear to have returned to pre-pandemic levels, indicating a better balance between labor supply and demand.

In China, the economic rebound remains uneven. GDP exceeded expectations in the first quarter of 2024, thanks to investment in manufacturing, exacerbating concerns about production overcapacity. Given the weakness of domestic demand, Chinese producers will have to find outlets on foreign markets. Persistent deflationary pressures could continue to hold backcorporate and household incomes.

Europe, with GDP growth of 0.3% in the first quarter of 2024, and activity set to pick up thanks to the services sector, seems to be out of recession.

More arduous disinflation

The slowdown in disinflation in the United States confirms that the last mile in the fight against inflation is indeed the most difficult. The cause lies in the persistently high prices of services, and housing. PCE1 inflation, which at 2.7% remains above the US Federal Reserve's 2% target, confirms this point.

In Europe, inflation rebounded in May to 2.6%, after dropping to 2.4% in April thanks to a slowdown in unprocessed food and goods prices. While the likely rise in wages should boost consumption, it will slow disinflation. If inflation is to continue to fall to around 2%, it will have to do so at the cost of a deterioration in the labor market and corporate operating margins, with the risk of a further increase in insolvencies.

Emerging economies ready to accelerate, but constrained by the Fed

Markets are now expecting only 1 or 2 rate cuts, reflecting the Fed's cautious stance. The latest projections from US monetary policymakers confirm that rate cuts will have to wait until the end of the summer, or even the end of the year. For its part, the European Central Bank launched its monetary easing with a first cut of 25 basis points (bp) at the beginning of June.

Faced with the Fed's delayed timetable, emerging countries will have to slow down or delay their rate-cutting cycle to avoid a rebound in inflation via imports. Brazil, for example, cut its key rate by just 25bp in May, after 6 consecutive 50bp cuts. The Fed's postponement will also condition monetary policies in Africa and Asia. The central banks of the main emerging economies have not yet begun their monetary easing, limiting the scale of their economic rebound for 2024 and 2025.

Despite this delayed timetable, many regions will enjoy positive momentum. Someof Southeast Asiacountries (Vietnam and the Philippines) will achieve growth rates more than 6%. India, despite a slight slowdown, should post growth of 6.1%. Africa is also set to outperform and exceed 4% growth, with acceleration in all major economies (Nigeria, Egypt, Algeria, Ethiopia, Morocco and, to a lesser extent, South Africa).

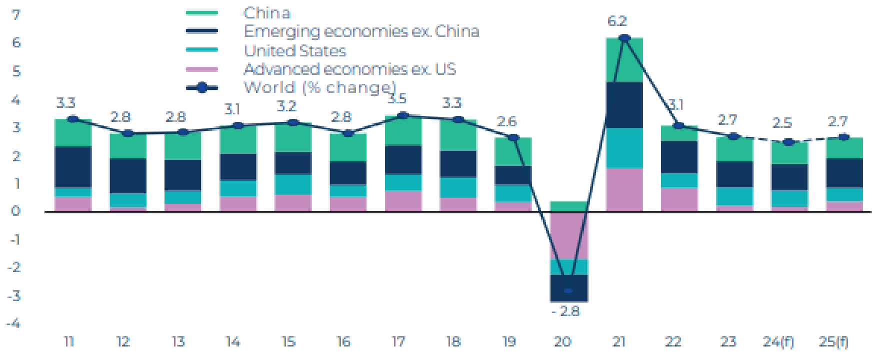
US customs barriers: heading towards a trade war 2.0?

The announcement on May 14 of a sharp rise in customs duties on imports of Chinese goods confirms the United States' determination to counter China in its strategic sectors. Last week, the European Union adopted similar measures, imposing additional tariffs of up to 38% on Chinese electric vehicles. Countries such as India and Brazil have already taken similar steps, increasing the risk of global trade tensions. This context could make Mexico and Vietnam the main beneficiaries of this reorganization, thanks to the transshipment of Chinese products. Although trade links between the USA and China appear to have weakened, it would be premature at this stage to conclude that the two powers have decoupled.

In addition to the current administration's decision, candidate Trump's campaign promises to implement global tariffs of 10% are fueling concerns surrounding US trade policy, while heightening fears of fragmentation in global trade.

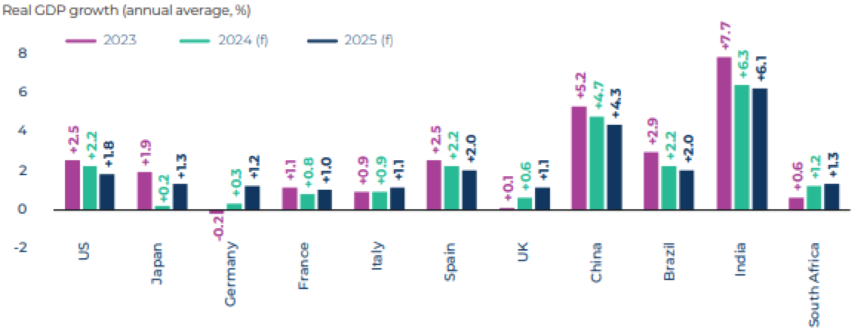
In an increasingly uncertain geopolitical context, an escalation of customs barriers would mean higher costs for businesses, contributing to the risk of a more inflationary future.

Chart 1:
World real GDP growth (annual average, %)



Sources: IMF, National statistical institutes, Refinitiv Datastream, Coface forecasts

Chart 2:
Real GDP growth (annual average, %)



Sources: IMF, National statistical institutes, Refinitiv Datastream, Coface forecasts

b) Significant events in the period

Governance evolution

- **In the Executive Committee**

On 14 May 2024, Ernesto de Martinis has been appointed as the CEO of Coface Mediterranean and Africa region, effective on 1 July 2024. He joins the Group executive committee and reports to Xavier Durand, Coface CEO. He takes over from Cécile Paillard who will continue her career outside the Group.

COFACE SA launches Power the Core, its 2024-2027 strategic plan with a view to develop a global ecosystem of reference for credit risk management

During its investor day organised on 5 March 2024 in Paris, Coface presented its new 2027 strategic plan Power the Core. This plan aims to build upon the successes of the previous strategic plans. Coface has laid strong foundations which will support its development.

In particular, the new plan aims to: a) Reach data and technology excellence; b) Deepen and broaden Coface's historical Trade Credit Insurance (TCI) franchise; c) Grow profitably Business Information services at double digit growth rate; and d) Leverage its unique culture of a human-sized multinational with a strong commitment to sustainability.

With the launch of the plan Power the Core, Coface raises all its financial targets.

Reimbursement of its subordinated notes issued in 2014 and due on March 27, 2024

COFACE SA issued a subordinated notes of an amount of €380,000,000, on March 27, 20214 bearing a fixed interest rate of 4.125 per cent. On September 21, 2022, the company repurchased €153,400,000 in advance following a tender offer. On March 26, 2024, COFACE SA reimbursed the remaining capital, i.e. €226,600,000.

AM Best upgrades the Long-term Issuer Credit Ratings to 'a+' (Excellent) with a stable outlook

The rating agency AM Best, on 29th May 2024, has upgraded the Long-Term Issuer Credit Ratings (Long-Term ICRs) to 'a+' (Excellent) from 'a' (Excellent) and affirmed the Financial Strength Rating – IFS rating of A (Excellent) 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 is "stable".

c) Events after 30 June 2024

None

d) Comments on the results at 30 June 2024

Coface applied IFRS 17 and IFRS 9 accounting standards from January 1, 2023.

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 2023:

- 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.

i. Turnover

The Group's consolidated revenue was down by 3.1% at constant FX and perimeter (3.8% at current FX and perimeter), from €959.7 million for the first half of 2023 to €922.7 million for the six months to June 30, 2024.

The table below shows the changes in the Group's consolidated turnover by business line for the six months ending on June 30, 2023 and 2024:

Change in consolidated revenue by activity (in millions of euros)	As at 30 June		Change		
	2024	2023	in €m	as a %	as a % at constant FX and perimeter
Insurance	886.3	922.7	-36.4	-3.9%	-3.1%
of which Earned premiums (1)	*754.3*	*803.1*	*-48.8*	*-6.1%*	*-5.3%*
of which Services (2)	*132.0*	*119.6*	*12.4*	*10.4%*	*11.1%*
Factoring	36.5	37.0	-0.5	-1.3%	-2.6%
Consolidated revenue	**922.7**	**959.7**	**-36.9**	**-3.8%**	**-3.1%**

(1) Earned premiums - Credit Insurance, Single Risk and Bonding
(2) Sum of revenue from services related to Credit Insurance ("Insurance fees and commissions" and "Other insurance-related services") and services provided to customers without credit insurance (access to information on corporate solvency and marketing information - "Business information turnover" and debt collection services - "Receivables management").

Insurance

Revenue from insurance businesses (including bonding and single risk coverage) fell by -3.1% at constant FX and perimeter (-3.9% at current FX and perimeter), from €922.7 million for the first half of 2023 to €886.3 million for the first half of 2024.

Gross earned premiums were down by -5.3% at constant FX and perimeter (-6.1% at current FX and perimeter), from €803.1 million at June 30, 2023 to €754.3 million at June 30, 2024, impacted by the decline in inflation and the economic slowdown.

New business totaled €68.9 million, up €5.9 million compared with the half year ended June 30, 2023 (€63.0 million), driven by an increase in demand and benefiting from growth investments.

Client retention was high at 92.8% (down -1.6% on the first half of 2023), in a competitive market where Coface implemented risk mitigation plans.

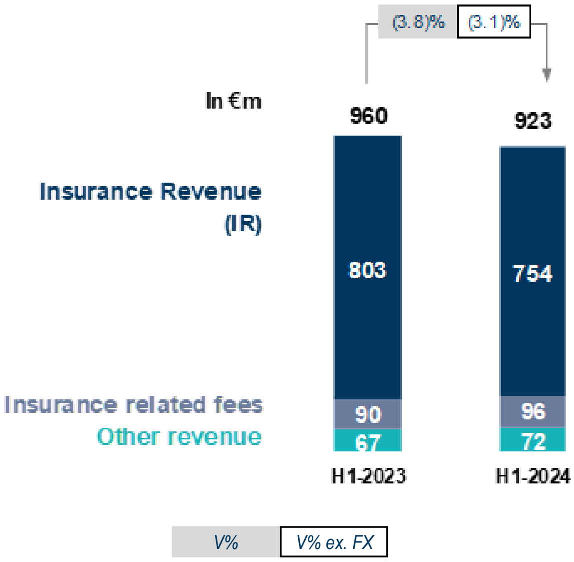
The price effect remained negative at -1.4% in the first half of 2024 but improved slightly compared to the same period of 2023 (-2.0%). This was largely due to very low past losses offset by the current normalisation environment.

Client activities recorded zero growth over the first six months of the year (volume effect of -0.1%) after two negative quarters in 2023.

Revenue from the services business increased by 11.1% at constant FX and scope (10.4% at current FX and scope), from €119.6 million for the half year ended June 30, 2023 to €132.0 million for the half year ended June 30, 2024. This growth was driven by a 16.9% increase in information services revenue (at constant FX and perimeter) – this business line is a priority for development under the Power the Core strategic plan.

Factoring

Factoring revenue (in Germany and Poland only) was down by -2.6% at constant FX and perimeter (-1.3% at current FX and perimeter), from €37 million for the first half of 2023 to €36.5 million for the six months to June 30, 2024. This decrease was mainly due to the decline in refinanced volumes.



Change in revenue by region

The following table shows the changes in consolidated revenue (net of intra-group flows) within the Group's seven geographic regions in the first six months of 2023 and 2024:

Change in consolidated revenue by region of invoicing (in millions of euros)	As at 30 June		Change			
	2024	**2023**	**in €m**	**as a %**	**as a %: at constant FX**	**as a %: at constant FX and perimeter**
Western Europe	187.6	194.3	-6.7	-3.4%	-3.9%	-3.8%
Northern Europe	185.0	200.1	-15.1	-7.5%	-7.5%	-7.5%
Mediterranean & Africa	276.0	267.0	9.1	3.4%	6.0%	6.0%
North America	88.7	85.4	3.3	3.8%	3.3%	-6.9%
Central Europe	87.0	91.1	-4.1	-4.5%	-6.5%	-7.3%
Asia-Pacific	60.2	67.3	-7.1	-10.6%	-8.4%	-9.4%
Latin America	38.2	54.5	-16.3	-30%	-23.2%	-7.8%
Consolidated revenue	**922.7**	**959.7**	**-36.9**	**-3.8%**	**-2.9%**	**-3.1%**

In Northern Europe, turnover was down by -7.5% at constant and current FX. The region was hit by a slowdown in client activities and the selective non-renewal of some loss-making policies. This decline was partially offset by the growth in adjacent activities. Factoring revenues were down -1.5%, an improvement on the previous quarter.

In Western Europe, turnover was down by -3.8% at constant FX (-3.4% at current FX). The slowdown in client activities was partially offset by the rise in information sales.

In Central and Eastern Europe, turnover fell -7.3% at constant FX (-4.5% at current FX) due to the decline in client activities, which weighed on credit insurance. Factoring was down -6.9% at constant exchange rates.

In the Mediterranean and Africa region, which is driven by Italy and Spain, turnover rose +6.0% at constant FX and +3.4% at current FX on the back of robust sales in credit insurance and services and a stronger economic environment.

In North America, turnover was down -6.9% at constant FX but increased by +3.8% at current FX due to the integration of Mexico in this scope. The region saw a slump in client activity despite higher retention.

In Latin America, turnover fell by -7.8% at constant FX and -29.9% as reported. The region was hit by a fall in client activities, mainly in commodities and metals, and the transfer of Mexico to the North America region.

In Asia-Pacific, turnover decreased by -9.4% at constant FX and -10.6% at current FX, due to a slowdown in client activities.

ii. Underwriting income

Underwriting income before reinsurance

Underwriting income before reinsurance amounted to €231.6 million for the six months ending on June 30, 2024, up 10% on the first half of 2023 (€210.7 million).

This increase was mainly due to a 6.9-point decrease in the loss ratio (from 39.4% at June 30, 2023 to 32.5% at June 30, 2024).

Loss experience

The Group's loss ratio before reinsurance, including claims handling expenses, declined by 6.9 points, from 39.4% for the six months to June 30, 2023 to 32.5% for the half year ended on June 30, 2024. This decrease in loss experience was due to a lower peak loss experience in the LAR regions and a lower frequency and peak loss experience in the WER region.

The table below shows the change in the loss experience between June 2023 and June 2024:

Loss Experience	**As at 30 June**		**Change**	
(in millions of euros and %)	**2024**	**2023**	**in €m**	**as a %**
Claims expenses incl. claims handling costs and loss component	244.9	316.4	-71.6	-22.6%
Loss ratio before reinsurance	32.5%	39.4%		-6.9 pts
Earned premiums	754.3	803.1	-48.8	-6.1%

In Western Europe, the loss ratio stood at 25.0% for the six months to June 30, 2024 (-13.6 points), reflecting the lower claims frequency and severity compared to the first half of 2023.

In Northern Europe, the loss ratio increased by 8.4 points from 26.4% at end-June 2023 to 34.7% at end-June 2024, reflecting a normalisation of the accounting loss ratio after reserve releases in the second quarter of 2023.

The loss ratio of the Central Europe region deteriorated by 8.5 points to 38.3%, reflecting an increase in the peak loss experience in this region.

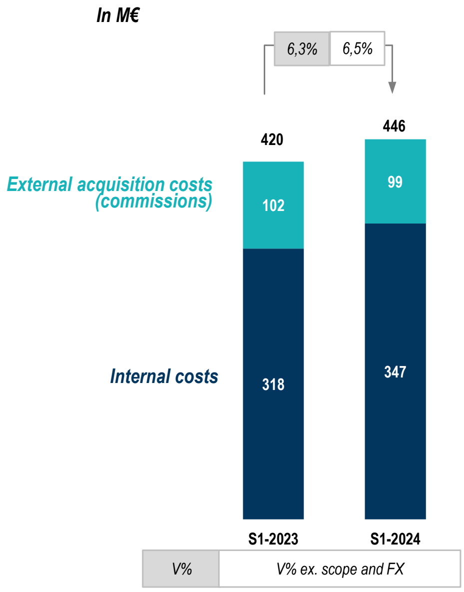
In the Asia-Pacific region, the loss ratio decreased by 6.4 points to 34.1%. This region benefited from accounting reserve releases.

In Latin America, the loss ratio fell by 93.3 points to 19.2% compared with 112.4% in 2023. This region benefited from the positive impact of recoveries.

The loss ratio was stable in both the Mediterranean & Africa region and the North America region, at 38.2% (+0.6 points) and 27.2% (-2.5 points), respectively.

Change in loss experience by region of invoicing (as a %)	**As at 30 June**		**Change (% points)**
	2024	**2023**	
Western Europe	25.0%	38.5%	-13.6 pts
Northern Europe	34.7%	26.4%	8.4 pts
Mediterranean & Africa	38.2%	37.6%	0.6 pts
North America	27.2%	29.7%	-2.5 pts
Central Europe	38.3%	29.8%	8.5 pts
Asia-Pacific	34.1%	40.6%	-6.4 pts
Latin America	19.2%	112.4%	-93.3 pts
Loss ratio before reinsurance	**32.5%**	**39.4%**	**-6.9 pts**

Overheads



General expenses (in millions of euros)	As at 30 June		Change		
	2024	**2023**	**in €m**	**as a %**	**as a %: at constant FX and perimeter**
Internal general expenses	347.4	317.8	29.5	9.3%	9.4%
of which claims handling costs	*22.2*	*18.6*	*3.6*	*19.4%*	*20.1%*
of which investment management expenses	*5.2*	*4.6*	*0.5*	*11.4%*	*10.7%*
Commissions	98.8	102.1	-3.3	-3.2%	-2.4%
Total general expenses	**446.2**	**420.0**	**26.3**	**6.3%**	**6.5%**

Total overheads, which include claims handling expenses and internal investment management expenses, increased by 6.5% at constant FX and perimeter (6.3% at current FX and perimeter), from €420 million for the period ended on June 30, 2023 to €446.2 million for the six months to June 30, 2024.

Policy acquisition commissions were down by 2.4% at constant FX and perimeter (3.2% at current FX and perimeter), from €102.1 million for the first half of 2023 to €98.8 million at June 30, 2024. This change is linked to the decrease in the volume of insurance premiums invoiced.

Internal overheads including claims handling expenses and investment expenses increased by 9.4% at constant FX and perimeter (9.3% at current FX and perimeter), from €317.8 million for the first half of 2023 to €347.4 million for the six months to June 30, 2024.

Payroll costs increased by 9.6% at current FX, amounting to €218.2 million in the first half of 2024, compared with €199.1 million in the first half of 2023. This increase was mainly due to the increase in salaries and new hires in the sales (credit insurance and business information) and business technology functions.

IT expenses rose from 2023 and totalled €35.4 million over the first six months of 2024 compared with €33.1 million over the same period of 2023.

Other expenses (information purchases, travel expenses, rents, taxes, etc.) were up 9.6% at current exchange rates and totalled €93.8 million in the first half of 2024 compared with €85.6 million in the first half of 2023.

The cost ratio before reinsurance rose by 3 points, from 29.6% in the first half of 2023 to 32.6% in the first half of 2024 as overheads increased by more than insurance premiums, partially offset by a faster rise in service revenues and fee and commission income.

Underwriting income after reinsurance

Underwriting income after reinsurance came to €195.0 million for the half year ended June 30, 2024, down 2% compared to the first half of 2023 (€198.8 million).

The €16.6 million rise in the cost of reinsurance to -€64.1 million at June 30, 2024 (-€47.4 million at June 30, 2023) was heavily impacted by the decrease in ceded claims in line with the fall in the loss ratio before reinsurance.

	As at 30 June		Change	
(in thousands of euros and %)	**2024**	**2023**	**(in €m)**	**(en %)**
Insurance Revenue	754,285	803,113	-48,828	-6.1%
Claims expenses	-245,311	-317,458	72,146	-22.7%
Attribuable costs	-277,757	-275,997	-1,761	0.6%
Loss component & reversal of loss component	435	1,014	-579	-57.1%
Insurance Service Revenue, before reinsurance	**231,651**	**210,672**	**20,979**	**10%**
Income and expenses from ceded reinsurance	-64,057	-47,419	-16,638	35%
Insurance Service Revenue	**167,594**	**163,253**	**4,341**	**3%**
Other revenue	168,457	156,551	11,906	8%
Operating expenses	-141,160	-120,773	-20,386	17%
Risk cost	93	-219	312	-143%
Income after reinsurance, other revenues and cost of risk	**194,984**	**198,812**	**-3,828**	**-2%**
Net combined ratio	63.4%	65.5%		

iii. Investment income, net of management expenses (excluding finance costs)

Trends in the financial markets

Macroeconomic figures for the first half of 2024 showed divergent trends on each side of the Atlantic. In the United States, activity slowed slightly, and inflation resumed a downward trend. In the eurozone, the business climate improved after several difficult quarters. The ECB made an initial rate cut of 25bp in June while the Fed left its key rates unchanged. On the financial markets, the performance of the bond markets was negative, while the equity markets continued to rise, with leading US indices reaching new highs. However, political uncertainties, particularly in France following the announcement of early legislative elections, led to volatility on OATs and French equities. The credit markets were positive thanks to the resilience of the economy, solid balance sheets and expectations of central bank rate cuts. On the foreign exchange market, the temporary divergence between the Fed and the ECB had a limited effect on the euro, which rose from 1.09 to 1.07 against the US dollar.

The US economy is starting to show signs of weakness. US indicators published in May pointed to a moderate slowdown in activity, with the ISM indices contracting slightly in the industrial sector. The labour market showed contradictory signs, with good momentum in job creations but a rise in the unemployment to 4%. With regard to inflation, the downward trend that halted temporarily at the beginning of the year resumed with PCE inflation (the indicator watched by the Federal Reserve) at an annualised rate of 2.6% at the end of May. Inflationary pressure is now concentrated in the services sector. In this context, the Fed kept its key rates unchanged and did not announce a timetable for rate cuts, indicating that it needed clearer signs of disinflation before acting. The markets are pricing in only one cut in the Fed Funds rate before the end of the year. The US 10-year bond yield is close to 4.5% while the 2-year yield remains close to 5%. On the equity markets, the S&P 500 gained more than 14% in the first half of the year, driven by good corporate earnings.

In the eurozone, the improvement in the economic situation was the positive surprise in the first half of the year. On the whole, the main economic indicators (Sentix, Zew and PMI) pointed to a slight improvement in activity, although the manufacturing sector remains weak. June confirmed a slight economic recovery with clear signs of improvement that point to a moderate expansion in the second quarter. While eurozone inflation is declining overall, it is proving resilient in services, which are now its main driver. The annual core inflation rate, which excludes volatile food and energy prices, rose from 2.7% in April to 2.9% in June, above market expectations. Despite volatile inflation and the recovery in economic activity, the ECB cut its key rates by 25bp in June, from 4% to 3.75%. The 10-year Bund yield ended the half-year at around 2.5%, while the 2-year yield remained close to 2.8%. 10-year spreads between France and Germany widened by nearly 30bp to 80bp after the announcement of the dissolution of the French National Assembly. On the equity markets, the Euro Stoxx 50 gained 8% over the first half of the year.

In emerging countries, economic activity held up better than expected in the first half of the year. This was reflected in confidence among businesses and households, as well as foreign investors on the bond and stock markets. However, all eyes are on the Fed, which is expected to cut its rates by the end of the year and is influencing the movements of central banks in emerging countries. The forthcoming easing of monetary policy in the US should lead to a decline in local bond yields and, in doing so, contain the increase in public debt interest payments seen almost across the board in recent years. China, meanwhile, remains weakened by its property market crisis, weak domestic demand and the consolidation of its banking sector. Despite the worrying industrial and fiscal backdrop, the IMF welcomed the Chinese government's support measures and raised China's growth forecast to 5% in 2024 (from 4.6% in April).

Financial result

Against this backdrop of rising interest rates, the Coface Group continued to lower its portfolio's risk profile, mainly by reducing its exposure to emerging sovereign debt in favour of corporate bonds.

Regarding real estate, some investments were reallocated from offices and retail to residential and logistics assets.

Lastly, cash levels remain high to cover a possible deterioration in the loss experience.

Net financial income amounted to +€40.8 million in the first half of 2024, including adjustments to the market value of assets classified at fair value through profit or loss for -€4.2 million and -€7.0 million in foreign exchange income (the rise in the euro against most currencies largely explains this foreign exchange loss).

Income from the investment portfolio came to +€48.9 million. Against the backdrop of inflation and high interest rates, the unrealised losses of real estate investment funds were fully offset by realised gains and the rise in recurring income.

Investment portfolio income

(in millions of euros)	**At June 30, 2024**
Investment income	48.9
Change in the fair value of financial instruments recognised at fair value through profit or loss	-4.2
Net gains on disposals	10.1
Additions to and reversals of provisions for impairment	-0.3
Foreign exchange gains and losses	-7.0
Investment management fees	-6.7
NET INCOME FROM INVESTMENTS	**40.8**

The portfolio's economic rate of return was 1.4% in the first half of 2024, with the rise in recurring income offset by the fall in real estate assets due to the increase in rates.

iv. Operating income

(in millions of euros)	As at 30 June		Change		
	2024	**2023**	**in €m**	**as a %**	**as a % : at constant FX and perimeter**
Consolidated operating income	**217.7**	**185.5**	**32.2**	**17%**	**15%**
Operating income including financial costs	**195.5**	**169.4**	**26.0**	**15%**	**13%**
Other operating incomes and expenses	-0.5	-0.7	0.2	-26%	-23%
Operating income including financial costs and excluding other operating incomes and expenses	**196.0**	**170.1**	**25.9**	**15%**	**13%**

Consolidated operating income stood at €217.7 million, up 15% (at current FX and perimeter) compared to the half year ended June 30, 2023 (€185.5 million).

Current operating income, including financing costs and excluding non-recurring items (other operating income and expenses), increased by 13% (at constant FX and perimeter), from €170.1 million for the half year ended June 30, 2023 to €196.0 million for the half year ended June 30, 2024.

The combined ratio after reinsurance was down by 2.1 points, from 65.5% for the half year ended June 30, 2023 to 63.4% for the half year ended June 30, 2024. The net loss ratio improved by 5.3 points while the net cost ratio improved by 3.2 points.

Other operating income and expenses amounted to -€0.5 million.

Change in consolidated operating income by region (in millions of euros)	As at 30 June		Change	Share of half-yearly total at June 30, 2024
	2024	**2023**		
Western Europe	114.0	66.1	47.9	53%
Northern Europe	44.7	50.7	-5.9	21%
Mediterranean & Africa	36.9	42.3	-5.4	17%
North America	-6.0	7.0	-13.0	-3%
Central Europe	17.4	16.7	0.7	8%
Asia-Pacific	6.3	0.8	5.5	3%
Latin America	3.8	1.2	2.5	2%
Total (excluding inter-regional flows and holding costs not rebilled)	**217.2**	**184.8**	**32.4**	**100%**

v. Net income (Group share)

Coface Group’s effective tax rate rose from 23.7% for the half year ended June 30, 2023 to 27.0% for the half year ended on June 30, 2024.

Net income (Group share) amounted to €142.3 million at June 30, 2024, up 10% in relation to the first half of 2023 (€128.8 million).

e) Group Cash and Capital

Shareholders' equity

Under IFRS, Coface SA shareholders' equity attributable to owners of the parent totalled €2,002.9 million as at June 30, 2024, down by €47.9 million compared to the end of December 2023, when it stood at €2,050.8 million. This decrease was due to:

- €194.3 million in dividend payments
- €142.3 million in net income at June 30, 2024

Goodwill

Goodwill stood at €155.5 million as at June 30, 2024, compared to €155.3 million at the end of December 2023.

Debt

Coface Group's consolidated debt, excluding current operating debt, consists of financial debt and operating debt incurred in connection with the refinancing of the factoring business.

The financing of the factoring business amounted to €2,603.9 million at June 30, 2024, compared with €2,418.6 million at December 31, 2023.

Gross financial liabilities, excluding the financing of the factoring business, totalled €615.9 million at the end of June 2024 compared with €831.7 million at December 31, 2023.

The €215.8 million decrease between December 2023 and June 2024 was mainly due to:

- The reimbursement of a subordinated loan on March 27, 2024, for €227 million
- The €10.3 million increase in accrued interest not yet due

Gross financial debt consists of the following two subordinated borrowings:

- Fixed-rate subordinated notes (6.000%) issued by COFACE SA on September 22, 2022, for a nominal amount of €300 million, maturing on September 22, 2032.
- Fixed-rate subordinated notes (5.750%) issued by COFACE SA on November 28, 2023, for a nominal amount of €300 million, maturing on November 28, 2033.

Solvency of the Group

In accordance with regulations, the Group measures its financial strength based on the capital requirement (amount of equity required to cover its managed risks) calculated based on a Partial Internal Model approved in 2019 by the Autorité de Contrôle Prudentiel et de Résolution (Prudential Supervisory Authority) for its insurance business, on the basis of the standard formula for its other insurance lines and according to bank 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 (see the 2023 Registration Document, Section 5.2.3 "Risks related to changes in the regulations governing the Group's activities").

For insurance activities, pursuant to the Solvency II Regulation which became effective on 1 January 2016, the Group has carried out an estimated calculation of the Solvency Capital Requirement (SCR) at 30 June 30 2024. 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 severity risks. This calculation is calibrated to cover the risk of loss corresponding to a 99.5% quantile at a one-year horizon.

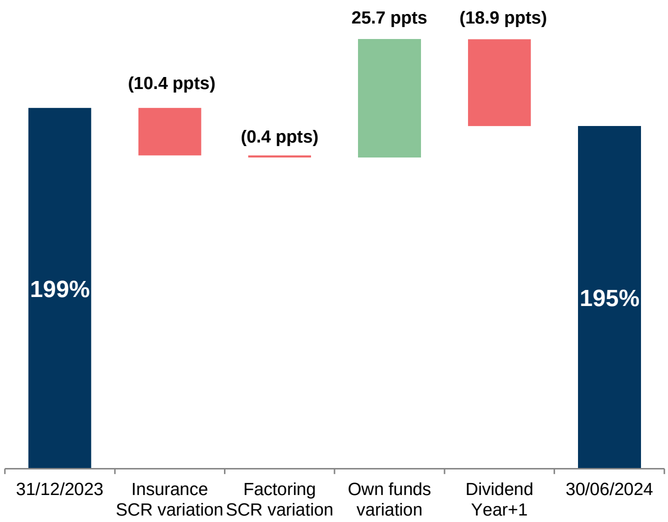
The Group also calculates the capital requirement for the factoring business. It is estimated by applying a 10.5% rate to the risk-weighted assets (or RWA). RWAs are calculated on the basis of the factoring exposure, by applying weighting as a function of the probability of default and the expected loss given default.

The amount of the capital requirement for the insurance business and the capital requirement for the factoring business is comparable with the available capital.

The Group has carried out an estimate[1] of its capital requirement and solvency ratio as at 30 June 2024. The estimated total capital requirement as at 30 June 2024 is €1,377 million (compared to €1,302 million as at 31 December 2023), including €1,135 million corresponding to the insurance SCR (estimated using the Partial Internal Model) and €243 million to the capital required by the financing companies.

Available capital as at 30 June 2024 is estimated at €2,680 million (compared to €2,586 million as at 31 December 2023). Available capital should be compared with the sum of the insurance SCR and the capital requirement for factoring.

As of 30 June 2024, the capital requirement solvency ratio (ratio between the Group's available capital and its capital requirement for insurance and factoring), is estimated at 195%[2] (compared with 199% at the end of 2023).



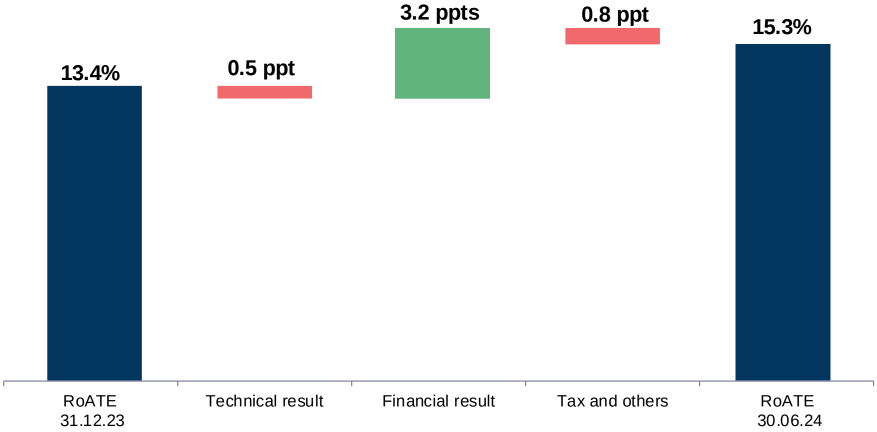
Return on equity

The RoATE is used to measure the return on the Coface 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 factors used to calculate the Coface Group's RoATE for the period ended in June 2024 and December 2023:

(in million euros)	**As at 30 June 2024**	**As at 31 December 2023**
Accounting equity (attributable to equity holders of the parent) including net income (attributable to equity holders of the parent) – A	2,145	2,051
Intangible assets – B	237	240
Tangible equity – C (A – B) As at 30 June 2024, tangible equity include the annualized net income – C (A-B+E)	1,908	1,811
Average tangible equity– D ([Cn+Cn-1]/2)	1,859	1,795
Net income (attributable to equity holders of the parent)– E	142.3	240.5
RoATE – E/D As at 30 June 2024, net income is annualized– E x 2/D	15.3%	13.4%

[1] Capital requirements as at 30 June 2024 were estimated using the Partial Internal Model.
[2] This estimated solvency ratio constitutes a preliminary calculation based on Coface's interpretation of the Solvency II Regulation; the result of the final calculation may differ from the result of this preliminary calculation. The estimated solvency ratio is not audited.



f) Risk factors

By the nature of its activities, the Coface Group is exposed to six major types of risk (credit risk, financial risk, strategic risk, reinsurance risk, operational and compliance risk and climate change risk). Strategic risk and credit risk are the two most significant risk types. For the efficient management of its operations and processes, the Coface Group has its own risk management structure.

The main risk factors and uncertainties faced by the Group are described in detail in Chapter 5 "Main risk factors and their management inside the Group" of the Coface Group's 2023 Universal Registration Document filed with the French Financial Markets Authority (AMF) on 5 April 2024 under number D.24-0242.

g) Future risks and uncertainties

At Group level, see section "h) Outlook for the Group"

h) Outlook for the Group

Coface has slightly raised its global growth forecast to 2.5% for 2024, and expects 2.7% in 2025. China and the United States continue to post moderate growth, offset by the performance of some emerging countries. These figures are substantially lower than the pace of growth recorded over the past decade.

On inflation, the rebalancing of the labour market in the United States is good news after the significant tensions caused by labour shortages. However, persistent moderate inflation confirms that it will be very difficult to bring inflation back in line with central bank targets. The target of 2% will only be attainable at the cost of a decline in the labour market or companies' operating margins, with the risk of a renewed increase in company failures.

Political risk remains higher than ever with many elections still to come and several conflicts that have potential to take a turn for the worse. The surprise dissolution of the National Assembly in France has put decisions on hold, which is bad news for economic activity as Paris hosts the Olympic Games, which will provide a temporary boost.

The US presidential election remains the major political event for the end of the year and has already brought a run of surprises.

In this environment of continued uncertainty and with a modest growth outlook, Coface continues to implement its Power the Core strategic plan. The first half of 2024 marked an excellent start to this plan, with most key performance indicators positive.

II. Consolidated financial statements

II. Consolidated financial statements

Basis of preparation

These IFRS condensed interim financial statements of Coface Group as at June 30, 2024 are prepared in accordance with the IAS 34 "Interim Financial Reporting" and include:

- the balance sheet;
- the income statement;
- the consolidated statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows;
- the notes.

The balance sheet is presented with a comparative balance sheet as at December 31, 2023, the income statement is presented with a comparative income statement as at June 30, 2023.

The accounting principles and policies used for the interim financial statements as at June 30, 2024 are the same as the ones used for the year ended December 31, 2023. They are prepared in accordance with the International Financial Reporting Standards (IFRS) as published by IASB and adopted by the European Union[3]. They are detailed in the note "Applicable Accounting Standards" of consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated financial statements were reviewed by Coface Group's Board of Directors on 5 August 2024. They were also previously reviewed by the Audit Committee on 2 August 2024.

[3] The standards adopted by the European Union can be consulted on the website of the European Commission at: http://ec.europa.eu/finance/ company-reporting/ifrs-financial-statements/index_fr.htm

Significant events

Governance evolution

- **In the Executive Committee**

On 14 May 2024, Ernesto de Martinis has been appointed as the CEO of Coface Mediterranean and Africa region, effective on 1 July 2024. He joins the Group executive committee and reports to Xavier Durand, Coface CEO. He takes over from Cécile Paillard who will continue her career outside the Group.

COFACE SA launches Power the Core, its 2024-2027 strategic plan with a view to develop a global ecosystem of reference for credit risk management

During its investor day organised on 5 March 2024 in Paris, Coface presented its new 2027 strategic plan Power the Core. This plan aims to build upon the successes of the previous strategic plans. Coface has laid strong foundations which will support its development.
In particular, the new plan aims to: a) Reach data and technology excellence; b) Deepen and broaden Coface's historical Trade Credit Insurance (TCI) franchise; c) Grow profitably Business Information services at double digit growth rate; and d) Leverage its unique culture of a human-sized multinational with a strong commitment to sustainability.
With the launch of the plan Power the Core, Coface raises all its financial targets.

Reimbursement of its subordinated notes issued in 2014 and due on March 27, 2024

COFACE SA issued a subordinated notes of an amount of €380,000,000, on March 27, 20214 bearing a fixed interest rate of 4.125 per cent. On September 21, 2022, the company repurchased €153,400,000 in advance following a tender offer. On March 26, 2024, COFACE SA reimbursed the remaining capital, i.e. €226,600,000.

AM Best upgrades the Long-term Issuer Credit Ratings to 'a+' (Excellent) with a stable outlook

The rating agency AM Best, on 29th May 2024, has upgraded the Long-Term Issuer Credit Ratings (Long-Term ICRs) to 'a+' (Excellent) from 'a' (Excellent) and affirmed the Financial Strength Rating – IFS rating of A (Excellent) 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 is "stable".

Consolidated balance sheet

Asset

(in thousands euros)	JUNE 30, 2024	DEC. 31, 2023
Intangible assets	**237,372**	**239,715**
Goodwill	155,482	155,309
Other intangible assets	81,891	84,405
Financial assets	**3,239,549**	**3,341,112**
Real estate investments	(0)	288
Investments at amortized cost	112,978	143,211
Investments at FV/OCI	2,561,257	2,367,309
Investments at FV P&L	564,979	827,903
Derivatives and separate embedded derivatives	336	2,402
Receivables from bank and other activities	**3,085,701**	**2,903,980**
Assets - Ceded insurance contracts	**353,642**	**384,810**
Other assets	**501,613**	**533,107**
Operating building and other tangible assets	90,172	85,488
Deferred tax assets	73,403	89,899
Net clients	60,448	54,319
Current tax receivable	47,963	73,447
Other receivables	229,627	229,954
Cash and equivalents	**446,522**	**495,558**
Total Assets	**7,864,399**	**7,898,282**

Liability

(in thousands euros)	JUNE 30, 2024	DEC. 31, 2023
Capital and reserves - group share	**2,002,943**	**2,050,765**
Capital and assimilated	300,360	300,360
Share capital premiums	723,501	723,501
Retained earnings	960,765	899,233
Other comprehensive income	(123,940)	(112,832)
Net income - Group share	142,254	240,500
Capital - minority interests excluding unrealized and deferred gains or losses	**2,301**	**2,173**
Total equity	**2,005,244**	**2,052,938**
Contingency reserve	**68,650**	**73,942**
Financial debts	**615,904**	**831,743**
Lease liabLities - Leasing	**71,733**	**67,621**
Liabilities - Issued insurance contracts	**1,524,764**	**1,468,406**
Ressources des activités du secteur bancaire	**3,069,870**	**2,893,072**
Amounts due to banking sector companies	999,494	762,907
Amounts due to customers ok banking sector companies	465,967	474,446
Debt securities	1,604,409	1,655,719
Other liabilities	**508,234**	**510,560**
Deferred tax liabLity	124,597	143,886
Current tax liabLity	70,241	51,917
Derivatives and related payables	1,160	27
Other payables	312,236	314,730
Total Liabilities	**7,864,399**	**7,898,282**

Consolidated income statement

(in thousands euros)	JUNE 30, 2024	DEC. 31, 2023
Gross written premiums	865,812	936,785
Premium refunds	(52,265)	(66,104)
Net change in unearned premium provisions	(59,263)	(67,568)
Insurance Revenue	**754,285**	**803,113**
Claims expenses	(245,311)	(317,458)
Attribuable costs	(277,757)	(275,997)
Loss component & reversal of loss component	435	1,014
Insurance Service Expenses	**(522,634)**	**(592,441)**
Insurance Service Revenue, before reinsurance	**231,651**	**210,672**
Income and expenses from ceded reinsurance	(64,057)	(47,419)
Insurance Service Revenue	**167,594**	**163,253**
Fee and commission income	96,193	89,719
Net income from banking activites	36,483	36,967
Income from services activites	35,781	29,865
Other revenue	**168,457**	**156,551**
Non attribuable expenses from insurance activity	(56,313)	(47,221)
G&A - Investigation expenses - Services	(7,200)	(12,095)
G&A – Overheads Services	(77,647)	(61,458)
Operating expenses	**(141,160)**	**(120,773)**
Risk cost	**93**	**(219)**
Income after reinsurance, other revenues and cost of risk	**194,984**	**198,812**
Investment income, net of management expenses	40,771	1,416
Insurance finance income or expenses	(26,640)	(19,093)
Insurance finance income or expenses from ceded reinsurance	8,586	4,387
Net Financial income	**22,717**	**(13,291)**
Current operating income	**217,701**	**185,521**
Other operating income and expenses	(528)	(715)
Operating income	**217,173**	**184,806**
Financial costs	(22,243)	(16,110)
Income tax expenses	(52,635)	(39,918)
Consolidation net income before non-controlling interests	**142,294**	**128,777**
Net income - minority interests	(40)	56
Net income for the year	**142,254**	**128,834**
Earnings per share (€)	0.95	0.86
Diluted earnings per share (€)	0.95	0.86

Consolidated statement of comprehensive income

(in thousands of euros)	JUN. 30, 2024	JUN. 30, 2023
Net income of the period	**142,254**	**128,834**
Non-controlling interests	40	(56)
Other comprehensive income	(0)	(0)
Currency translation differences reclassifiable to income	**(13,689)**	**(15,034)**
Reclassified to income	(0)	(0)
Recognised in equity	(13,689)	(15,034)
Fair value adjustments on financial assets through OCI - Recycling	**(1,117)**	**9,635**
Recognised in equity – reclassifiable to income – gross	(2,244)	13,923
Recognised in equity – reclassifiable to income – tax effect	2,596	(3,418)
Reclassified to income – gross	(2,027)	(1,396)
Reclassified to income – tax effect	559	527
Fair value adjustments on financial assets through OCI - Not Recycling	**1,006**	**7,000**
Recognised in equity – not reclassifiable to income – gross	*2,355*	9,062
Recognised in equity – not reclassifiable to income – tax effect	*(1,350)*	(2,062)
Financial result linked to insurance and reinsurance contracts	**1,583**	**(4,420)**
Recognised in equity – reclassifiable to income – gross	2,059	(3,809)
Recognised in equity – reclassifiable to income – tax effect	*(476)*	*(611)*
Fair value adjustments on employee benefit obligations	**1,201**	**(85)**
Recognised in equity – not reclassifiable to income – gross	1,077	(118)
Recognised in equity – not reclassifiable to income – tax effect	124	33
Other comprehensive income of the period, net of tax	**(11,016)**	**(2,903)**
Total comprehensive income of the period	**131,279**	**125,875**
- attributable to owners of the parent	131,145	126,151
- attributable to non-controlling interests	134	(278)

Statement of changes in equity

(in thousands of euros)	Share capital	Premiums	Consolidated reserves	Treasury shares	Other comprehensive income			Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
					Foreign currency translation reserve	Recyclables revaluation reserves	Not recyclables revaluation reserves				
Equity as at DEC. 31, 2022 restated IFRS17	300,360	723,501	854,414	(19,149)	(27,987)	(39,798)	(13,183)	240,448	2,018,606	2,266	2,020,872
Financial instruments first application of impact IFRS 9			37,662			(56,379)			161	(2)	159
IFRS 17 Equity as at JAN. 1, 2023 restated IFRS 17 & IFRS 9	300,360	723,501	892,076	(19,149)	(27,987)	(96,177)	5,696	240,448	2,018,767	2,264	2,021,031
2022 net income to be appropriated			240,448					(240,448)			(0)
Payment of 2022 dividends in 2023		(0)	(226,953)						(226,953)	(6)	(226,959)
Total transactions with owners	**(0)**	**(0)**	**13,495**	**(0)**	**(0)**	**(0)**	**(0)**	**(240,448)**	**(226,953)**	**(6)**	**(226,959)**
DEC. 31, 2023 net income								240,500	240,500	120	240,620
Fair value adjustments on financial assets recognized in equity						53,349	(26,597)		26,752	6	26,758
Fair value adjustments on financial assets reclassified to income statement						(1,739)			(1,739)		(1,739)
Insurance financial result in equity according to IFRS 17						(3,249)			(3,249)	8	(3,241)
Change in actuarial gains and losses (IAS 19R)							(2,140)		(2,140)		(2,140)
Currency translation differences					(13,988)				(13,988)		(14,221)
Coface SA cancellation shares									(0)		(0)
Treasury shares elimination				(4,465)					(4,465)		(4,465)
Free share plans expenses			2,218						2,218		2,218
Hyperinflation impacts			13,120						13,120		13,120
Transactions with shareholders and others			1,938						1,938	16	1,954
Equity as at DEC. 31, 2023	300,360	723,501	922,847	(23,614)	(41,975)	(47,816)	(23,041)	240,500	2,050,765	2,173	2,052,938
2023 net income to be appropriated			240,500					(240,500)	(0)		(0)
Payment of 2023 dividends in 2024			(194,313)						(194,313)	(5)	(194,318)
Total transactions with owners	**(0)**	**(0)**	**46,187**	**(0)**	**(0)**	**(0)**	**(0)**	**(240,500)**	**(194,313)**	**(5)**	**(194,318)**
JUN. 30, 2024 net income								142,254	142,254	40	142,294
Fair value adjustments on financial assets recognized in equity						350	1,006		1,355	3	1,358
Fair value adjustments on financial assets reclassified to income statement						(1,467)			(1,467)		(1,467)
Insurance financial result in equity according to IFRS 17						1,582			1,582	1	1,583
Change in actuarial gains and losses (IAS 19R)							1,201		1,201		1,201
Currency translation differences			6,851		(13,779)				(6,928)	90	(6,838)
Coface SA cancellation shares									(0)		(0)
Treasury shares elimination				(1,344)					(1,344)		(1,344)
Free share plans expenses			1,230						1,230		1,230
Hyperinflation impacts			8,721						8,721		8,721
Transactions with shareholders and others			(113)						(113)	(0)	(113)
Equity as at JUN. 30, 2024	**300,360**	**723,501**	**985,723**	**(24,958)**	**(55,754)**	**(47,352)**	**(20,834)**	**142,254**	**2,002,943**	**2,301**	**2,005,244**

Consolidated statement of cash flows

(in thousands of euros)	June 30, 2024	June 30, 2023
Net income for the period	**142,254**	**128,834**
Non-controlling interests	40	(56)
Income tax expense	52,635	39,918
Finance costs	22,243	16,110
Operating income (A)	**217,173**	**184,806**
+/- Depreciation, amortization and impairment losses	19,281	18,547
+/- Net additions to / reversals from technical provisions	63,995	64,078
+/- Fair value adjustments on financial instruments recognized at fair value through income	3,806	14,157
+/- Unrealized foreign exchange income / loss	(3,674)	9,436
+/- Non-cash items	(23,225)	(14,677)
Total non-cash items (B)	***60,183***	***91,542***
Gross cash flows from operations (C) = (A) + (B)	***277,356***	***276,347***
Change in operating receivables and payables	16,789	(14,648)
Net taxes paid	(14,347)	(43,073)
Net cash related to operating activities (D)	***2,442***	***(57,721)***
Increase (decrease) in receivables arising from factoring operations	(178,309)	(174,759)
Increase (decrease) in payables arising from factoring operations	(59,789)	(38,451)
Increase (decrease) in factoring liabilities	233,220	220,597
Net cash generated from banking and factoring operations (E)	***(4,878)***	***7,387***
Net cash generated from operating activities (F) = (C+D+E)	**274,921**	**226,013**
Acquisitions of investments	(1,616,182)	(134,593)
Disposals of investments	1,747,857	192,347
Net cash used in movements in investments (G)	***131,675***	***57,754***
Acquisitions of consolidated subsidiaries, net of cash acquired	(0)	0
Disposals of consolidated companies, net of cash transferred	(0)	(0)
Net cash used in changes in scope of consolidation (H)	***(0)***	***0***
Acquisitions of property, plant and equipment and intangible assets	(11,905)	(10,117)
Disposals of property, plant and equipment and intangible assets	3,699	97
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)	***(8,206)***	***(10,020)***
Net cash used in investing activities (J) = (G+H+I)	**123,469**	**47,734**
Proceeds from the issue of equity instruments	(0)	(0)
Treasury share transactions	(1,344)	(909)
Dividends paid to owners of the parent	(194,313)	(226,953)
Dividends paid to non-controlling interests	(5)	(6)
Cash flows related to transactions with owners	***(195,661)***	***(227,868)***
Proceeds from the issue of debt instruments	(0)	(0)
Cash used in the redemption of debt instruments	(226,600)	(0)
Lease liabilities variations	(13,149)	(9,411)
Interests paid	(11,482)	(11,671)
Cash flows related to the financing of Group operations	***(251,230)***	***(21,082)***
Net cash generated from (used in) financing activities (K)	**(446,892)**	**(248,950)**
Impact of changes in exchange rates on cash and cash equivalents (L)	**(534)**	**(19,285)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)	**(49,036)**	**5,512**
Net cash generated from operating activities (F)	274,921	226,013
Net cash used in investing activities (J)	123,469	47,734
Net cash generated from (used in) financing activities (K)	(446,892)	(248,950)
Impact of changes in exchange rates on cash and cash equivalents (L)	(534)	(19,285)
Cash and cash equivalents at beginning of period	**495,558**	**553,786**
Cash and cash equivalents at end of period	**446,522**	**559,299**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(49,036)**	**5,512**

III. Notes to the condensed interim consolidated financial statements

III. Notes to the condensed interim consolidated financial statements

Note 1. Goodwill

The value of goodwill increased by 173 thousand euro in the first half year of 2024; this change is entirely due to changes in exchange rates.

Breakdown of goodwill by region:

(in thousands of euros)	June 30, 2024	Dec. 31, 2023
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,947	8,951
Mediterranean & Africa	22,362	22,389
North America & Latin America	6,501	6,298
TOTAL	**155,482**	**155,309**

Note 2. Other Intangible assets

The value of other intangible assets decreased by 2,514 thousand euros during the first half year of the year. This decrease is primarily attributed to straight-line amortizations which have been recorded for development expenses still ongoing in 2024.

Note 3. Financial investments

Analysis by category

At June 30, 2024, the carrying amount of Fair value through OCI (FVOCI) securities amounted to

€ 2 561 millions, securities Amortized cost securities (excluding loans and receivables) came to € 3 millions

and Fair value through Profit or loss (FVTPL) securities was € 565 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 by rating at June 30, 2024 was as follows:

- Bonds rated “AAA”: 10%
- Bonds rated “AA” and “A”: 54%
- Bonds rated “BBB”: 32%
- onds rated “BB” and lower: 4%.

(in thousands of euros)	JUN. 30, 2024						DEC. 31, 2023					
	Amortized cost	Impairment	Revaluation	Net value	Fair value	Unrealized gains and losses	Amortized cost	Depreciation	Revaluation	Net value	Fair value	Unrealized gains and losses
Fair Value OCI (*)	**2,643,540**	**(601)**	**(81,682)**	**2,561,257**	**2,561,257**	**(0)**	**2,447,074**	**(391)**	**(79,375)**	**2,367,309**	**2,367,309**	**(0)**
Bonds and government securities	2,528,073	(601)	(90,921)	2,436,551	2,436,551		2,332,159	(391)	(86,436)	2,245,332	2,245,332	
Equities and other variable-income securities	50,084		(2,973)	47,110	47,110		50,178		(2,795)	47,382	47,382	
Equities at FV OCI not recyclable	65,383		12,212	77,595	77,595		64,737		9,857	74,594	74,594	
Shares in non-trading property companies												
Amortized cost	**112,978**	**(0)**	**(0)**	**112,978**	**112,727**	**(250)**	**143,211**	**(0)**	**(0)**	**143,211**	**142,988**	**(223)**
Bonds and government securities	3,032			3,032	2,781	(250)	3,047			3,047	2,824	
Loans and receivables	109,946			109,946	109,946		140,164			140,164	140,164	
Faire Value Profit or Loss	**593,129**	**(0)**	**(28,150)**	**564,979**	**564,979**	**(0)**	**851,555**	**(0)**	**(23,652)**	**827,903**	**827,903**	**(0)**
Debt	20,701		(624)	20,077	20,077		23,246		(2,101)	21,145	21,145	
Equities and other variable-income securities	5,939		(7)	5,933	5,933		5,858		(7)	5,851	5,851	
Shares in non-trading property companies	199,941		(35,585)	164,356	164,356		206,653		(26,721)	179,932	179,932	
UCIT	366,547		8,066	374,613	374,613		615,799		5,176	620,975	620,975	
Loans and receivables												
Derivatives	**(0)**		**336**	**336**	**336**	**(0)**	**(0)**		**2,402**	**2,402**	**2,402**	**(0)**
Derivatives positive fair value			336	336	336				2 402	2 402	2 402	
Investment property	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**695**	**(0)**	**(407)**	**288**	**288**	**(0)**
TOTAL	**3,349,646**	**(601)**	**(109,496)**	**3,239,549**	**3,239,298**	**(250)**	**3,442,536**	**(391)**	**(101,033)**	**3,341,112**	**3,340,889**	**(223)**

(*) Other Comprehensive Income, equity

(in thousands of euros)	N	N-1
Derivatives positive fair value (Assets)	336	2,402
Derivatives negatif fair value (Liabilities)	1,160	27
TOTAL	**(824)**	**2,374**

Analysis by flows

(in thousands of euros)	JUN. 30, 2024						
	Carrying amount opening	Increases	Decreases	Revaluation	Impairment	Other movements	Carrying amount closing
Fair Value OCI	**2,367,309**	**644,377**	**(453,862)**	**(1,937)**	**(199)**	**5,568**	**2,561,257**
Bonds and government securities	2,245,332	643,729	(450,673)	(4,292)	(199)	2,654	2,436,551
Equities and other variable-income securities	47,382	2	(3,189)			2,915	47,110
Equities at FV OCI not recyclable	74,594		(0)	2,356			77,595
Shares in non-trading property companies							
Amortized cost	**143,211**	**187,704**	**(217,124)**	**(0)**	**(0)**	**(813)**	**112,978**
Bonds and government securities	3,047		(15)				3,032
Loans and receivables	140,164	187,704	(217,108)			(813)	109,946
Fair Value Profit Loss	**827,903**	**854,579**	**(1,115,411)**	**(4,213)**	**(0)**	**2,122**	**564,979**
Bonds and government securities	21,145	12,995	(15,539)	1,477		(0)	20,077
Equities and other variable-income securities	5,851						5,933
Shares in non-trading property companies	179,932		(9,562)	(8,874)		10	164,356
UCIT	620,975	838,653	(1,090,311)	3,184		2,112	374,613
Loans and receivables							
Derivatives (positive fair value)	**2,402**	**(0)**	**(2,066)**	**(0)**		**0**	**336**
Derivatives positive fair value	2,402	(0)	(2,066)			0	336
Investment property	**288**	**(0)**	**(695)**	**407**	**(0)**	**(0)**	**(0)**
TOTAL	**3,341,112**	**1,686,660**	**(1,789,159)**	**(5,743)**	**(199)**	**6,877**	**3,239,549**

The “Other movements” column mainly corresponds to exchange rate variations and reclassifications between financial assets.

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	2,437,152	2,415,859	21,294	(0)
Amortized cost - Debt instruments	3,032	3,032	(0)	(0)
Amortized cost - Loans and receivables	109,946	109,946	(0)	(0)
Total as at JUN. 30, 2024	**2,550,130**	**2,528,836**	**21,294**	**(0)**

(in thousands of euros) Provision	Balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	(601)	(445)	(156)	(0)
Amortized cost - Debt instruments	(0)	(0)	(0)	(0)
Amortized cost - Loans and receivables	(0)	(0)	(0)	(0)
Total as at JUN. 30, 2024	**(601)**	**(445)**	**(156)**	**(0)**

(in thousands of euros) Net of provision	Balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	2,436,551	2,415,414	21,138	(0)
Amortized cost - Debt instruments	3,032	3,032	(0)	(0)
Amortized cost - Loans and receivables	109,946	109,946	(0)	(0)
Total as at JUN. 30, 2024	**2,549,529**	**2,528,391**	**21,138**	**(0)**

Transfer of buckets (Stock)

Bucket 1	Carrying amount Y-1	Securities acquired during the period	Transfer towards B2	Transfer towards B3	Securities sold / redeemed during the year	Revaluation	FX impacts & Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**2,224,000**	**643,462**	**(1,066)**	**(0)**	**(445,387)**	**(2,399)**	**(2,751)**	**2,415,859**
- Bonds and government securities	2,224,000	643,462	(1,066)	(0)	(445,387)	(2,399)	(2,751)	2,415,859
Debt instruments at amortized cost	**143,211**	**187,704**	**(0)**	**(0)**	**(217,124)**	**(0)**	**(813)**	**112,978**
- Bonds and government securities	3,047	(0)	(0)	(0)	(15)	(0)	(0)	3,032
- Loans and receivables	140,164	187,704	(0)	(0)	(217,108)	(0)	(813)	109,946

Bucket 2	Carrying amount Y-1	Securities acquired during the period	Transfer towards B1	Transfer towards B3	Securities sold / redeemed during the year	Revaluation	FX impacts & Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**21,723**	**267**	**1,066**	**(0)**	**(5,285)**	**(1,893)**	**5,417**	**21,294**
- Bonds and government securities	21,723	267	1,066	(0)	(5,285)	(1,893)	5,417	21,294
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	Revaluation	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	**(309)**	**(457)**	**0**	**(0)**	**307**	**15**	**(445)**
- Bonds and government securities	(309)	(457)	0	(0)	307	15	(445)
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	**(82)**	**(131)**	**(0)**	**(0)**	**82**	**(26)**	**(156)**
- Bonds and government securities	(82)	(131)	(0)	(0)	82	(26)	(156)
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)**	**0**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	0	(0)	(0)	(0)	(0)	(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.

In the first 6 months of 2024, 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 93.0% 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 5.6% 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 investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as at June 30, 2024 by level

(in thousands of euros)	Carrying amount	Fair value	Level 1 Fair value determined based on quoted prices in active markets	Level 2 Fair value determined based on valuation techniques that use observable inputs	Level 3 Fair value determined based on valuation techniques that use unobservable inputs
Fair Value OCI	**2,561,257**	**2,561,257**	**2,445,219**	**68,927**	**47,110**
Bonds and government securities	2,436,551	2,436,551	2,367,624	68,927	
Equities and other variable-income securities	47,110	47,110			47,110
Equities at FV OCI not recyclable	77,595	77,595	77,595		
Shares in non-trading property companies					
Amortized cost	**112,978**	**112,727**	**2,781**	**109,946**	**(0)**
Bonds and government securities	3,032	2,781	2,781		
Loans and receivables	109,946	109,946		109,946	
Faire Value Profit Loss	**564,979**	**564,979**	**563,087**	**1,892**	**(0)**
Bonds and government securities	20,077	20,077	20,077		
Equities and other variable-income securities	5,933	5,933	5,933		
Shares in non-trading property companies	164,356	164,356	164,356		
UCIT	374,613	374,613	372,721	1,892	
Loans and receivables					
Derivatives (positive fair value)	**336**	**336**	**109**	**226**	**(0)**
Derivatives positive fair value	336	336	109	226	
Investment property	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
TOTAL	**3,239,549**	**3,239,298**	**3,011,197**	**180,992**	**47,110**

Movements in Level 3 securities as at June 30, 2024

(in thousands of euros)	DEC. 31, 2023	Gains and losses recognized in the period		Transactions for the period		Other movements	Changes in scope of consolidation	Exchange rate effects	JUN. 30, 2024
		In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions				
Fair Value OCI	**47,382**	**(0)**	**(0)**	**(3,187)**	**(0)**	**(0)**	**3,187**	**(272)**	**47,110**
Equities and other variable-income securities	47,382		(0)	(3,187)		(0)	3,187	(272)	47,110
Investment property	**288**	**(0)**	**(0)**	**(0)**	**(288)**	**(0)**	**(0)**	**(0)**	**(0)**
TOTAL	**47,670**	**(0)**	**(0)**	**(3,187)**	**(288)**	**(0)**	**3,187**	**(272)**	**47,110**

Note 4. Receivables arising from banking sector

Breakdown by nature

(in thousands of euros)	Jun. 30, 2024	DEC. 31, 2023
Receivables arising from banking sector	3,085,701	2,903,980
Non-performing receivables arising from banking sector	5,532	11,558
Allowances for receivables arising from banking sector	(5,532)	(11,558)
TOTAL	**3,085,701**	**2,903,980**

Receivables arising from the banking sector 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.

Where applicable, the Group recognises a valuation allowance against receivables to take account of any potential difficulties in their future recovery.These receivables are also covered by a credit insurance agreement. Accordingly, the related risks are covered by claims provisions.

Note 5. Cash and cash equivalents

(in thousands of euros)	JUN. 30, 2024	DEC. 31, 2023
Cash at bank and available	415,136	481,700
Cash equivalents	31,386	13,858
TOTAL	**446,522**	**495,558**

At June 30, 2024, operating cash flow was down by €49.04 million compared with December 31, 2023. All cash and cash equivalents are available; no amounts are held in escrow accounts.

Note 6. Share capital

Ordinary shares	Number of shares	Per value	Share capital (in €)
At December 31, 2023	150,179,792	2	300,359,584
Cancellation of shares	(0)	2	(0)
At June 30, 2024	**150,179,792**	**2**	**300,359,584**
Treasury shares deducted	(845,960)	2	(1,691,920)
At June 30, 2024 (excluding treasury shares)	**149,333,832**	**2**	**298,667,664**

	June 30, 2024		DEC. 31, 2023	
Shareholders	Number of shares	%	Number of shares	%
Arch Capital Group Ltd	44,849,425	30,03%	44,849,425	30,10%
Public	104,484,407	69,97%	104,157,465	69,90%
Total excluding treasury shares	**149,333,832**	**100%**	**149,006,890**	**100%**

Note 7. Contingency liabilities

(in thousands of euros)	June 30, 2024	DEC. 31, 2023
Provisions for disputes	1,172	1,206
Provisions for pension and other post-employment benefit obligati	46,219	47,815
Other provisions for liabilities and charges	21,259	24,921
TOTAL	**68,650**	**73,942**

(in thousands of euros)	DEC. 31, 2023	Allowances	Reversals (utilised)	Reversals (surplus)	Reclassi-fications	Changes in OCI	Currency translation variation	June 30, 2024
Provisions for employee	1,206	38	(47)	(0)	(0)	(0)	(51)	1,145
Provisions for other disputes	(0)	26	(0)	(0)	(0)	(0)	(0)	26
Provisions for disputes	**1,206**	**64**	**(47)**	**(0)**	**(0)**	**(0)**	**(51)**	**1,172**
Provisions for end-of-career benefits	27,056	969	(703)	(1)	(0)	(682)	(210)	26,429
Provisions for post-employment benefits	7,785	323	(291)	(0)	(0)	(263)	(22)	7,532
Provisions for long-service awards	6,458	163	(177)	(0)	(0)	(0)	(2)	6,442
Provisions for time savings	1	(0)	(0)	(0)	(0)	(0)	(0)	1
Provisions for insurance and other medical coverage	3,999	117	(130)	(0)	(0)	(132)	(0)	3,854
Provisions for other long-term employee benefits	2,516	81	(639)	0	(0)	(0)	1	1,960
Provisions for pension and other post-employment	**47,815**	**1,653**	**(1,939)**	**(1)**	**(0)**	**(1,077)**	**(233)**	**46,219**
Provisions for liabilities on subsidiaries	9,815	(0)	(0)	(0)	(0)	(0)	(0)	9,815
Provisions for restructuring	4,637	20	(2,350)	(6)	3	(0)	(14)	2,291
Provisions for for free share allocation plan	0	3	(0)	(0)	(0)	(0)	(3)	0
Provisions for taxes (excl. income taxes)	6,037	(0)	(420)	(0)	(0)	(0)	(0)	5,617
Other provisions for liabilities	4,432	307	(1,200)	(0)	(0)	(0)	(2)	3,536
Other provisions for liabilities and charges	**24,921**	**330**	**(3,970)**	**(6)**	**3**	**(0)**	**(19)**	**21,259**
TOTAL	**73,942**	**2,047**	**(6,376)**	**(6)**	**3**	**(1,077)**	**(302)**	**68,650**

Provisions for liabilities and charges mainly include provisions for pensions and similar obligations.

Other provisions for liabilities and charges include provisions for the negative net equity of non-consolidated entities (9.8 million euros), provisions for taxes (5.6 million euros) and provisions for restructuring (2.2 million euros).

Note 8. Financing liabilities

(in thousands of euros)	JUN. 30, 2024	DEC. 31, 2022
Due within one year		
- Interest	24,098	13,754
- Amortization of expenses	(496)	(657)
- Nominal	(0)	226,600
Total	**23,603**	**239,696**
Due between one and five years		
- Amortization of expenses	(1,195)	(3,064)
- Nominal	(0)	(0)
Total	**(1,195)**	**(3,064)**
Due beyond five years		
- Amortization of expenses	(6,503)	(4,890)
- Nominal	600,000	600,000
Total	**593,497**	**595,110**
TOTAL	**615,904**	**831,743**

For the year ended June 30, 2024, the Group's financing liabilities, totaling €615.9 million, mainly correspond to:

An issue by COFACE SA of 6.000% fixed-rate subordinated notes on September 22, 2022, in a nominal amount of €300 million, maturing on September 22, 2032.

.

An issue of 5.750% fixed-rate subordinated notes on November 28, 2023 by COFACE SA, in a nominal amount of €300 million, maturing on November 28, 2033.

.

On 27 March 2024, the residual debt of 227 million euros following the issue of subordinated notes by COFACE SA on 27 March 2014 was repaid.

Note 9. Lease liabilities

(in thousands of euros)	June 30, 2024	DEC. 31, 2023
Lease liabilities - Real estate	60,215	57,915
Lease liabilities - Equipment	11,518	9,705
Lease liabilities	**71,733**	**67,621**

Note 10. Liabilities relating to insurance contracts

(in thousands of euros)	June 30, 2024	DEC. 31, 2023
LRC - Liabilities for remaining coverage - gross	80,731	72,936
LIC - Liabilities for incurred claims - gross	1,444,034	1,395,471
Liabilities relating to insurance contracts	**1,524,764**	**1,468,406**
LRC - Liabilities for remaining coverage - ceded	(99,712)	(8,793)
LIC - Liabilities for incurred claims - ceded	453,353	393,603
Reinsurers' share of insurance liabilities	**353,642**	**384,810**
Net technical provisions	**1,171,122**	**1 083 596**

Reconciliation from the opening to the closing balances of net book values of insurance contracts as of JUN. 30, 2024:

(in thousands of euros)	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		TOTAL
	Excl. Loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liability - Opening	**72,502**	**,434**	**784,473**	**610,998**	**1468,406**
INSURANCE RESULT	**(655,439)**	**(,435)**	**439,007**	**(14,784)**	**(231,651)**
Insurance service revenue	**(754,285)**	**,0**	**,0**	**,0**	**(754,285)**
Insurance service expenses	**98,845**	**(,435)**	**439,007**	**(14,784)**	**522,634**
Incurred claims (excluding investment components) and other insurance service expenses	(0)	(3,151)	403,479	121,460	521,788
Amortisation of insurance acquisition cash flows	98,845	(0)	(0)	(0)	98,845
Adjustements to liabilities for incurred claims	(0)	(0)	35,529	(136,243)	(100,715)
Losses and losses reversals on groups of onerous contracts	(0)	2,716	(0)	(0)	2,716
Net finance expenses from insurance contract	**1,166**	**,0**	**12,099**	**9,784**	**23,049**
Other comprehensive incomes (OCI)	**(3,442)**	**,2**	**,413**	**(4,684)**	**(7,711)**
Other variations	**(,790)**	**,0**	**(,54)**	**(,47)**	**(,892)**
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	**(658,507)**	**(,434)**	**451,465**	**(9,730)**	**(217,205)**
Cash flows	**666,736**	**,0**	**(393,173)**	**,0**	**273,563**
Premiums received under insurance contracts issued	768,483	(0)	(0)	(0)	768,483
Insurance acquisition cash flows	(101,748)	(0)	(0)	(0)	(101,748)
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)	(393,173)	(0)	(393,173)
Insurance contract liability - Closing	**80,731**	**(,0)**	**842,765**	**601,268**	**1524,764**

Reconciliation from the opening to the closing balances of net book values of reinsurance contracts as of JUN. 30, 2024:

(in thousands of euros)	Net liability for remaining coverage (LRC)	Liability for incurred claims (LIC)		Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract liability - Opening	(8,793)	238,360	155,242	384,810
Premiums paid allocation	(124,309)	(,114)	,0	(124,423)
Amounts recovered from the reinsurer	6,149	55,795	(1,578)	60,366
Amounts recovered for claims and other expenses incurred during the period	6,149	48,917	29,296	84,362
Changes in recoveries related to changes in liabilities for claims incurred	(0)	6,878	(30,874)	(23,996)
Changes in fulfillment cash flows related to onerous underlying contracts	(0)	(0)	(0)	(0)
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	(118,160)	55,681	(1,578)	(64,057)
Net finance expenses from insurance contract relating to reinsurance treaties held	(,9)	2,225	1,421	3,638
Other comprehensive incomes (OCI)	(,6)	(3,881)	,4	(3,883)
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(118,174)	54,025	(,153)	(64,302)
Cash flows	27,946	2,529	,0	30,475
Premiums paid for reinsurance contracts held	34,095	(0)	(0)	34,095
Amounts recovered from the reinsurer	(6,149)	2,529	(0)	(3,620)
Other variations	(690)	3,373	(23)	2,659
Reinsurance contract liability - Closing	(99,712)	298,287	155,066	353,641

Note 11. Payables arising from banking sector activities

(in thousands of euros)	JUN. 30, 2024	DEC. 31, 2023
Amounts due to banking sector companies	999,494	762,907
Amounts due to customers of banking sector companies	465,967	474,446
Debt securities	1,604,409	1,655,719
TOTAL	**3,069,870**	**2,893,072**

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 12. Revenue

(in thousands of euros)	June 30, 2024	June 30, 2023
Premiums – direct business	*806,301*	*870,192*
Premiums – inward reinsurance	*59,511*	*66,593*
Gross written premiums	**865,812**	**936,785**
Premium refunds	**(52,265)**	**(66,104)**
Change of provisions for unearned premiums	**(59,263)**	**(67,568)**
Fees and commission income	**96,193**	**89,719**
Net income from banking activities	**36,483**	**36,967**
Income from service activities	**35,781**	**29,865**
CONSOLIDATED REVENUE	**922,742**	**959,664**

(in thousands of euros)	June 30, 2024	June 30, 2023
Northern Europe	185,004	200,090
Western Europe	187,635	194,302
Central Europe	87,013	91,111
Mediterranean & Africa	276,018	266,959
North America	88,714	85,439
Latin America	38,180	54,459
Asia-Pacific	60,178	67,304
CONSOLIDATED REVENUE	**922,742**	**959,664**

Note 13. Expenses for contract benefits

(in thousands of euros)	June 30,2024	June 30,2023
Paid claims, net of recoveries	(219,178)	(306,584)
Change in claims reserves	(26,134)	(10,874)
TOTAL	**(245,311)**	**(317,458)**

Note 14. Overheads by destination

(in thousands of euros)	June 30, 2024	June 30,2023
Claims handling expenses *	**(22 167)**	**(18,566)**
Policy acquisition costs	(98,845)	(102,115)
Administrative costs	(178,912)	(173,882)
Overhead costs attributable to contract activity	**(277,757)**	**(275,997)**
Other insurance activity expenses	(56,313)	(47,221)
Expenses from banking activities, excluding risk cost	(7,200)	(12,095)
Other operating expenses	(77,647)	(61,458)
Other activities expenses	**(141,160)**	**(120,773)**
Investment management expenses**	**(5 153)**	**(4,627)**
TOTAL	**(446,238)**	**(419,963)**
of which employee profit-sharing	*(4,663)*	*(2,728)*

(*) Included in contract service charges in the consolidated income statement

(**) Included in the item Investment income, net of expenses excluding costs of debt in the consolidated income statement

As at June 30, 2024, the total overhead costs of the Coface Group amounted to 446,238 thousand euros, compared to 419,963 thousand euros at June 30, 2023. These costs include overhead expenses attributable to the insurance activity, charges from other activities, as well as investment expenses and claims management costs.

Note 15. Reinsurance result

(in thousands of euros)	JUN. 30, 2024	JUN. 30, 2023
Ceded claims	46,783	68,403
Change in claims provisions net of recoveries	7,433	12,041
Commissions paid by reinsurers	6,149	4,408
Income from ceded reinsurance	**60,366**	**84,851**
Ceded premiums	(141,509)	(142,995)
Change in unearned premiums provisions	17,086	10,724
Expenses from ceded reinsurance	**(124,423)**	**(132,271)**
TOTAL	**(64,057)**	**(47,420)**

Note 16. Net investment result

In thousand of euros	JUN. 30, 2024	JUN. 30, 2023
Investment income		
Amounts recognised in the profit or loss		
Investment income	48,903	34,442
Change in financial instruments at fair value though profit or loss	(4,195)	(15,226)
Net gains on disposals	10,063	6,243
Net impairment losses on financial assets	(269)	(33)
Net foreign exchange differences	(7,028)	(17,391)
Investment management expenses	(6,703)	(6,619)
Total amounts recognised in the profit or loss	**40,771**	**1,416**
Amounts recognised in OCI (*)	**(,840)**	**21,590**
Total investment income	**39,931**	**23,007**

(*) Other Comprehensive Income

In thousand of euros	JUN. 30, 2024	JUN. 30, 2023
Net finance expenses from insurance contracts		
Interest accreted	(30,132)	(27,887)
Effect of changes in interest rates and other financial assumptions	6,068	9,171
Net foreign exchange differences related to technical provisions	(2,577)	(377)
Total amounts recognised in the profit or loss	**(26,640)**	**(19,093)**
Amounts recognised in OCI (*)	**3,591**	**(3,465)**
Total net finance expenses from insurance contracts	**(23,049)**	**(22,558)**
Net finance expenses from reinsurance contracts held		
Interest accreted	6,176	5,370
Effect of changes in interest rates and other financial assumptions	(1,025)	(2,274)
Net foreign exchange differences related to technical provisions	3,435	1,290
Total amounts recognised in the profit or loss	**8,586**	**4,387**
Amounts recognised in OCI (*)	**(1,540)**	**(,285)**
Total net finance expenses from reinsurance contracts held	**7,046**	**4,101**
Total amounts recognised in the profit or loss	**(18,054)**	**(14,707)**
Amounts recognised in OCI (*)	**2,051**	**(3,750)**
Net financial costs of insurance or reinsurance contracts held	**(16,003)**	**(18,457)**
Total amounts recognised in the profit or loss	**22,717**	**(13,291)**
Amounts recognised in OCI (*)	**1,211**	**17,840**
Total net investment result excluding cost of debt	**23,928**	**4,549**

(*) Other Comprehensive Income

Note 17. Other operating income and expenses

(in thousands of euros)	June 30, 2024	DEC. 31, 2022
Build to Lead restructuring expenses	(0)	27
Impact of entry in consolidation scope	(0)	(3,159)
Restructuring provision	(0)	(1,657)
Other operating expenses	(1,712)	(1,791)
Total other operating expenses	**(1,712)**	**(6,581)**
		(0)
Impact of entry in consolidation scope	(0)	1,065
Other operating income	1,186	565
Total other operating income	**1,186**	**1,630**
TOTAL	**(526)**	**(4,951)**

Other operating income and expenses amounted to € (526) thousand as of June 30, 2024.

Note 18. P&L by sector

30/06/2024 (in thousand of euros)	Nothern Europe	Western Europe	Central Europe	Mediterranean - Africa	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**128,109**	**170,193**	**65,878**	**220,049**	**79,491**	**33,580**	**56,984**	**754,285**
Claims expenses	(43,176)	(46,323)	(25,428)	(84,752)	(20,806)	(5,957)	(18,869)	(245,311)
Attributable costs from insurance activity	(41,590)	(91,418)	(19,246)	(61,905)	(32,910)	(11,354)	(19,335)	(277,757)
Loss component & reversal of loss component	(0)	2	0	364	(0)	69	(0)	435
Insurance Service Expenses	**(84,766)**	**(137,740)**	**(44,674)**	**(146,293)**	**(53,715)**	**(17,242)**	**(38,204)**	**(522,634)**
INSURANCE RESULT BEFORE REINSURANCE	43,343	32,453	21,204	73,756	25,776	16,338	18,780	231,651
Income and Expenses from ceded reinsurance	(15,366)	20,869	(6,071)	(24,667)	(19,758)	(8,207)	(10,857)	(64,057)
INSURANCE RESULT AFTER REINSURANCE	27,977	53,323	15,133	49,089	6,018	8,131	7,923	167,594
Other revenue	69,668	14,952	20,858	48,051	9,222	2,513	3,193	168,457
Other expenses	(39,985)	11,174	(23,669)	(51,736)	(19,694)	(8,809)	(8,441)	(141,160)
Risk cost	99	(0)	(6)	(0)	(0)	(0)	(0)	93
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	57,758	79,448	12,316	45,404	(4,454)	1,836	2,676	194,984
Net income from investments	**(13,021)**	**34,587**	**5,057**	**(7,980)**	**(1,515)**	**1,921**	**3,668**	**22,717**
Other operational income and expenses	0	(6)	15	(537)	(0)	5	(6)	(528)
Finance costs	(192)	(20,804)	(260)	(557)	(239)	(75)	(116)	(22,243)
OPERATIONAL RESULT	44,737	114,029	17,387	36,887	(5,969)	3,762	6,338	217,173
Income tax expense	-14 312	-21 887	-2 758	-12 713	1 146	-158	-1 954	-52 635
CONSOLIDATED NET RESULT	30,232	71,339	14,370	23,617	(5,062)	3,529	4,268	142,294
Non-controlling interests	-1	-2	-1	-36	0	0	0	-40
NET INCOME OF THE PERIOD	**30,231**	**71,336**	**14,369**	**23,581**	**(5,061)**	**3,529**	**4,268**	**142,254**
Other key indicators *(accounting view)*								
Total Turnover	**197,776**	**185,145**	**86,736**	**268,100**	**88,714**	**36,093**	**60,178**	**922,741**
Total Claims expenses (inc. loss component)	**(43,176)**	**(46,322)**	**(25,428)**	**(84,388)**	**(20,806)**	**(5,887)**	**(18,869)**	**(244,876)**
Total Overheads (inc. commissions)	**(81,575)**	**(84,892)**	**(42,915)**	**(113,761)**	**(52,903)**	**(20,163)**	**(27,861)**	**(424,071)**
Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**197,776**	**185,145**	**86,736**	**268,100**	**88,714**	**36,093**	**60,178**	**922,741**
Reallocation of inward business	**(0)**	**(10,282)**	**276**	**7,918**	**(0)**	**2,087**	**(0)**	**(0)**
Reallocation of net income banking activities	**(12,772)**	**12,772**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Turnover - managing view	**185,004**	**187,635**	**87,013**	**276,018**	**88,714**	**38,180**	**60,178**	**922,741**
Total Claims expenses (inc. loss component) - accounting view	**(43,176)**	**(46,322)**	**(25,428)**	**(84,388)**	**(20,806)**	**(5,887)**	**(18,869)**	**(244,876)**
Reallocation of inward business	**(1,320)**	**6,410**	**75**	**(2,798)**	**(826)**	**(951)**	**(590)**	**(0)**
Total Claims expenses (inc. loss component) - managing view	**(44,495)**	**(39,911)**	**(25,353)**	**(87,186)**	**(21,632)**	**(6,839)**	**(19,460)**	**(244,876)**
Loss ratio - accounting view	33,7%	27,2%	38,6%	38,3%	26,2%	17,5%	33,1%	32,5%
Reallocation of inward business	1,0%	-2,3%	-0,3%	-0,1%	1,0%	1,6%	1,0%	0,0%
Loss ratio - managing view	34,7%	25,0%	38,3%	38,2%	27,2%	19,2%	34,1%	32,5%

Q2 2023 *(in thousand of euros)*	Nothern Europe	Western Europe	Central Europe	Mediterranean - Africa	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**143,318**	**183,729**	**69,949**	**213,328**	**77,550**	**49,946**	**65,292**	**803,113**
Claims expenses	(37,770)	(67,365)	(20,753)	(84,550)	(23,047)	(57,475)	(26,498)	(317,458)
Attributable costs from insurance activity	(41,492)	(88,851)	(19,194)	(63,460)	(28,692)	(15,022)	(19,287)	(275,997)
Loss component & reversal of loss component	6	717	173	(0)	(0)	117	(0)	1,014
Insurance Service Expenses	**(79,256)**	**(155,498)**	**(39,773)**	**(148,010)**	**(51,739)**	**(72,380)**	**(45,785)**	**(592,441)**
INSURANCE RESULT BEFORE REINSURANCE	**64,062**	**28,231**	**30,176**	**65,318**	**25,812**	**(22,434)**	**19,508**	**210,672**
Income and Expenses from ceded reinsurance	(26,571)	7,624	(12,016)	(19,025)	(12,672)	26,175	(10,933)	(47,419)
INSURANCE RESULT AFTER REINSURANCE	**37,491**	**35,855**	**18,160**	**46,293**	**13,139**	**3,741**	**8,575**	**163,253**
Other revenue	65,677	14,329	19,325	44,588	7,888	2,732	2,012	156,551
Other expenses	(39,663)	11,659	(20,283)	(41,830)	(14,202)	(6,609)	(9,846)	(120,773)
Risk cost	(267)	(0)	48	(0)	(0)	(0)	(0)	(219)
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	**63,239**	**61,842**	**17,250**	**49,051**	**6,826**	**(137)**	**740**	**198,812**
Net income from investments	**(12,523)**	**3,783**	**(451)**	**(6,541)**	**791**	**1,238**	**412**	**(13,291)**
Other operational income and expenses	(65)	464	(70)	(229)	(619)	112	(308)	(715)
Finance costs	(98)	(15,096)	(219)	(236)	(282)	(94)	(85)	(16,110)
OPERATIONAL RESULT	**50,651**	**66,090**	**16,729**	**42,281**	**6,998**	**1,214**	**844**	**184,806**
Income tax expense	-12 825	-8 025	-2 698	-13 768	-1 604	-1 246	247	-39 918
CONSOLIDATED NET RESULT	**37,729**	**42,969**	**13,812**	**28,277**	**5,112**	**(126)**	**1,005**	**128,777**
Non-controlling interests	-2	-1	-1	60	0	0	0	56
NET INCOME OF THE PERIOD	**37,727**	**42,968**	**13,811**	**28,336**	**5,111**	**(126)**	**1,005**	**128,834**

Other key indicators *(accounting view)*								
Total Turnover	**208,995**	**198,057**	**89,275**	**257,916**	**85,439**	**52,677**	**67,304**	**959,664**
Total Claims expenses (inc. loss component)	**(37,764)**	**(66,647)**	**(20,580)**	**(84,550)**	**(23,047)**	**(57,358)**	**(26,498)**	**(316,444)**
Total Overheads (inc. commissions)	**(81,180)**	**(81,571)**	**(39,476)**	**(105,310)**	**(43,055)**	**(21,632)**	**(29,173)**	**(401,397)**

Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**208,995**	**198,057**	**89,275**	**257,916**	**85,439**	**52,677**	**67,304**	**959,664**
Reallocation of inward business	**(0)**	**(12,661)**	**1,836**	**9,043**	**(0)**	**1,782**	**(0)**	**(0)**
Reallocation of net income banking activities	**(8,905)**	**8,905**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Claims expenses (inc. loss component) - accounting view	**(37,764)**	**(66,647)**	**(20,580)**	**(84,550)**	**(23,047)**	**(57,358)**	**(26,498)**	**(316,444)**
Reallocation of inward business	**(0)**	**762**	**(835)**	**883**	**(0)**	**(809)**	**(0)**	**(0)**
Total Claims expenses (inc. loss component) - managing view	**(37,764)**	**(65,886)**	**(21,415)**	**(83,667)**	**(23,047)**	**(58,167)**	**(26,498)**	**(316,444)**

Loss ratio - accounting view	24.2%	37.4%	26.0%	33.2%	31.8%	184.1%	29.2%	40.7%
Reallocation of inward business	1.5%	3.0%	0.5%	(4.1)%	0.0%	(3.4)%	0.0%	0.0%
Loss ratio - managing view	26,4%	38,5%	29,8%	37,6%	29,7%	112,4%	40,6%	39,4%

Note 19. Earnings per share

	June 30, 2024		
	Average number of shares	Net income for the period *(in €k)*	Earnings per share *(in €)*
Basic earnings per share	149,170,361	142,254	0.95
Dilutive instruments			
DILUTED EARNINGS PER SHARE	**149,170,361**	**142,254**	**0.95**

	June 30, 2023		
	Average number of shares	Net income for the period (in €k)	Earnings per share (in €)
Basic earnings per share	149,180,581	128,834	0.86
Dilutive instruments			
DILUTED EARNINGS PER SHARE	**149,180,581**	**128,834**	**0.86**

Note 20. Off-balance sheet commitments

	June 30, 2024		
(in thousands of euros)	TOTAL	Related to financing	Related to activity
Commitments given	**1,228,955**	**1,164,955**	**64,000**
Endorsements and letters of credit	1,164,955	1,164,955	
Property guarantees	3,500		3,500
Financial commitments in respect of equity interests	60,500		60,500
Commitments received	**2,021,799**	**1,305,022**	**716,778**
Endorsements and letters of credit	168,397		168,397
Guarantees	548,381		548,381
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	605,022	605,022	
Financial commitments in respect of equity interests			
Guarantees received	**455,453**		**455,453**
Securities lodged as collateral by reinsurers	455,453		455,453
Financial market transactions	**82,336**		**82,336**

Endorsements and letters of credit correspond mainly to:

Joint guarantees for €1 055 million given by COFACE SA to banks (Natixis, BNPP, Santander, HSBC, Société Générale) financing bilateral lines of Coface Finanz and Coface Poland Factoring.

Securities lodged as collateral concern Coface Europe for €12,3 million and Coface RE for €443.1 million.

	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	143 308,4	-	143 308,4
Guarantees	546 527,1	-	546 527,1
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**

Note 21. Events after the reporting period

There were no post-closing events.

IV. Statutory auditors' review report on the half-yearly consolidated financial statements

IV. Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1 to June 30, 2024

To the Shareholders of COFACE SA,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of COFACE SA, for the period from January 1 to June 30, 2024.
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements

Paris-La Défense, on August 5th, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	Forvis Mazars
Damien LEURENT / Jérôme-Eric GRAS *Partner*	Jean-Claude PAULY *Partner*

V. Statement of the person responsible for the financial statements

V. Statement of the person responsible for the financial statements

I hereby declare, after having taken every reasonable measure for such purpose, that the information contained in this interim financial report for the first half 2024, to my knowledge, is true to fact and that no material aspects of such information have been omitted.

I certify that, to the best of my knowledge, the interim condensed consolidated financial statements of the period under review have been prepared in accordance with applicable accounting standards and give a true and fair view of assets, financial position and income of the Group and the companies comprised in the consolidation scope, and that the interim activity report, in paragraph I. of this document, includes a fair review of the important events occurring during the first half of the financial year and their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the year.

The limited review report for the interim consolidated financial statements for the six-month period ended 30 June 2024 is reproduced above, in paragraph IV.

Bois-Colombes, 5 August 2024

Xavier DURAND

CEO of COFACE SA

VI. Key indicators

VI. Key indicators

A. KEY PERFORMANCE INDICATORS

1. Financial indicators

For details on the definitions of these indicators, please refer to chapter 3, section 3.7.1 of the 2023 Universal Registration Document filed with the AMF on 5 April 2024 under number D. 24-0242.

2. Operating indicators

For details on the definitions of these indicators, please refer to chapter 3, section 3.7.2 of the 2023 Universal Registration Document filed with the AMF on 5 April 2024 under number D. 24-0242.

B. ALTERNATIVE PERFORMANCE MEASURES (APM)

This section deals with indicators that are not defined by accounting standards and are used by the company in its financial communication, also available on section 3.7.4 of the 2023 Universal Registration Document filed with the AMF on 5 April 2024 under number D. 24-0242.

This section has been developed in accordance to the AMF Position – IAP DOC 2015-12.

The indicators below represent the company's APM.

a) Alternative performance measures related to turnover and its constituent items:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m 2024	N/N-1 comparison - €m 2023
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 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.	i. Historic method used by Coface to calculate pro forma %. ii. Item considered as extraordinary, i.e. which will only occur in the current financial year (year N).	i. (Current turnover N - FX Impact N-1) / (Current turnover N-1 + Perimeter impact N) - 1 ii. Current turnover N +/- Restatements / Additions of extraordinary items N	i. **-3.1%** = (922.7 - (-8.8) / (959.7 + 1.6) - 1 ii. 922.7 +/- 0.0	i. **11.1%** = (959.7 - (-13.3) / (873.5 + 2.1) - 1 ii. 959.7 +/- 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: 12.8%** = 96.2 / 754.3 **Like-for-like: 12.9%** = 98.1 / 760.9	**Current: 11.2%** = 89.7 / 803.1 **Like-for-like: 11.1%** = 90.3 / 815.0

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	**€347.4**m = 347.4 +/- 0.0	**€317.8**m = 317.8 +/- 0.0

b) *Alternative performance measures related to operating income:*

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m	
			2024	2023
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 +/- Restatements +/- Addition of extraordinary items	**€195.5**m = 217.2 + (-22.2) – (-0.5)	**€169.4**m = 184.8 + (-16.1) – (-0.7)

c) Alternative performance measures related to net income:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m	
			2024	**2023**
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 **[3]**.	Indicator used to compare changes in net income by excluding extraordinary items.	Current operating income +/- Restatements +/- Additions of extraordinary items net of tax	€**142.3**m +/- 0.0	€**128.8**m +/- 0.0

d) Alternative performance measures related to the combined ratio:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m	
			2024	**2023**
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 Appendix - Breakdown of the calculation of ratios at 30 June 2024	
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 on claims net of recourse) / (Gross earned premiums + Expenses from ceded reinsurance)	See Appendix - Breakdown of the calculation of ratios at 30 June 2024	
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 Appendix - Breakdown of the calculation of ratios at 30 June 2024	

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 Appendix - Breakdown of the calculation of ratios at 30 June 2024	
** 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 turnover", namely the turnover generated by the additional businesses (non-insurance), is deducted from overheads.*				
Combined ratio before / after reinsurance (cost 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 Appendix - Breakdown of the calculation of ratios at 30 June 2024	
*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	**[A] = [B]+[C]** **63.4%** = 35.0% + 28.4%	**[A] = [B]+[C]** **65.5%** = 40.3% + 25.2%
*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	**35.0%** = 35.0% +/- 0.0pts	**40.3%** = 40.3% +/- 0.0pts

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	**28.4%** = 28.4% +/- 0.0pts	**25.2%** = 25.2% +/- 0.0pts
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	**73.9%**	**73.4%**
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]	**-44.4%** = 29.5% - 73.9%	**-36.3%** = 37.1% - 73.4%
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 net of recourse + Change in claims provisions + Onerous contracts) / Earned premiums	**29.5%** = - (-223.1+0,4) / 754.3	**37.1%** = - (-298.9 + +1.0) / 803.1

e) Alternative performance measures related to equity:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m	
			2024	**2023**
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]	**15.3%** = (142.3x 2) / [(1,811 + 1,908) /2] Annualised net income (x2) is taken into account in the calculation of the numerator and denominator of the half-yearly ratio	**13.4%** = 240.5 / [(1,811 + 1,780) /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

f) Alternative performance measures related to the investment portfolio:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m 2024	2023
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)	**1.7%** = 53.6 / (((3,240 - 47) + (3,341 - 47)) / 2)	**0.8%** = 22.9 / (((2,963 - 87) + (3,022 - 85)) / 2)
Accounting rate of return on financial assets excluding income from disposals, additions & reversals, and assets revaluation at fair value by P&L				
Investment income before net gains on disposals, additions and reversals, "fair value by P&L" classified assets, 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, additions & reversals, and assets revaluation at fair value by P&L / ((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)	**1.5%** = (53.6 -5.6) / (((3,240 - 47) + (3,341 - 47)) / 2)	**1.1%** = (22.9 + 9.0) / (((2,963 - 87) + (2,979 - 145)) / 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.	(Investment portfolio income + 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)	**1.4%** = (53.6 + -106.5 - -98.2) / (((3,240 - 47) + (3,341 - 47)) / 2)	**0.7%** = (22.9 -155.4 + 151.5) / (((2,963 - 87) + (3,022 - 85)) / 2)

Investment portfolio income				
Investment portfolio income (shares, fixed income instruments, real estate, equity and interest rate derivatives).	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	**53.6 M€** = 5.3 + 55.9 + -7.6 + 0.1	**€22.9m** = 2.5 + 36.5 - 16.8 + 0.6
Other				
Foreign exchange income, income from currency derivatives and equity securities and investment fees.	Used to monitor foreign exchange income, income from currency derivatives and equity securities and investment fees.	Foreign exchange income, income from derivatives + income from equity securities + investment fees	**-12.8 M€** = -7.0 + 0.9 + -6.7	**-€21.5m** = -17.4 + 2.6 - 6.6

g) Alternative performance measures linked to reinsurance:

Definition	Explanation	Reconciliation with the financial statements	N/N-1 comparison - €m	
			2024	**2023**
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)	**27.7%** = -(-209.2 / 754.3)	**27.1%** = -(-217.7 / 803.1)
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 claims provisions after recourse) / Total claims (including claims handling expenses)	**22.1%** = -54.2 / -(223.1 + 22.2)	**25.4%** = -80.7 / -(298.9 + 18.6)
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.				

VII. Appendix: Calculation of financial ratios

VII. Appendix: Calculation of financial ratios

Loss Ratio

This ratio allows the Coface Group to measure the underwriting profitability of insurance contracts during the financial year. By analysing this ratio, it is also possible to price policies effectively by taking into account the amount of claims made by policyholders.

- *Loss Ratio before Reinsurance*

The loss ratio before reinsurance is the ratio of claim expenses (as defined below) to gross earned premiums (the sum of the gross written premiums and unearned premium provisions), net of premium rebates. Premium rebates are reimbursements made to policyholders of part of the premiums paid by them when claims under their insurance policies do not exceed a certain threshold (low claims bonus) or when there are no claims (no-claims bonus).

- *Loss Ratio after Reinsurance*

The loss ratio after reinsurance corresponds to the ratio of claims expenses (net of claims expenses ceded to reinsurers under reinsurance treaties entered into by the Coface Group) to the gross earned premiums (net of premiums ceded to reinsurers).

Cost Ratio

- *Cost Ratio before Reinsurance*

The cost ratio before reinsurance is the ratio of overheads (as defined below) to gross earned premiums (as described above).

The cost ratio before reinsurance is used by the Coface Group to measure all the costs related to the acquisition and management of its portfolio of contracts in a given financial year. The Coface Group's credit insurance business is supported by services activities such as corporate information and recovery of receivables. These services are inherent to the traditional credit insurance activity (related services) and the related expenses are included in the overheads of the Coface Group. The overheads are also increased by complementary activities such as factoring (in Germany and Poland). However, in order for the cost ratio calculated by the Coface Group to be comparable to the cost ratio calculated by other main market players, revenue generated by the additional businesses (non-insurance) described above is deducted from overheads.

- *Cost Ratio after Reinsurance*

The cost ratio after reinsurance is the ratio of general expenses (after deduction of reinsurance premiums paid by reinsurers) to gross earned premiums (net of premiums ceded to reinsurers).

Overheads

Overheads accounted for in the cost ratio are the sum of:

- policy acquisition costs (consisting of the external costs of acquisition of contracts, corresponding to commissions paid to business contributor intermediaries (brokers or other intermediaries) and internal contract acquisition costs corresponding to the cost of maintaining distribution networks and the costs relating to drafting services in charge of writing contracts);
- administrative costs (including Coface Group operating costs, payroll costs, IT costs, etc. excluding profit-sharing and incentive schemes);
- other current operating expenses (expenses that cannot be allocated to any of the purposes defined by the accounting plan, in particular including management expenses);
- expenses from banking activities (general operating expenses, such as payroll costs, IT costs, etc., relating to the factoring business); and
- expenses from other activities (overheads related exclusively to information and recovery for customers without credit insurance) minus revenue related to:
    - fees and commission income (ancillary fees charged under insurance contracts for the provision of credit insurance related services, such as debtor information, fees for monitoring credit limits of customers of policyholders and receivables management and recovery of receivables),
    - other related benefits and services (ancillary services, such as administrative fees for managing claims and reinvoiced receivables recovery fees),
    - information and other services (fees charged for access to information on corporate solvency and marketing information) provided to customers without credit insurance,
    - receivables management (fees charged for receivables recovery services) provided to customers without credit insurance,
    - the net banking income relating to the factoring activities.

Combined Ratio

The combined ratio measures the overall profitability of the Coface Group's activities and its technical margin.

The combined ratio is the sum of the loss ratio and the cost ratio. It is tracked by the Coface Group both before and after reinsurance (claims expenses net of those ceded to reinsurers under reinsurance treaties entered into by the Coface Group and overheads, less reinsurance commissions paid by the reinsurers over total gross earned premiums net of premiums ceded to reinsurers).

Calculation of ratios

Breakdown of ratio calculations as of 30 June:

In the course of its business, and in addition to the financial information published in accordance with IFRS, the Coface Group tracks certain key operating ratios that provide an understanding of its performance and profitability of its products (loss ratio, cost ratio and combined ratio).

In €k	H1-23	H1-24
Earned Premiums		
Gross earned premiums [A]	**803,113**	**754,285**
Ceded premiums	(217,743)	(209,165)
Net earned premiums [D]	**585,370**	**545,119**
Claims expenses		
Claims expenses (incl. Loss component) [B]	**(316,444)**	**(244,876)**
Loss component	*1,014*	*435*
Ceded claims	80,721	54,217
Ceded loss component	(275)	0
Net claims expenses [E]	**(235,998)**	**(190,660)**
Technical expenses		
Operating expenses	**(396,770)**	**(418,917)**
Employee profit sharing and incentive plans	2,728	4,663
Other revenue	156,551	168,457
Operating expenses, net of revenues from other services before reinsurance [C]	**(237,491)**	**(245,798)**
Commissions received from reinsurers	89,878	90,891
Operating expenses, net of revenues from other services after reinsurance [F]	**(147,613)**	**(154,906)**

$$\textbf{combined ratio before reinsurance} = \textit{loss ratio before reinsurance}\frac{[B]}{[A]} + \textit{cost ratio before reinsurance}\frac{[C]}{[A]}$$

$$\textbf{combined ratio after reinsurance} = \textbf{loss ratio after reinsurance}\frac{[E]}{[D]} + \textbf{cost ratio before reinsurance}\frac{[F]}{[D]}$$

Ratios	H1-23	H1-24
Loss ratio before reinsurance	39.4%	32.5%
Loss ratio after reinsurance	**40.3%**	**35.0%**
Cost ratio before reinsurance	29.6%	32.6%
Cost ratio after reinsurance	**25.2%**	**28.4%**
Combined ratio before reinsurance	69.0%	65.1%
Combined ratio after reinsurance	**65.5%**	**63.4%**

End of the document

COFACE SA

1 PLACE COSTES ET BELLONTE

92270 BOIS-COLOMBES - FRANCE

www.coface.fr

S.A. (FRENCH LIMITED COMPANY) WITH CAPITAL OF €300,359,584

NANTERRE REGISTRY OF TRADE AND COMPANIES NO. 432 413 599