Consolidated financial statements

Preliminary version – unaudited accounts - currently being audited

free translation

December, 31 2024

FOR TRADE

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Basis of preparation

These IFRS consolidated financial statements of the Coface Group as of December 31, 2024 are established in accordance with the International Financial Reporting Standards (IFRS) as published by the IASB and as adopted by the European Union[1]. They are detailed in the note "Accounting principles".

The balance sheet and income statement are presented with comparative financial information as of December 31, 2023.

These IFRS consolidated financial statements for the year ended December 31, 2024 were reviewed by the Coface Group's Board of Directors on February 20, 2025 and previously reviewed by the Audit Committee on February 18, 2025.

[1] The standards adopted by the European Union can be consulted on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

Significant events

Governance evolution

- **In the Board of Directors**

On August 5, 2024, the Board of Directors co-opted Marcy Rathman, Chief Environmental, Social and Governance Officer at Arch, as a non-independent director at the Board of Directors taking the place of Chris Hovey who leaves the Board to focus on his other professional responsibilities within Arch.

- **In the Executive Committee**

On May 14, 2024, Ernesto de Martinis has been appointed as the CEO of Coface Mediterranean and Africa region, effective on July 1, 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 March 5, 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 its Corporate Social Responsibility (CSR) engagements.

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, 2014 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.

In June 2024, Coface took part in the EcoVadis assessment for the first time and was awarded a silver medal, reaching a score of 68/100 at Group level.

This performance ranks Coface in the top 15% of companies evaluated over the last 12 months, exceeding the average of the companies in the insurance, reinsurance and pension fund sectors (+11 pts compared to the average of the companies in this sector). This recognition testifies to the company's ongoing efforts in terms of Corporate Social Responsibility (CSR).

Financial rating agency

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

The rating agency AM Best, on May 29, 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)	Notes	DEC. 31, 2024	DEC. 31, 2023
Intangible assets		**240,429**	**239,715**
Goodwill	1	156,772	155,309
Other intangible assets	2	83,657	84,405
Financial assets	**3**	**3,357,201**	**3,341,112**
Real estate investments	3	(0)	288
Investments at amortized cost	3	118,175	143,211
Investments at FV/OCI	3	2,712,569	2,367,309
Investments at FV P&L	3	526,272	827,903
Derivatives and separate embedded derivatives	3	185	2,402
Receivables from bank and other activities	**4**	**3,090,178**	**2,903,980**
Assets - Ceded insurance contracts	**15**	**393,643**	**384,810**
Other assets	**6**	**494,852**	**533,107**
Operating building and other tangible assets	5	88,679	85,488
Deferred tax assets	17	54,507	89,899
Net clients		66,949	54,319
Current tax receivable		62,427	73,447
Other receivables		222,291	229,954
Cash and equivalents	**7**	**507,832**	**495,558**
Total Assets		**8,084,134**	**7,898,282**

Liability

(in thousands euros)	Notes	DEC. 31, 2024	DEC. 31, 2023
Capital and reserves - group share		**2,193,555**	**2,050,765**
Capital and assimilated	8	300,360	300,360
Share capital premiums		723,517	723,501
Retained earnings		966,485	899,233
Other comprehensive income		(57,877)	(112,832)
Net income - Group share		261,067	240,500
Capital - minority interests excluding unrealized and deferred gains or		**2,221**	**2,173**
Total equity		**2,195,776**	**2,052,938**
Contingency reserve	**11**	**70,246**	**73,942**
Financial debts	**13**	**598,700**	**831,743**
Lease liabLities - Leasing	**14**	**70,529**	**67,621**
Liabilities - Issued insurance contracts	**15**	**1,500,668**	**1,468,406**
Ressources des activités du secteur bancaire	**16**	**3,124,951**	**2,893,072**
Amounts due to banking sector companies	16	858,620	762,907
Amounts due to customers ok banking sector companies	16	544,583	474,446
Debt securities	16	1,721,749	1,655,719
Other liabilities	**18**	**523,264**	**510,560**
Deferred tax liabLity	17	118,249	143,886
Current tax liabLity	18	70,837	51,917
Derivatives and related payables	18	4,110	27
Other payables	18	330,068	314,730
Total Liabilities		**8,084,134**	**7,898,282**

Consolidated income statement

(in thousands euros)	Notes	DEC. 31, 2024	DEC. 31, 2023
Gross written premiums		1,618,841	1,694,189
Premium refunds		(105,189)	(129,073)
Net change in unearned premium provisions		(729)	(6,053)
Insurance Revenue	**19**	**1,512,923**	**1,559,063**
Claims expenses	20	(506,196)	(558,644)
Attributable costs	21	(550,464)	(546,999)
Loss component & reversal of loss component		428	596
Insurance Service Expenses		**(1,056,233)**	**(1,105,047)**
Insurance Service Revenue, before reinsurance		**456,690**	**454,016**
Income and expenses from ceded reinsurance	23	(118,437)	(104,240)
Insurance Service Revenue		**338,253**	**349,776**
Fee and commission income		179,891	171,374
Net income from banking activites		73,688	72,686
Income from services activites		78,339	65,109
Other revenue	**19**	**331,918**	**309,168**
Non attributable expenses from insurance activity	21	(120,632)	(106,515)
G&A - Investigation expenses - Services	22	(14,117)	(14,018)
G&A – Overheads Services	21	(166,911)	(142,470)
Operating expenses		**(301,660)**	**(263,003)**
Risk cost	**22**	**174**	**(534)**
Income after reinsurance, other revenues and cost of risk		**368,685**	**395,407**
Investment income, net of management expenses	24	91,703	12,427
Insurance finance income or expenses	24	(59,107)	(52,642)
Insurance finance income or expenses from ceded reinsurance	24	16,586	12,683
Net Financial income	**24**	**49,183**	**(27,533)**
Current operating income		**417,868**	**367,874**
Other operating income and expenses	25	(8,640)	(4,952)
Operating income		**409,229**	**362,922**
Financial costs		(42,961)	(34,269)
Income tax expenses	26	(105,232)	(88,033)
Consolidation net income before non-controlling interests		**261,036**	**240,620**
Net income - minority interests		31	(120)
Net income for the year		**261,067**	**240,500**
Earnings per share (€)	28	1.75	1.61
Diluted earnings per share (€)	28	1.75	1.61

Consolidated statement of comprehensive income

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Net income of the period	**261,067**	**240,500**
Non-controlling interests	(31)	120
Other comprehensive income	(0)	(0)
Currency translation differences reclassifiable to income	**(13,527)**	**(14,222)**
Reclassified to income	(0)	(0)
Recognised in equity	(13,527)	(14,222)
Fair value adjustments on financial assets through OCI - Recycling	**43,662**	**51,583**
Recognised in equity – reclassifiable to income – gross	48,783	66,820
Recognised in equity – reclassifiable to income – tax effect	(5,059)	(13,498)
Reclassified to income – gross	1,008	(3,618)
Reclassified to income – tax effect	(1,071)	1,879
Fair value adjustments on financial assets through OCI - Not Recycling	**28,373**	**(26,597)**
Recognised in equity – not reclassifiable to income – gross	32,673	(24,445)
Recognised in equity – not reclassifiable to income – tax effect	(4,301)	(2,152)
Financial result linked to insurance and reinsurance contracts	**(2,673)**	**(3,271)**
Recognised in equity – reclassifiable to income – gross	(3,058)	(4,587)
Recognised in equity – reclassifiable to income – tax effect	386	*1,316*
Fair value adjustments on employee benefit obligations	**(805)**	**(2,140)**
Recognised in equity – not reclassifiable to income – gross	(1,089)	(2,794)
Recognised in equity – not reclassifiable to income – tax effect	284	655
Other comprehensive income of the period, net of tax	**55,030**	**5,354**
Total comprehensive income of the period	**316,066**	**245,974**
- attributable to owners of the parent	316,021	246,074
- attributable to non-controlling interests	44	(100)

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)	(233)	(14,221)
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			(194,321)						(194,321)	(5)	(194,326)
Total transactions with owners	**(0)**	**(0)**	**46,179**	**(0)**	**(0)**	**(0)**	**(0)**	**(240,500)**	**(194,321)**	**(5)**	**(194,326)**
DEC. 31, 2024 net income								261,067	261,067	(31)	261,036
Fair value adjustments on financial assets recognized in equity						43,708	28,372		72,080	17	72,097
Fair value adjustments on financial assets reclassified to income statement						(63)			(63)		(63)
Insurance financial result in equity according to IFRS 17						(2,654)			(2,654)	(18)	(2,672)
Change in actuarial gains and losses (IAS 19R)							(805)		(805)		(805)
Currency translation differences			6,797		(13,604)				(6,808)	77	(6,731)
Treasury shares elimination				(710)					(710)		(710)
Free share plans expenses			2,493						2,493		2,493
Hyperinflation impacts			14,561						14,561		14,561
Transactions with shareholders and others		16	(2,067)						(2,051)	9	(2,042)
Equity as at DEC. 31, 2024	**300,360**	**723,517**	**990,809**	**(24,324)**	**(55,579)**	**(6,825)**	**4,527**	**261,067**	**2,193,555**	**2,221**	**2,195,776**

Consolidated statement of cash flows

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Net income for the period	**261,067**	**240,500**
Non-controlling interests	(31)	120
Income tax expense	105,232	88,033
Finance costs	42,961	34,269
Operating income (A)	**409,229**	**362,922**
+/- Depreciation, amortization and impairment losses	37,511	40,672
+/- Net additions to / reversals from technical provisions	11,491	42,097
+/- Fair value adjustments on financial instruments recognized at fair value through income	2,478	21,677
+/- Unrealized foreign exchange income / loss	(8,488)	27,172
+/- Non-cash items	(89,783)	(28,664)
Total non-cash items (B)	***(46,791)***	***102,955***
Gross cash flows from operations (C) = (A) + (B)	***362,438***	***465,877***
Change in operating receivables and payables	23,132	(41,691)
Net taxes paid	(77,968)	(98,852)
Net cash related to operating activities (D)	***(54,836)***	***(140,542)***
Increase (decrease) in receivables arising from factoring operations	(178,386)	36,082
Increase (decrease) in payables arising from factoring operations	136,166	(53,993)
Increase (decrease) in factoring liabilities	87,981	(13,156)
Net cash generated from banking and factoring operations (E)	***45,761***	***(31,068)***
Net cash generated from operating activities (F) = (C+D+E)	353,362	294,267
Acquisitions of investments	(2,947,810)	(318,038)
Disposals of investments	3,104,305	11,123
Net cash used in movements in investments (G)	***156,494***	***(306,915)***
Acquisitions of consolidated subsidiaries, net of cash acquired *	1,139	4,055
Disposals of consolidated companies, net of cash transferred	(0)	(0)
Net cash used in changes in scope of consolidation (H)	***1,139***	***4,055***
Acquisitions of property, plant and equipment and intangible assets	(26,708)	(25,443)
Disposals of property, plant and equipment and intangible assets	3,243	481
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)	***(23,464)***	***(24,962)***
Net cash used in investing activities (J) = (G+H+I)	134,168	(327,822)
Proceeds from the issue of equity instruments	(0)	(0)
Treasury share transactions	646	(4,464)
Dividends paid to owners of the parent	(194,321)	(226,953)
Dividends paid to non-controlling interests	(5)	(6)
Cash flows related to transactions with owners	***(193,681)***	***(231,424)***
Proceeds from the issue of debt instruments	(0)	296,037
Cash used in the redemption of debt instruments	(226,600)	(0)
Lease liabilities variations	(21,098)	(18,678)
Interests paid	(49,404)	(32,009)
Cash flows related to the financing of Group operations	***(297,101)***	***245,351***
Net cash generated from (used in) financing activities (K)	(490,782)	13,927
Impact of changes in exchange rates on cash and cash equivalents (L)	15,526	(38,601)
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)	**12,274**	**(58,228)**
Net cash generated from operating activities (F)	353,362	294,267
Net cash used in investing activities (J)	134,168	(327,822)
Net cash generated from (used in) financing activities (K)	(490,782)	13,927
Impact of changes in exchange rates on cash and cash equivalents (L)	15,526	(38,601)
Cash and cash equivalents at beginning of period	**495,558**	**553,786**
Cash and cash equivalents at end of period	**507,832**	**495,558**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**12,274**	**(58,228)**

* Concerning the first-time consolidation in 2024 of two entities Coface Services Maghreb and Coface Services Greater China which have been exclusively owned for several years.

Scope of consolidation

Change in the scope of consolidation in 2024

First-time consolidation

During the year 2024, two entities that have been exclusively owned for several years were consolidated. These are Coface Services Maghreb and Coface Services Greater China.

Special purpose entities (SPE)

SPEs used for the credit insurance business

Coface's credit enhancement operations consist of insuring, via a special purpose entity (SPE), receivables securitised by a third party through investors, for losses in excess of a predefined amount. In this type of operation, Coface has no role whatsoever in determining the SPE's activity or its operational management. The premium received on the insurance policy represents a small sum compared to all the benefits generated by the SPE, the bulk of which flow to the investors.
Coface does not sponsor securitisation arrangements. It plays the role of mere service provider to the special purpose entity by signing a contract with the SPE. In fact, Coface holds no power over the relevant activities of the SPEs involved in these arrangements (selection of receivables in the portfolio, receivables management, etc.). No credit insurance SPEs were consolidated within the financial statements.

SPEs used for financing operations

Since 2012, Coface has put in place an alternative refinancing solution to the liquidity line granted by Natixis for the Group's factoring business in Germany and Poland (SPEs used for financing operations).
Under this solution, every month, Coface Finanz – a Group factoring company – sells its factored receivables to a French SPV (special purpose vehicle), the FCT Vega securitisation fund. The sold receivables are covered by credit insurance.
The securitisation fund acquires the receivables at their nominal value less a discount (determined on the basis of the portfolio's past losses and refinancing costs). To obtain refinancing, the fund issues (i) senior units to the conduits (one conduit per bank) which in turn issue ABCP (asset-backed commercial paper) on the market, and (ii) subordinated units to Coface Factoring Poland. The Coface Group holds control over the relevant activities of the FCT.
The FCT Vega securitisation fund is consolidated in the Group financial statements.

SPEs used for investing operations

The "Colombes" mutual funds were set up in 2012 to centralise the management of the Coface Group's investments. The administrative management of these funds has been entrusted to Amundi, and Caceis has been selected as custodian and asset servicing provider.
The European branches of Compagnie Française d'Assurance pour le commerce extérieur, which do not have any specific local regulatory requirements, participate in the centralized management of their assets, set up by the Compagnie française d'assurance pour le commerce extérieur. They receive a share of the global income resulting from the application of an allocation key representing the risks subscribed by each branch and determined by the technical accruals.
Fonds Lausanne was created in 2015 in order to allow Coface Ré to subcribe for parts in investment funds, the management is delegated to Amundi, the custodian is Caceis Switzerland and the asset servicing provider is Caceis.
The three criteria established by IFRS 10 for consolidation of the FCP Colombes and FCP Lausanne funds are met. Units in dedicated mutual funds (UCITS) have been included in the scope of consolidation and are fully consolidated. They are fully controlled by the Group.

All of Coface entities are consolidated by full integration method.

Country	Entity	Consolidation Method	Percentage			
			Control DEC. 31, 2024	Interest DEC. 31, 2024	Control DEC. 31, 2023	Interest DEC. 31, 2023
Northern Europe						
Germany	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung)	-	Branch*		Branch*	
Germany	Coface Finanz GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Debitorenmanagement GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Rating Holding GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Coface Rating GMBH	Full	100,00%	100,00%	100,00%	100,00%
Germany	Kisselberg KG	Full	100,00%	100,00%	100,00%	100,00%
Germany	Fct Vega (Fonds de titrisation)	Full	100,00%	100,00%	100,00%	100,00%
Netherlands	Coface Nederland Services	Full	100,00%	100,00%	100,00%	100,00%
Netherlands	Coface Nederland	-	Branch*		Branch*	
Denmark	Coface Danmark	-	Branch*		Branch*	
Denmark	Coface Norden Services (Danmark Services)	Full	100,00%	100,00%	100,00%	100,00%
Sweden	Coface Sverige	-	Branch*		Branch*	
Sweden	Coface Sverige Services AB (Sweden Services)	Full	100,00%	100,00%	100,00%	100,00%
Norway	Coface Norway - SUCC (Coface Europe)	-	Branch*		Branch*	
Western Europe						
France	COFACE SA	Parent company	100,00%	100,00%	100,00%	100,00%
France	Compagnie française d'assurance pour le commerce extérieur	Full	100,00%	100,00%	100,00%	100,00%
France	Cofinpar	Full	100,00%	100,00%	100,00%	100,00%
France	Cogeri	Full	100,00%	100,00%	100,00%	100,00%
France	Fimipar	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 2 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 ter	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 quater	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 4	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 5 bis	Full	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 6	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgium Services	Full	100,00%	100,00%	100,00%	100,00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface Services Suisse	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 2	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 2	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 2 bis	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 3	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 3 bis	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 5	Full	100,00%	100,00%	100,00%	100,00%
Switzerland	Fonds Lausanne 6	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK Holdings	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK Services	Full	100,00%	100,00%	100,00%	100,00%
UK	Coface UK	-	Branch*		Branch*	
Ireland	Coface Ireland	-	Branch*		Branch*	
Morocco	Coface Services Maghreb	Full	100,00%	100,00%	Non consolidated	
Central Europe						
Austria	Coface Central Europe Holding AG	Full	100,00%	100,00%	100,00%	100,00%
Austria	Compagnie francaise d´assurance pour le Commerce Exterieur SA Niederlassung Austria	-	Branch*		Branch*	
Hungary	Compagnie francaise d´assurance pour le commerce extérieur Hungarian Branch Office	-	Branch*		Branch*	
Hungary	Coface Hungary Insurance services	Full	100,00%	100,00%	100,00%	100,00%
Poland	Coface Poland Insurance Services	Full	100,00%	100,00%	100,00%	100,00%
Poland	Coface Poland Factoring Sp. z o.o.	Full	100,00%	100,00%	100,00%	100,00%
Poland	Compagnie francaise d'assurance pour le commerce exterieur Spółka Akcyjna Oddział w Po	-	Branch*		Branch*	
Czech Republic	Compagnie francaise d'assurance pour le commerce exterieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania Insurance Services	Full	100,00%	100,00%	100,00%	100,00%
Romania	Compagnie francaise d'assurance pour le commerce exterieur S.A. Bois - Colombes – Sucu	-	Branch*		Branch*	
Romania	Coface Technologie - Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného	-	Branch*		Branch*	
Slovenia	Coface PKZ	-	Branch*		Branch*	
Lithuania	Compagnie Francaise d'Assurance pour le Commerce Exterieur Lietuvos filialas	-	Branch*		Branch*	
Lithuania	Coface Baltics Services	Full	100,00%	100,00%	100,00%	100,00%
Bulgaria	Compagnie Francaise d'Assurance pour le Commerce Exterieur SA – Branch Bulgaria	-	Branch*		Branch*	
Russia	CJSC Coface Rus Insurance Company	Full	100,00%	100,00%	100,00%	100,00%
Croatia	Coface Adriatics	Full	100,00%	100,00%	100,00%	100,00%

Country	Entity	Consolidation Method	Percentage			
			Control	Interest	Control	Interest
			DEC. 31, 2024	DEC. 31, 2024	DEC. 31, 2023	DEC. 31, 2023
Mediterranean & Africa						
Italy	Coface Italy (Succursale)	-	Branch*		Branch*	
Italy	Coface Italia	Full	100,00%	100,00%	100,00%	100,00%
Israel	Coface Israel	-	Branch*		Branch*	
Israel	Coface Holding Israel	Full	100,00%	100,00%	100,00%	100,00%
Israel	BDI – Coface (business data Israel)	Full	100,00%	100,00%	100,00%	100,00%
South Africa	Coface South Africa	Full	75,00%	75,00%	75,00%	75,00%
South Africa	Coface South Africa Services	Full	100,00%	100,00%	100,00%	100,00%
Spain	Coface Servicios España,	Full	100,00%	100,00%	100,00%	100,00%
Spain	Coface Iberica	-	Branch*		Branch*	
Portugal	Coface Portugal	-	Branch*		Branch*	
Greece	Coface Grèce	-	Branch*		Branch*	
Greece	Coface Services Grèce	Full	100,00%	100,00%	100,00%	100,00%
Turquey	Coface Sigorta	Full	100,00%	100,00%	100,00%	100,00%
North America						
United States	Coface North America Holding Company	Full	100,00%	100,00%	100,00%	100,00%
United States	Coface Services North America	Full	100,00%	100,00%	100,00%	100,00%
United States	Coface North America Insurance company	Full	100,00%	100,00%	100,00%	100,00%
Canada	Coface Canada	-	Branch*		Branch*	
Latin America						
Mexico	Coface Seguro De Credito Mexico SA de CV	Full	100,00%	100,00%	100,00%	100,00%
Mexico	Coface Holding America Latina SA de CV	Full	100,00%	100,00%	100,00%	100,00%
Mexico	Coface Servicios Mexico. S.A DE C.V.	Full	100,00%	100,00%	100,00%	100,00%
Brazil	Coface Do Brasil Seguros de Credito	Full	100,00%	100,00%	100,00%	100,00%
Chile	Coface Chile SA	Full	100,00%	100,00%	100,00%	100,00%
Chile	Coface Chile	-	Branch*		Branch*	
Argentina	Coface Argentina	-	Branch*		Branch*	
Argentina	Coface Sevicios Argentina S.A	Full	100,00%	100,00%	100,00%	100,00%
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Colombia	Coface Service Colombia Ltda.	Full	94,98%	100,00%	94,98%	100,00%
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Japan	Coface Services Japan	Full	100,00%	100,00%	100,00%	100,00%
Singapore	Coface Singapour	-	Branch*		Branch*	
New Zealand	Coface Nouvelle - Zelande SUCC	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	
China	Coface Services Greater China	Full	100,00%	100,00%	Non consolidated	

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

Accounting policies

1. Applicable standards

Pursuant to European Regulation 1606/2002 of 19 July 2002, Coface's consolidated financial statements for the period ended 31 December 2024 were prepared in accordance with IAS/IFRS and IFRIC interpretations as adopted by the European Union and applicable at that date.

Texts applicable from 1 January 2024

The application of the amendments below as of January 1, 2024 had no material impact on the Group's Consolidated Financial Statements:

- Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;
- Amendments to IFRS 16 - Leases: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures: Supplier Finance Arrangements.

2. Significant accounting policies

2.1. Basis for consolidation

i. Consolidation methods

In accordance with IAS 1 "Presentation of Financial Statements", IFRS 10 "Consolidated Financial Statements" and IFRS 3 "Business Combinations", certain interests that are not material in relation to the Coface Group's consolidated financial statements are excluded from the scope of consolidation.
The notion of materiality results from the application of thresholds and a qualitative assessment of the relevance of the contribution of entities to Coface's consolidated financial statements. The main thresholds applicable are as follows:

- Balance sheet total: €40 million
- Underwriting income: €5 million
- Net income: ±€2 million

In addition, it is Group policy for all non-consolidated entities to distribute their entire distributable income, barring regulatory constraints and/or exceptional items.

Interests are consolidated as follows:

- fully consolidated, when Coface exercises control over these companies;
- by the equity method, when they are subject to significant influence.

All Coface Group entities are fully consolidated.

Under IFRS 10, control of an entity is assessed using three cumulative criteria: power over the entity's relevant activities, exposure to the entity's variable returns and power to influence the variable returns obtained from the entity. An analysis of the Coface Group's special-purpose entities is presented in the "Scope of consolidation" note.

ii. Intercompany transactions

Material intercompany transactions are eliminated from the balance sheet and income statement.

iii. Accounting period balance sheet date and duration

The accounts are closed on 31 December of each year, and the accounting period runs for 12 months.

2.2. Foreign currencies

i. Translation of foreign currency transactions

In accordance with IAS 21, on initial recognition, transactions denominated in foreign currencies are translated into the functional currency of the entity concerned at the exchange rate prevailing on the transaction date; entities generally use the closing rate for the month preceding the transaction date, which is considered to be an approximation of the rate on the transaction date in the absence of significant fluctuations.

At each balance sheet date:
- monetary items are translated at the closing rate; groups of insurance and reinsurance contracts generating cash flows in foreign currencies are treated as monetary items;
- non-monetary items measured at historical cost are translated at the exchange rate prevailing on the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate at the date on which the fair value was determined.

Foreign exchange gains and losses are generally recognised in the income statement under net financial income/expense. However, those relating to the following items are recognised in other comprehensive income (OCI):

- The impact of the unwinding of discount on liabilities for claims incurred for which IFRS 17 offers the option of recognising them in OCI (difference between the unwinding of discount at the original rate and the unwinding of discount at the current rate) (E);
- equity investments designated at fair value through equity (FVOCI);
- long-term receivables and payables relating to a consolidated company whose settlement is neither planned nor likely to occur in the foreseeable future.

ii. Translation of financial statements of foreign subsidiaries and branches

Coface's consolidated financial statements are prepared in euros. The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the period-end rate, with the exception of capital and reserves, which are translated at the historical rate. The resulting translation differences are taken to other comprehensive income.

Income statement items are translated at the average exchange rate for the period, which is an approximation of the rate on the transaction date in the absence of significant fluctuations (IAS 21.40). The difference between the average exchange rate and the closing rate applied to the balance sheet is also recognised in other comprehensive income.

iii. Hyperinflationary economies

The Group applies IAS 29 "Financial Reporting in Hyperinflationary Economies" to its operations in Argentina in Argentine pesos (required since 2018) and in Turkey in Turkish lira (required since 2022).

As its credit insurance business is mainly conducted in US dollars, the Argentine branch uses this currency as its functional currency. Consequently, IAS 29 does not apply to this activity (representing 1% of the Group's turnover).

2.3. Segment reporting

The Coface Group applies IFRS 8, which requires the presentation of segment information based on the Group's organisation as used by management to allocate resources and measure performance.

Accordingly, the segment information used by management corresponds to the following regions:

- Northern Europe;
- Western Europe;
- Central Europe;
- Mediterranean and Africa;

- North America;
- Latin America;
- Asia Pacific.

No operating segments have been aggregated for the purposes of published segment information.
Geographical segmentation corresponds to the country of invoicing.

2.4. Insurance and reinsurance technical reserves

i. Identification of contracts within the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts issued and held, and investment contracts with discretionary participation features, provided insurance contracts are also issued.

The Group covers risks under the following insurance policies: credit insurance (short-term), *Single-risk*[2] and surety bond (medium-term). Surety bonds do not constitute a credit insurance product, as they represent a different type of risk (in terms of underlying and duration of the risk), but they do meet the definition of an insurance contract set out in IFRS 17.

When identifying contracts falling within the scope of IFRS 17, the Group must, in certain cases, assess whether a set or series of contracts should be treated as a single contract and whether the goods and services components should be separated and accounted for under a different standard.
An analysis of all Coface's insurance contracts leads to the conclusion that they fall within the scope of IFRS 17 for revenues linked to insurance premiums.

ii. Aggregation level

The standard requires a more detailed level of granularity in the calculations, since it calls for estimates by group of contracts, without classifying contracts issued more than one year apart in the same group – annual cohorts.

The optional carve-out introduced by the European Commission, which waives the annual cohort requirement for life insurance contracts, does not apply to the Group, as no activity is eligible.

Contract groups are determined by first identifying contract portfolios, each comprising contracts subject to similar risks and managed together. Coface has defined three portfolios: the credit insurance business line , the single risk business line and the surety business line.

Each portfolio is then divided into annual cohorts (i.e. by underwriting year) and each annual cohort into two groups:
- a group of onerous contracts on initial recognition (for which a loss component will, where appropriate, be recognised immediately through the income statement);
- a group of contracts which, at initial recognition, have the potential to become onerous at a later date.

In addition, IFRS 17 specifies that an entity is allowed to subdivide groups in order to assess their profitability. Coface has defined 15 groups of credit insurance contracts, mainly based on geographical regions, one group of single risk contracts and one group of surety contracts.

As for reinsurance contracts held, granularity is based on reinsurance treaties.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts can be added.

[2] Single Risk is a special type of insurance that covers both political risks and commercial risks (i.e. payment default). This type of policy is designed specifically for complex, long-term projects. The insurer defines a tailor-made contract with the customer.

iii. Contract boundaries

Under IFRS 17, the valuation of a group of contracts includes all future cash flows within the scope of each contract in the group. The period covered by the premiums included in the contract boundaries is the “cover period”.

The Group considers that the requirements relating to the boundaries of the insurance contract are linked to the substantial obligation to provide a service, to the practical ability to reassess policyholders’ risks at the level of each contract, and that those relating to the boundaries of the reinsurance contract are linked to the practical ability of the reinsurer to terminate the reinsurance coverage. According to these requirements, IFRS 17 does not impact the nature of the Group’s cash flows to be included in the measurement of existing contracts recognised.

Onerous contracts are recognised as soon as the Group is committed at the measurement date, even if the premiums have not yet been received.

iv. Cover period

The cover period is defined as the period during which the entity covers the insured events. IFRS 17 defines an insured event as “an uncertain future event covered by an insurance contract that creates an insurance risk”. The Group has defined the cover period for the credit insurance business line as the period from the inception of the insurance policy to the potential date of default by the debtor to the insured. For this purpose, the default date has been defined as the maximum credit period specified in the contract.

An insurance contract issued by the Group is recognised at the earliest at:
- the start date of the contract group’s cover period;
- the date on which the first payment by a group policyholder becomes due;
- in the case of a group of loss-making contracts, the date on which the group becomes loss-making.

An insurance contract acquired in a contract transfer or business combination is recognized at the acquisition date.

v. Accounting model

Under IFRS 17, contracts are measured using a current value measurement model based on the “building block approach” (BBA):[3]

■ cash flow from operating activities, i.e.
• estimates of future cash flows weighted by their probability of occurrence;
• an adjustment to reflect the time value of money (i.e. by discounting future cash flows) and the financial risks associated with future cash flows;
• an adjustment for non-financial risk (see 2.17 Significant judgments and estimates).
■ contractual service margin (CSM). The CSM represents unearned profit for a group of insurance contracts and will be recognised as the entity provides services in the future.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is revalued to match the sum of:

■ the remaining cover liability, comprising the performance cash flows related to future services and the contractual service margin of this group;
■ and the liability for claims incurred, the valuation of which corresponds to the performance cash flows relating to services already rendered and allocated to this group of contracts at that date.

In addition, a simplified valuation model known as the premium allocation approach (PAA) is permitted for the measurement of the remaining cover liability if it provides a measurement that is not materially different from the general model, or if the cover period is one year or less.

[3] or general model measurement (GMM)

The Group applies PAA to all insurance and reinsurance portfolios, of which credit insurance represents the bulk of its business, as the resulting measurement of the remaining cover liability is not materially different from the result of applying the general model.

Under the simplified PAA, the remaining cover liability corresponds to the amount of premiums, if any, at the initial recognition date, less acquisition costs and amounts already recognised in income before the balance sheet date. Also, under the PAA, the remaining cover liability does not include any CSM. In addition, as permitted by the standard, premiums received have been approximated as written premiums less premium-related insurance and reinsurance receivables and payables.

The Group amortises cash flows relating to attributable insurance acquisition costs. These costs include acquisition commissions paid to intermediaries (brokers, agents, ceding companies) and other acquisition costs attributable to contracts, and are allocated over the period of cover according to the same rule as the provision for unearned premiums. They are amortised on a straight-line basis over the cover period.

As required by IFRS 17, the portion of deferred acquisition costs is now deducted from balance sheet liabilities under “Liabilities for remaining cover”, included in “Liabilities arising from insurance contracts issued”. The change in deferred acquisition costs for the period is included in acquisition costs attributable to the income statement.

Subsequently, the carrying amount of the remaining cover liability is increased by any further premiums received, and reduced by the amount recognised in income for the services rendered. If, at any time before and during the cover period, facts and circumstances, such as claims experience drift, indicate that a group of contracts is or becomes onerous, the Group will recognise a loss in income and increase the remaining cover liability by a loss component. At the same time, in respect of reinsurance contracts held, a loss component ceded to reinsurers will be recognised.

The carrying amount of the remaining cover liability is not adjusted to reflect the time value of money and the effect of the financial risk, as at initial recognition the Group expects that the time elapsing, for each cover party, between the time it provides the relevant portion of the cover and the due date of the related premium will not exceed one year.

The general model remains applicable for the measurement of incurred claims. Future cash flows are discounted at current rates.

The hypothesis used to value the Best Estimate related to reinsurance portfolios are consistent with the Best Estimate related to issued insurance portfolio. The Best Estimate must also include the effect of the risk of non-performance on the part of the issuer of the reinsurance treaty, which Coface considers to be immaterial.

vi. Presentation

IFRS 17 significantly changes the way insurance and reinsurance contracts are presented and disclosed in the Group’s consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts are presented on a net basis; consequently, balances such as insurance receivables and payables and loans to policyholders are no longer presented separately. Any asset or liability recognised for cash flows arising before the recognition of the corresponding group of contracts (including any asset for insurance acquisition cash flows) is also presented in the same line item as the corresponding contract portfolios.

Following the option given by IFRIC to account for receivables from intermediaries under IFRS 17 or IFRS 9 (see IASB Finalisation agenda decision October 2023), Coface has maintained its accounting treatment under IFRS 17.

In terms of presentation, the various income and expenses from insurance and reinsurance contracts are broken down in the income statement between:

■ a result from insurance activities comprising income from insurance activities (corresponding to the service of insurance contracts rendered in the year) and expenses relating to insurance activity (i.e. claims incurred and other expenses relating to the insurance service rendered); amounts from reinsurance contracts are presented separately;
■ financial income from insurance and reinsurance.

Income from insurance services

Income from insurance services comprises insurance income and insurance expenses.

Insurance income:

Insurance income replaces the gross insurance premiums indicator previously presented.

For contracts valued using the PAA, insurance income is recognised on the basis of an allocation of expected premiums to each cover period, which is based on the passage of time. It comprises gross premiums written, net of premium refunds, and changes in unearned premium reserves.

- *Gross premiums written:*

Gross premiums written correspond to premiums invoiced, excluding taxes and net of cancellations. They include an estimate of premiums to be written for the portion earned during the period, and an estimate of premiums to be cancelled after the balance sheet date. This estimate of premiums to be written includes premiums negotiated but not yet invoiced, as well as premium adjustments corresponding to the difference between minimum premiums and final premiums. It also includes the uncertainties associated with year-end premium issues.

Premiums invoiced are mainly based on the revenue achieved by the Group's policyholders, or on their outstanding customer risk, which in turn depends on revenue. Premiums are therefore directly dependent on revenue volumes in the countries where the Group operates.

In accordance with the requirements of IFRS 17, commissions paid to ceding companies (external partners) are treated as negative premiums and are therefore now deducted from insurance income. They are amortised at the same rate as provisions for unearned premiums.

When commissions are scaled (variation according to the level of claims accepted), an estimate of these commissions is made at each balance sheet date. The latter are treated as claims flows and therefore remain presented under contract service charges as under the previous standard.

- *Premium refunds*

Premium refunds include profit-sharing, bonuses and no-claims bonuses, which are mechanisms for returning part of a policyholder's premium based on the policy's profitability. They also include penalties, which take the form of an additional premium to be charged to policyholders whose policy is in deficit.

"Premium refunds" include provisions based on estimated refunds to be paid.

- *Provision for unearned premiums*

The provision for unearned premiums is calculated pro rata temporis for each insurance contract. It corresponds to the portion of the premium still to run between the period-end date and the date on which the premium cover expires.

The requirements of IFRS 17 to recognise insurance income over the cover period results in slower income recognition than with the Group's previous practice based on the term of the contract.

Insurance expenses:

Expenses directly related to the performance of contracts are recognised in the income statement as insurance expenses, generally when incurred. Expenses that are not directly linked to the performance of contracts are presented outside the insurance result.

Insurance expenses include claims expenses, attributable overheads and the provision for onerous components.

- *Claims expenses*

Claims expenses include claims paid, changes in estimated future cash flows (liability for incurred claims (LIC)) excluding financial effects, and the adjustment for non-financial risk.

Claims paid: Claims paid correspond to indemnities paid net of recoveries received, as well as expenses incurred in handling them.

Estimates of future cash flows: see 2.17 Significant judgments and estimates.
Adjustment for non-financial risk: see 2.17 Significant judgments and estimates.

- *Attributable overheads:*

Attributable acquisition costs include acquisition commissions and other attributable overheads obtained by allocating costs by activity (see 2.17 Significant judgments and estimates).

- *Provision for onerous components:*

The change in the onerous component includes the new allocation, amortisation and reversal for the period.
(See 2.17. Significant judgments and estimates.)

Income and expenses from ceded reinsurance

All ceded reinsurance transactions are risk transfer transactions.

Ceded reinsurance is recognised in accordance with the terms of the various treaties. The reinsurers' share of technical reserves is determined on the basis of the technical reserves recorded in liabilities.

As required by IFRS 17, funds received from reinsurers are now included in assets under "Assets associated with reinsurance contracts held".

Commissions received from reinsurers are calculated on the basis of premiums written. They are then amortised at the same rate as provisions for unearned premiums ceded (unearned premiums ceded correspond to gross unearned premiums multiplied by the cession rate).

Insurance financial income or expenses

Under IFRS 17, changes in the carrying amount of groups of contracts resulting from the effects of the time value of money, financial risk and their variations are generally presented as insurance financial income or expenses.

The Group applies the option offered by IFRS 17 of disaggregating insurance or reinsurance financial expenses between the income statement and other comprehensive income (OCI). In particular, this option allows the reclassification to OCI of a portion of the estimated differences in cash flows arising from changes in financial assumptions.

If the Group derecognises a contract following a transfer to a third party or a modification of the contract, any remaining amount of accumulated OCI for the contract will be reclassified in the income statement.

2.5. Financial assets

i. Classification of financial assets

The classification of financial assets under IFRS 9 that qualify as debt instruments is generally based on the way in which a financial asset is managed (business model) and the characteristics of its contractual cash flows.

IFRS 9 includes three main measurement categories for financial assets – measured at amortised cost, fair value through equity subsequently recyclable through profit or loss (FVOCI-R)[4] and fair value through profit or loss (FVPL)[5].

A financial asset is measured at amortised cost if it meets both of the following conditions, and if it is not designated as measured at fair value:

- it is held as part of a model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specific dates, to cash flows representing solely principal repayments and interest payments on the principal outstanding.

A financial asset is measured at fair value if it meets both of the following conditions, and if it is not designated as measured at fair value:

- it is held as part of a business model whose objective is both the collection of contractual cash flows and the sale of financial assets; and
- its contractual terms give rise, on specific dates, to cash flows representing solely principal repayments and interest payments on the principal outstanding.

All financial assets not classified as measured at amortised cost or at FVOCI as described above are measured at FVPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements for measurement at amortised cost or at FVOCI as being measured at FVPL if this eliminates or significantly reduces any accounting mismatch that would otherwise arise.

Nevertheless, on initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This choice is made on an instrument-by-instrument basis, and means that changes in fair value recognised in OCI cannot be recycled to the income statement when the asset is derecognised, and that only dividends received are recognised separately in the income statement.

The classification and measurement of financial assets held by the Group under IFRS 9 is the following:

- **Debt instruments** are measured at FVOCI or at FVPL, depending on the specific circumstances.
- **Equity instruments** are measured at fair value, excepted a portfolio of listed equity investments held for long-term strategic purposes, designated at FVOCI. The same applies to investments in non-consolidated companies.
- **Derivative assets and liabilities** are measured at FVPL.
- **Loans and receivables** are measured at amortised cost.

ii. Depreciation of assets at amortized cost and at fair value through OCI (FVOCI)

Debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income, are impaired or covered by a provision for expected credit losses (ECL) as of the date of initial recognition.

These financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition. An impairment charge shall be recorded on outstanding amounts in each category, as follows:

[4] FVOCI: Fair value through other comprehensive income / FVOCI-R: Recyclable.
[5] FVPL: Fair value through profit or loss. FVPL-O: on option

Stage 1 (or Bucket 1): These are performing assets for which credit risk has not increased materially since initial recognition. Impairment or provision for credit risk on these loans is recorded in the amount of 12-month expected credit losses.

Stage 2 (or Bucket 2): Performing assets for which credit risk has increased materially since initial recognition are transferred to Stage 2. The impairment or the provision for credit risk is determined on the basis of the instrument's expected credit losses at maturity (lifetime ECL).

Stage 3 (or Bucket 3): These are "impaired" assets as defined by IFRS 9, it is to say assets for which there is objective evidence of impairment loss due to an event that represents a counterparty risk occurring after the initial recognition of the instrument in question. For example, the Group considers coupon non-payment on any of the issuer's issues to be an objective indicator. For this stage, an ECL is applied as equal to the amortised cost of the securities.

The Bucket is not fixed in time, so a financial asset may change Bucket according to its sensitivity and evolution to credit risk. Bucket changes can therefore be made for any significant improvement or deterioration in credit risk.

Credit risk deterioration criteria

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Group' exposures are described below.

The significant increase in credit risk is valued on an individual basis by comparing the default risk on the financial instrument at the closing date with the default risk on the financial instrument at the date of its initial recognition. The default risk is valuated through the external credit notation of the financial instrument. Measuring an increase in the risk should, in most cases, lead to a downgrade to Bucket 2 before the transaction is individually impaired (Bucket 3).

Coface uses the rating based on Standard & Poor's, Moody's, and Fitch notations, by selecting the less favourable of the two better notations.

The monitoring of this rating begins on the date of attribution considered as the date of purchase or on the first date of presence in the portfolio if the rating at purchase is not found. This rating allows a prospective approach taking into account economic scenarios and market conditions. If the instrument is not rated, it is based on the issuer's long-term ratings. Assuming that none of the above ratings would be available, the group has chosen a conservative approach. Indeed, since the rating cannot be monitored over time, he considers that the rating of the securities concerned can be assimilated to a CCC rating. Therefore, these securities will be automatically classified in Bucket 2.

The downgrading or upgrading of notations will result in a change of classification, with thresholds specific to the notation.

More specifically, the change in credit risk is measured on the basis of the following criteria:

Application of the "low credit risk exemption":

The standard allows the credit risk of a financial instrument to be considered not to have increased significantly since initial recognition if it is considered to be low at the closing date. This provision is applied to debt securities rated "investment grade", enabling them to be classified in Bucket 1, except in the specific cases described below. Investment grade" corresponds to ratings of BBB- or equivalent from Standards and Poors, Moody's or Fitch.

Classification by issuer category:

After application of the "Investment grade" exemption, bonds are then tracked according to whether they are issued by OECD sovereign issuers, non-OECD sovereign issuers or non-sovereign (financial institution, insurance or corporate instruments). The impact of rating changes over time on changes in buckets is as follows:

Basel rating		Classification by Bucket		
		Sovereign OCDE	Sovereign out of OCDE	Non Sovereign
Investment Grade (IG)	AAA to A+	Bucket 1	Bucket 1	Bucket 1 Bucket 2 if notches' variation >=3
	A to BBB-			Bucket 1 Bucket 2 if notches' variation >=2
Non Investment Grade (NIG)	BB+ to B-	Bucket 1 Bucket 2 if notches' variation >=2 Bucket 2 if instrument was in "IG" category	Bucket 1 Bucket 2 if notches' variation >=1 Bucket 2 if instrument was in "IG" category	Bucket 1 Bucket 2 if notches' variation >=1
	CCC+ to C	Bucket 2	Bucket 2	Bucket 2

The number of notches shown here indicates the downgrade, a security has been subject to move to Bucket 2, based on its rating at purchase.

New securities purchased are systematically registered in Bucket 1 (B1). In the case of a security rated CCC+ to C, the rating grid indicates that it can remain in B1 only if there is an improvement in the grade. In the case of a downgrade or if the rating remains the same, the security is transferred to B2. This change to B2, if applicable, is made when calculating the ECL following the purchase of the security.

The transition from Bucket 2 to Bucket 1 in the event of a rating upgrade follows the same principles, in a perfectly symmetrical way.

Securities showing objective signs of default may be placed in Bucket 3 (cf. definition of the status 3 given before), this status being reviewed by an ad-hoc committee. The group does not hold securities classified in Bucket 3 as of 31 December 2024 (see Note 3 Insurance business investments).

Finally, the Group does not apply the rebuttable presumption of Bucket 2 status after 30 days of non-payment.

iii. Impairment of financial assets

Methodology for calculating expected credit loss (ECL)

Under IFRS 9, provisions represent expected credit losses (ECLs). Given the credit risk inherent in each receivable, ECLs are measured and discounted on the basis of a probability of default.
The main data items used for ECL measurement are the forward structures of Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD). ECLs for financial assets for which the credit risk has not increased significantly since initial recognition are calculated by multiplying the 12-month PD by the respective LGD and EAD, and discounting the result to the balance sheet date. Maturity ECLs are calculated by summing all ECLs calculated at each annual step between one year and the security's final redemption date (obtained by multiplying each annual PD by the corresponding LGD and EAD, then discounting the result).

For calibration and modelling purposes, a segmentation has been defined on the basis of the counterparties' geographical area and economic sector.

To determine the PD on each segment, and at each annual maturity, the Group will use the PD tables derived from Coface's credit score (DRA).

LGD is the magnitude of the probable loss in the event of default, expressed as a percentage.

The Group estimates LGD parameters using the same segmentation as for PDs, based on historical indemnities and recovery rates for receivables from defaulting counterparties.

In the absence of robust statistical calibration results for a given segment (ratings/sector/geographical area), due to an insufficient number of observed defect occurrences, the Group systematically assigns to this segment the most unfavourable LGD rate among those of the other segments.

The EAD represents the expected exposure at default. The Group deducts the EAD from the current exposure to the counterparty and potential changes in the current amount authorised by the contract, including amortisation and prepayments. The EAD of a financial asset is its carrying amount net of amortisation ("amortised cost") at the time of default.

iv. Derivative financial instruments and hedging transactions

Under IFRS 9, a derivative is a financial instrument:

- whose value fluctuates according to changes in the rate or price of a product called the underlying.
- which requires little or no initial net investment.
- for which settlement is due at a future date.

This is a contract between two parties, a buyer and a seller, which fixes future cash flows based on those of an underlying asset.

In accordance with IFRS 9, derivatives are recognised at fair value through profit or loss, except in the case of effective hedging instruments. In this case, the methods for recognising gains or losses will depend on the hedging relationship to which the derivative is attached.

Derivatives classified as hedges are those that comply, from the inception of the hedging relationship and throughout its term, with the conditions required by IFRS 9, in particular the formal documentation of the existence of an effective hedging relationship between the derivative instruments and the hedged items, on a prospective basis.

- For derivatives concluded as part of a fair value hedge, changes in fair value are systematically recognised in full in the income statement. These changes are partly offset by changes in the fair value of the hedged items (measured at fair value for the portion of risk hedged), which are also recognised in the income statement. The net impact on the income statement is therefore limited to the ineffective portion of the hedge.

- For derivatives designated as cash flow hedges, changes in fair value are recognised in shareholders' equity for the effective portion of the hedge, and in the income statement for the ineffective portion.

Derivative instruments are used for hedging purposes, more specifically foreign exchange hedging, interest rate hedging and fair value hedging of equities in mutual fund portfolios. The Company does not engage in hedging transactions within the meaning of IFRS 9. The instruments used are recognised at fair value through profit or loss.

v. Cash and cash equivalents

Cash includes all bank accounts and sight deposits. Cash equivalents include money market funds with maturities of less than three months.

2.6. Financing liabilities

This item concerns subordinated debt. On initial recognition, financial debt was measured at fair value, to which transaction costs directly attributable to the issuance of the debt were charged.

Costs directly attributable to debt issuance include fees and commissions paid to agents, advisors, brokers and other intermediaries, costs levied by regulatory agencies and stock exchanges, and transfer taxes and duties. They do not include debt redemption or issuance premiums, financing costs, internal administrative costs or head office expenses.

After initial measurement, debt is valued at amortised cost, determined using the effective interest rate (EIR) method. This amortised cost corresponds to:

- the amount of the initial measurement of the financial liability;
- minus principal repayments;
- plus or minus accumulated amortisation (calculated using the EIR method) and any discount or premium between the initial amount and the maturity amount.

Premiums and discounts are not included in the initial cost of a financial liability. However, they are included in the calculation of amortised cost and will therefore be recognised in the income statement on an actuarial basis over the term of the financial liability. Premiums and discounts thus modify the amortised cost of the financial liability as and when they are amortised.

2.7. Other activities

i. Service activity

IFRS 15 "Revenue from Contracts with Customers" applies to companies engaged in information sales and debt collection.

Revenue is recognised when the company has transferred the significant risks and rewards of ownership to the buyer, it is probable that the economic benefits will flow to the buyer, and the amount of revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii. Factoring activity

Factoring receivables

Companies engaged in a factoring activity apply IFRS 9 "Financial Instruments" for the classification and measurement of factoring receivables. A financial instrument is a contract that gives rise to both a financial asset for one company (the contractual right to receive cash or another financial asset from another entity) and a financial liability or equity instrument for another company (the contractual obligation to deliver cash or a financial asset to another entity).

Trade receivables are classified as "loans and receivables". After initial recognition at fair value, receivables are measured at amortised cost using the effective interest rate (EIR) method. The financing commission is spread over the term of the factoring operations, which is equivalent to including this commission in the EIR, given their short-term nature.

Factoring receivables are shown on the assets side of the balance sheet in the amount of all receivables outstanding at the balance sheet date. They are recognised at their face value, corresponding to the amount of invoices assigned, including all taxes, by members.

Two categories of provisions are recorded to reduce factoring receivables:
- impairment losses charged to the income statement ("cost of risk" item) when there is a probable risk of partial or total non-recovery
- impairment losses calculated on the basis of expected credit losses, also charged to the income statement ("cost of risk" item)

The methodology for calculating impairment (expected credit loss (ECL)) is identical to that used for impairment of financial assets (see 2.5 Financial assets) and has been applicable to factoring activity since 1 January 2018.

The net carrying amount of factoring receivables is shown on the assets side of the consolidated balance sheet under "Receivables from banking and other activities".

Banking resources

This item includes:

- payables to banking sector companies; this item includes bank credit lines. They represent the refinancing of the factor of loans granted to members;
- payables to customers of banking sector companies, i.e. factoring accounts payable. These include:
    - on the one hand, amounts credited to members' current accounts that have not been made available in advance by the factor; and
    - on the other hand, the holdbacks set up on each contract;
- financial debt represented by securities; this item includes subordinated loans and non-subordinated bonds. These borrowings are classified under "Resources from banking sector activities" as they are used to finance factoring activity.

All borrowings are initially recognised at fair value less direct transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method.

2.8. Other published information: Consolidated revenue and overheads

i. Consolidated revenue

Although not required by IFRS17, the indicator of consolidated Group revenue including insurance, service and factoring revenue is maintained in the notes to the Group's consolidated financial statements.

Consolidated revenue now comprises:

- Insurance income (see "Insurance income" above);
- Income from other activities, including:
    - remuneration for services related to credit insurance contracts ("premium-related services" and "other related services"), corresponding to debtor information services, credit limit monitoring, debt management and collection;
    - remuneration for sales of access to business solvency information and marketing information services, and the sale of debt collection services from customers without credit insurance;
    - net income from banking activities, corresponding to income from factoring activities located in Germany and Poland. This consists mainly of factoring commissions (received in respect of the management of factored receivables) and net financing commissions (financing margin, corresponding to the amount of financial interest received from factoring customers, less interest paid in respect of the refinancing of factoring debt). Premiums paid by factoring companies to insurance companies (to cover debtor and ceding company risk) are deducted from net banking income.

Consolidated revenue is tracked by country of invoicing (the country of invoicing being the country of the entity issuing the invoice for direct business, and the country of the ceding company for accepted business).

ii. Consolidated overheads

The Group's consolidated overheads indicator is also maintained in the notes to the consolidated financial statements.

Following the application of IFRS 17, they now consist of:

- overheads attributable to insurance contracts, mainly comprising acquisition commissions and other overheads attributable to insurance contracts;
- overheads not attributable to insurance policies;
- overheads relating to factoring activity, classified under "Banking operating expenses";
- other operating expenses of companies with neither insurance nor factoring activities, classified under "Other operating expenses".

2.9. Other operating income and expenses

In accordance with ANC recommendation No 2013-03, the “Other operating income” and “Other operating expenses” headings are added only when a major event occurring during the accounting period is such as to distort the reading of the company’s performance. This concerns a very limited number of unusual, abnormal and infrequent items of income or expense – of particularly significant amount – which Coface wishes to present separately in the income statement to facilitate understanding of current operating performance and to enable better period-on-period comparability, in accordance with the Conceptual Framework principle of relevance of information.

Other operating income and other operating expenses are few in number, clearly identified, non-recurring and significant in terms of consolidated performance.

2.10. Intangible assets and goodwill

i. Intangible assets

Coface capitalises development costs when the following conditions are met:

- the technical feasibility of completing the intangible asset so that it can be used or sold;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell it;
- how the asset will generate probable future economic benefits;
- the current or future availability of the resources needed to carry out the project;
- its ability to reliably measure expenses related to this asset.

Development costs and internally generated software are amortised over their useful life, which may not exceed 15 years.

ii. Goodwill

Under IFRS 3 (revised), the Group measures goodwill at the acquisition date as follows:

- the fair value of the consideration transferred;
- plus the amount recognised for any non-controlling interest in the acquired business;
- plus, if the business combination is achieved in stages, the fair value of any interest previously held in the acquired company;
- less the net amount recognised (generally at fair value) in respect of identifiable assets acquired and liabilities assumed.

Where the difference is negative, a gain on acquisition on advantageous terms is recognised immediately in the income statement.

If new information leads to a reassessment, within 12 months of entry into the scope of consolidation, of the values established at the time of entry into the consolidated balance sheet, these values are modified. This automatically results in a change in the gross value of goodwill.

Goodwill is allocated, at the acquisition date, to one or more groups of cash-generating units (CGUs) likely to derive benefits from the acquisition. Goodwill is not amortised, but is tested for impairment annually, or whenever events or circumstances indicate that it might be impaired (IAS 36.10). Impairment testing is carried out by comparing the net carrying value of the CGU group (including goodwill) with its recoverable amount, corresponding to the higher of fair value less costs to sell and value in use as determined by discounting future cash flows.

Testing on goodwill and intangible assets

In accordance with IAS 36, impairment tests are carried out by grouping strategic entities within the Coface Group's scope of consolidation into CGUs.

A CGU group is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows generated by other groups of assets (other CGUs). IAS 36.80 stipulates that goodwill arising on a business combination must be allocated, from the date of the combination, to the acquiring company's CGU groups, or to the CGU groups that are expected to benefit from the synergies arising from the transaction.

The Coface Group has identified CGU groups that reflect the breakdown used by management in its operational management.

The seven CGU groups are as follows:

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

CGU group valuation method and goodwill impairment testing

Existing goodwill is allocated to each CGU group so that it can be tested. Impairment tests are performed whenever an objective indicator of impairment points to the existence of such a risk, and in any event at least once a year.

The goodwill impairment test is therefore performed by testing the CGU group to which the goodwill has been allocated.

If the carrying amount of the CGU group exceeds its recoverable amount, the corresponding impairment loss is recognised:

- primarily by writing down goodwill (with no possibility of subsequent reversal);
- then by reducing the value of the other assets in the CGU group in proportion to the respective value of each asset.

The recoverable amount is determined by discounting future cash flows.

Method used to value entities

Value in use: discounted free cash flows

Expected cash flows are based on three-year business plans prepared by the operating entities as part of the budget process and validated by Coface Group management.

These forecasts are based on the past performance of each entity and take into account Coface's development assumptions in its various business lines. Coface establishes cash flow projections beyond the period covered by the budgets by extrapolating cash flows over two additional years.

The assumptions made in terms of growth rates, margins or cost and claims ratios take into account the entity's maturity, business history, market outlook and the country in which it operates.

Coface calculates a discount rate and a perpetual growth rate for the measurement of all companies.

Fair value

According to this approach, which is used for information purposes only, Coface values its companies by applying multiples based on net income, sales for service companies, and net asset value (NAV) for insurance and factoring companies. The reference multiples are derived from stock market comparables or recent transactions, so as to take full account of the market valuation of assets.

The multiple valuation is obtained by averaging the net income multiple, the sales multiple for service companies, and the NAV multiple for insurance and factoring companies.

2.11. Property, plant and equipment

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and any impairment losses. Operating property is made up of components with different useful lives; these components are recognised separately and depreciated on a straight-line basis according to their useful life.

Coface Group has identified the following components:

Land	Non-amortisable
Enclosed or covered structure	Amortised over 30 years
Technical equipment	Amortised over 15 years
Interior fittings	Amortised over 10 years

Real estate assets financed through finance leases are presented in the consolidated financial statements as if they had been acquired directly through financial debt.

If the market value of the property is lower than the net carrying value, an impairment loss is recognised.

2.12. Employee benefits

i. Provisions for pensions and other employee benefits

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

Short-term benefits are considered as liabilities in the accounts of the various Coface companies granting them.
Other benefits (long-term benefits and post-employment benefits) are subject to various coverage arrangements as defined below:

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

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

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

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

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

- the actuarial value of benefits related to service cost (including the impact of future salary increases), determined using the projected unit credit method which spreads the actuarial value of benefits evenly over the expected average remaining working lives of the employees participating in the plan.

ii. Stock options

Under IFRS 2 “Share-based Payment”, which notably defines the measurement and recognition of stock options, options are measured at the grant date. For this purpose, the Group applies the Black & Scholes valuation model. Changes in value subsequent to the grant date have no impact on this initial valuation.

The value of the options depends on their expected life, which the Group considers to correspond to their period of unavailability for tax purposes. This value is recognised in personnel costs on a straight-line basis from the grant date, over the vesting period, with a corresponding adjustment to shareholders’ equity.

In connection with its IPO, the Coface Group granted certain beneficiaries (employees of Coface SA subsidiaries) bonus shares (see note 9).

In accordance with IFRS 2, only plans granted after 7 November 2002 and not yet vested as of 1 January 2005 have been measured and recognised in employee personnel expenses.

2.13. Taxes

The tax expense comprises current and deferred tax.

i. Current tax

Current tax is calculated in accordance with the tax laws in force in each country where the results are taxable.

The parent company Coface SA and its French subsidiaries over 95% owned (Compagnie française d’assurance pour le commerce extérieur, Cofinpar, Cogeri and Fimipar) have been consolidating their tax results via a tax consolidation regime since 2015.

ii. Deferred tax

Deferred tax is recognised for temporal differences between the values of assets and liabilities in the consolidated financial statements and those used to determine taxable income.

Deferred tax liabilities and receivables are calculated using the tax rate that will be in force on the probable date of reversal of the differences concerned; or, failing this, using the tax rate in force on the balance sheet date.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to absorb the temporary differences and tax loss carryforwards within a reasonable timeframe.

Current and deferred tax assets and liabilities are offset only if certain criteria are met.

iii. New “GloBE Rules” or “Pillar 2”

The “Global rules to combat tax base erosion” (commonly referred to as “GloBE Rules” or “Pillar 2”), defined at international level by the OECD/G20 Inclusive Framework and whose implementation is required in France by Council Directive (EU) 2022/2523 of 15 December 2022 and transposed into French law by the Finance Act of 29 December 2023 (2023-13-22), are intended to guarantee effective taxation of 15%, assessed by jurisdiction, for groups of companies with revenue of at least €750 million.

To this end, these groups must determine, in each jurisdiction in which they operate, their GloBE effective tax rate (which is calculated on the basis of a common definition of taxes covered and a tax base determined by reference to accounting income restated on a uniform international basis) and, if this turns out to be lower than the minimum rate, pay an additional tax.

The additional tax will be levied through the income inclusion rule (for periods beginning on or after 31 December 2023, in practice 1 January 2024). Consequently, these new GloBE Rules have no accounting impact on the Group’s financial statements as of 31 December 2023.

Amendments to IAS 12 – International tax reform – Model Pillar rules

In the Group’s financial statements as of 31 December 2024, no deferred tax relating to Pillar 2 is recorded following application of the mandatory temporary exemption introduced by the amendment to IAS 12. The amendment to IAS 12 was published by the IASB on 23 May 2023, adopted by the EU on 8 November 2023 and is applicable on or after 1 January 2023.

As of 31 December 2024, it is estimated that around 10 countries out of a total of 57 in which Coface operates will not benefit from the safeguard measures.

For these jurisdictions, the overall impact of the additional GloBE tax as of 31 December 2024 is not material for the Group.

2.14. Leases

Under IFRS 16, the definition of a lease requires both the identification of an asset and control by the lessee of the right to use that asset. Control is established when the lessee holds both of the following rights throughout the lease term:

- The right to obtain substantially all the economic benefits arising from the use of the asset;
- The right to decide on the use of the property.

Coface only operates as a lessee. For the latter, the standard requires all leases to be recognised on the balance sheet in the form of a right of use over the leased asset, recorded under fixed assets, and a financial liability to be recognised under liabilities in respect of lease payments and other payments to be made over the lease term. Coface makes use of the exemptions provided for in the standard, leaving unchanged the accounting treatment of leases of short duration (less than 12 months) or involving low-value underlying assets (less than US$5,000).

Lease term

The use of rights is amortized on a straight-line basis and financial liabilities are amortized on an actuarial basis over the term of the lease. In accordance with IFRS 16, the lease term corresponds to the non-cancellable lease period plus any periods covered by termination options that the lessee is reasonably certain not to exercise. In general, the term is nine years for “3/6/9” real estate leases under French law.

For contracts subject to tacit extension, the lease term is determined, firstly, based on the establishment's judgment in view of its real estate strategy, and secondly, in the absence of ad hoc information, by limiting the duration on the basis of the timeframe.

It is stipulated that a lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

Coface assesses whether it is reasonably certain to exercise an option by considering all relevant facts and circumstances that create an economic incentive for it to exercise, or not to exercise, the option, such as:

- contractual terms and conditions for the optional periods compared with market rates (amount of payments for the lease including payments resulting from termination penalties and residual value guarantees);
- significant leasehold improvements undertaken;
- costs relating to the termination of the lease (negotiation costs, relocation costs, costs of identifying another underlying asset suitable for the lessee's needs, costs associated with returning the underlying asset in a contractually specified condition, etc.);
- the importance of the underlying asset for Natixis' operations considering whether it is a specialized asset, or its location;
- its past practice of renewing leases of similar assets, but also its strategy regarding the future use of the assets.

Measurement of lease liabilities

At the lease commencement date, payments considered to determine lease liabilities include payments for the right to use the underlying asset during the lease term that are not paid at the commencement date, i.e.:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable. In-substance fixed lease payments are payments that may, in form, contain variability but that, in substance, are unavoidable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date; and
- where applicable, any amounts expected to be payable by Coface to the lessor under residual value guarantees, purchase options or payments of penalties for terminating the lease.

Payments considered to determine lease liabilities exclude value added tax and housing tax, which fall under the scope of interpretation of IFRIC 21 "Levies", as well as property tax and insurance premiums reinvoiced (where applicable) by the lessor, which constitute variable lease payments (where the amounts reimbursed are not contractually predetermined).

In accordance with IFRS 16, lease payments are discounted at the interest rate implicit in the lease, i.e. the lessee's incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Coface applies the marginal rate to its lease payments. This marginal rate depends on the contract term and currency. It also considers Coface's credit spread and EONIA rate.

Lease liabilities are booked under "Lease liabilities" in the consolidated balance sheet. The interest expense relating to the financial liability is recognized under "Financial costs".

Recognition of a right-of-use asset

At the inception of the lease, the right-of-use asset is recognized at a value equal to the lease liability amount at that date, adjusting for payments made to the lessor prior to or on that date and not therefore included in the measurement of the lease liability, less any lease incentives received. Where applicable, this amount is adjusted to consider the initial direct costs incurred by the lessee and an estimate of the costs of dismantling and refitting, to the extent that the terms and conditions of the lease so require, in which case an outflow is likely and can be estimated to a sufficient degree of reliability.

Right-of-use assets are recognized under "Operating building and other tangible assets" in the consolidated balance sheet, within the same line item as assets of the same nature and which are wholly owned and the depreciation charge for the right of use is carried over to the income statement under "G&A – Overheads Services".

The value of rights of use may be subsequently adjusted in the event the lease is amended or the lease term re-estimated, and to factor in any contractual rent changes stemming from the application of an index or rate.Provisions

Under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised at the balance sheet date when there is a present obligation as a result of a past event towards a third party at that date, and if it is probable or certain, at the balance sheet date, that it will result in an outflow of resources to third parties , representing the economic benefits required to settle the obligation and a reliable estimate of the amount of the obligation.

They are discounted if the impact is significant.

Provisions for liabilities and charges include provisions for tax risks (excluding income tax), for disputes with third parties and for vacant premises. These provisions are reviewed at each balance sheet date.

The provision for vacant premises is calculated by taking into account the future rents that the company is committed to paying until the end of the lease, less any future income expected from subletting.

2.15. Related parties

A related party is a person or entity that is related to the entity preparing its financial statements (referred to as the "reporting entity" in IAS 24).

2.16. Significant judgments and estimates

i. Summary of the main balance sheet items

The main balance sheet items for which estimates are provided by management are shown in the table below:

Estimate	Note(s)	Nature of information requested
Goodwill impairment	1	An impairment loss is recognised when the recoverable amount, determined as the higher of value in use and fair value, is less than the carrying amount. The value in use of cash-generating units is determined on the basis of assumptions concerning the cost of capital, long-term growth rates and the loss ratio.
Impairment of factoring receivables	4	Impairment losses on factoring receivables include a portion calculated on the basis of expected credit losses (IFRS 9)
Provision for earned premiums not written (component of provision for remaining LRC cover)	17	Established on the basis of an estimate of expected premiums for the period, less premiums recognised.
Provision for premium refunds (component of provision for remaining cover or LRC)	17; 22	Established on the basis of an estimate of the amount of premium refunds to be paid to policyholders under the terms of the contract taken out.
Estimate of future cash flows (component of the provision for claims incurred or LIC); see section below	15; 38	Calculated on a statistical basis corresponding to the best estimate of the final amount of claims that will be settled after extinction of the risk and after any recovery action.
Adjustment for non-financial risk (component of the provision for claims	15; 38	Determined in order to reflect the compensation the Group would require to bear the non-financial risk and its degree of

incurred or LIC); see section below		risk aversion. Determined using the confidence level technique.
Pension commitments	14	Under IAS 19, pension commitments are valued actuarially on the basis of the Group's assumptions.

ii. Insurance technical provisions

The contracts managed by the Coface Group's insurance subsidiaries meet the definitions of insurance contracts set out in IFRS 17, and are therefore measured and recognised in accordance with this standard and the Group accounting policies described above.

The establishment of insurance technical reserves requires the Coface Group to make estimates, essentially based on assumptions about changes in factors relating to the insured and its debtor as well as their economic, financial, social, regulatory or political environment, which may differ from subsequent observations, particularly if they affect the Coface Group's main portfolios simultaneously. The use of these assumptions implies a high degree of judgment on the part of the Coface Group, which could affect the level of provisioning and consequently have a material adverse effect on the Coface Group's financial position, results of operations or solvency margin.

Estimates of future cash flows

In estimating future cash flows, the Group impartially integrates all reasonable and justifiable information that is available without excessive cost or effort at the balance sheet date. This information includes internal and external historical data on claims and other experience, updated to reflect current expectations of future events.

Estimates of future cash flows, or best estimates, are calculated mainly on the basis of the granularity of the contract group, but the provisioning segment may be more precise if necessary. The usual actuarial methodologies are used (Bornhuetter-Ferguson method for the last two attachment years and Chain Ladder method for previous years). Details by entity are calculated using an allocation process.

Future best estimates reflect the Group's opinion of current conditions at the balance sheet date, insofar as estimates of any relevant market variables are consistent with observable market prices.

When making best estimates, the Group takes into account current expectations of future events that could affect these cash flows. However, expectations of future changes in legislation that would modify or release a current obligation, or create new obligations under existing contracts, are not taken into account until the change in legislation is actually enacted.

Cash flows within the boundaries of a contract are those directly linked to the execution of the contract, including those for which the Group has discretionary power over their amount or timing. They include payments to policyholders (or on their behalf), cash flows relating to the acquisition of insurance and other costs incurred in the performance of contracts. Cash flows linked to the acquisition of insurance and other costs incurred in the performance of contracts include both direct costs and the allocation of fixed and variable overheads.

Overheads are allocated to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using systematic and rational methods that are applied consistently to all costs with similar characteristics.

The Group applies the PAA to all reinsurance portfolios. As such, the best estimate of ceded reinsurance treaties is calculated by applying the terms and conditions of the reinsurance treaties to the best estimate of the insurance treaties issued. The best estimate must also include the effect of the risk of non-performance on the part of the issuer of the reinsurance treaty, which Coface considers to be immaterial.

Discount rate

The Group uses the bottom-up approach to determine discount curves. This approach consists of determining discount rates by adjusting a yield curve without adjusting for volatility, to reflect the differences between the liquidity characteristics of the financial instruments underlying the rates observed on the market and the liquidity characteristics of the insurance.

The Group uses the Eiopa risk-free yield curve:[6]

Maturity	1 year		2 years		5 years		10 years	
Year	2024.12	2023.12	2024.12	2023.12	2024.12	2023.12	2024.12	2023.12
EUR	2.236%	3.357%	2.093%	2.69%	2.142%	2.323%	2.267%	2.393%
USD	4.180%	4.76%	4.086%	4.056%	4.017%	3.499%	4.067%	3.449%
HKD	3.628%	4.285%	3.492%	3.734%	3.345%	3.276%	3.395%	3.286%
GBP	4.457%	4.735%	4.263%	4.021%	4.038%	3.355%	4.072%	3.284%

Adjustment for non-financial risk

The non-financial risk adjustment is determined to reflect the compensation the Group would require to bear the non-financial risk and its degree of risk aversion.

The adjustment for non-financial risk is determined using the confidence level technique. The Group applies this technique to the gross amount and calculates the amount of risk transferred to the reinsurer by applying the terms and conditions of the reinsurance treaties.

By applying the confidence level technique, the Group estimates the probability distribution of the expected present value of future cash flows of contracts at each reporting date and calculates the adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of future cash flows, taking into account the associated risks over all future years.

The adjustment for non-financial risk is based on a confidence level approach with a probability level between 90% and 95%.

The Group allocates the change in the non-financial risk adjustment between income from insurance activities and financial income or expense from insurance activities.

iii. Financial assets

Similarly, for some of the Coface Group's financial assets for which there is no active market or where observable values are limited or unrepresentative, fair value is measured using valuation techniques based on methodologies or models using assumptions or assessments that involve a significant degree of judgment.

It cannot be guaranteed that fair value estimates based on such valuation techniques represent the price at which a security may ultimately be disposed of or at which it may be disposed of at a specific time.

Assessments and estimates are revised when conditions change or when new information becomes available.

In light of this information and in accordance with the accounting principles and methods described in the consolidated financial statements, the Coface Group's management regularly analyses, assesses and arbitrates, at its discretion, the

[6] Eiopa: European Insurance and Occupational Pensions Authority. The discounting curve does not include illiquidity premiums, as the impact is deemed insignificant for the Group. At 31 December 2023, the curve used was that at end-December 2023. At 31 December 2024, the curve was that at end-December 2024.
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causes of any decline in the estimated fair value of securities, the prospects for their recovery in the short term and the level of impairment provisions deemed appropriate.

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

Standards and amendments published but not yet effective

Amendments to the Classification and Measurement Requirements for Financial Instruments in IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

These amendments, issued on May 30, 2024, will be effective on January 1, 2026, with earlier application permitted. They have not yet been endorsed by the European Union. They result from the post-implementation review of the classification and measurement requirements in IFRS 9 - Financial Instruments and related requirements in IFRS 7 - Financial Instruments: Disclosures. These amendments improve the requirements in IFRS 9 and IFRS 7 related to settling financial liabilities using an electronic payment system as well as to assessing contractual cash flow characteristics of financial assets with contingent features, including those with environmental, social and governance (ESG)-linked features.

The amendments also modify disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and add disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The assessment of their impact on the Group's Consolidated Financial Statements is in progress.

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 - Presentation and Disclosure in Financial Statements, published on April 9, 2024, will be effective on January 1, 2027, with earlier application permitted. The standard has not yet been endorsed by the European Union. It is aimed at improving the quality and cross-industry comparability of financial reporting, notably by introducing defined subtotals in the statement of profit or loss, adding new principles for aggregation and disaggregation of information and requiring disclosures about management-defined performance measures. It will replace IAS 1 - Presentation of Financial Statements. The assessment of its impact on the Group's Consolidated Financial Statements is in progress.

Other IFRS requirements not yet effective

The amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, published on August 15, 2023 and effective for annual periods beginning on or after January 1, 2025, are not expected to have a material impact on the Group's Consolidated Financial Statements.

Note 1. Goodwill

The change in goodwill decreased by €1,463 thousand at December 31, 2024; This change is due to the entry into the scope of consolidation of Coface Services Greater China (+€675 thousand) and the variation in exchange rates (+€788 thousand).

Breakdown of goodwill by region :

(in thousands of euros)	DEC. 31, 2024	Dec. 31, 2023
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,942	8,951
Mediterranean & Africa	22,785	22,389
North America & Latin America	6,699	6,298
Asia Pacific	675	(0)
TOTAL	**156,772**	**155,309**

Impairment testing methods

Goodwill and shares in subsidiaries were tested for impairment losses at December 31, 2024. Coface performed the tests by comparing the value in use of the groups of cash-generating units (CGU) to which goodwill was allocated with their carrying amounts.

The value in use corresponds to the present value of the future cash flows expected to be generated by an asset or a CGU. This value is determined using the *discounted cash flows* method, based on the three-year business plan drawn up by subsidiaries and validated by Management. Cash flows are extrapolated for an additional two years using target *loss* and *cost ratios*. Beyond this five-year period, the terminal value is calculated by projecting the final year cash flows to perpetuity.

The main assumptions used to estimate the value in use of the groups of CGUs are a long-term growth rate of 2.0% for all entities and the weighted average cost of capital.

The table below summarizes the key assumptions used for goodwill impairment testing at December 31, 2024:

(in millions of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean and Africa	North America
Cost of capital	9,4%	9,4%	9,4%	9,4%	9,4%
Perpetual growth rate	2,0%	2,0%	2,0%	2,0%	2,0%
Contribution to consolidated net assets	438,0	615,0	151,3	321,9	110,3

The assumptions used in December 2023 were:

(in millions of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean and Africa	North America
Cost of capital	9,4%	9,4%	9,4%	9,4%	9,4%
Perpetual growth rate	2,0%	2,0%	2,0%	2,0%	2,0%
Contribution to consolidated net asset	419,2	538,6	117,3	362,7	103,3

Sensitivity analysis on valuations

Sensitivity analysis were performed on the valuations established for impairment testing. The following factors have been used:

- long-term growth rate sensitivity: the impairment tests were stressed for a 0.5-point decrease in the perpetual growth rate applied. The analysis showed that such a 0.5-point decrease would have an impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2024;
- cost of capital sensitivity: the impairment tests were stressed for a 0.5-point increase in the cost of capital applied. The analysis showed that such a 0.5-point increase would have an impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2024;
- cost and loss ratios sensitivities for the last year of the business plan (2029): The analysis showed that such a 1 at 2-point decrease would have an impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the semester ended December 31, 2024;

CGUs valuations sensitivity to selected assumptions is shown in the following table:

Outcome of impairment tests

(in millions of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean and Africa	North America
Contribution to consolidated net assets (1)	438,0	615,0	151,3	321,9	110,3
Value in use of CGU	871,6	1 090,3	387,5	946,1	114,8
Sensitivity: Long-term growth rate -0.5 point (2)	838,7	1 042,3	384,9	908,9	107,0
Sensitivity: WACC +0.5 point (2)	827,3	1 027,8	379,5	896,9	105,4
Sensitivity: Loss/ Cost Ratio 2029 +1 point (2)	839,2	958,6	381,4	887,9	89,2
Sensitivity: Loss/ Cost Ratio 2029 +2 points (2)	806,7	826,5	360,1	829,6	63,6

(1) The contribution to the consolidated Group's net assets corresponds to the book value

(2) Sensitivity analysis were performed on the value in use of each CGU.

Note 2. Other intangible assets

(in thousan$D$s of euros)	Net value	Net value
Development costs and software	80,955	81,740
Purchased goodwill	2,486	2,383
Other intangible assets	216	282
TOTAL	**83,657**	**84,405**

(in thousands of euros)	DEC. 31,2024		
	Gross amount	Amortisation and impairment	Net value
Development costs and software	285,304	(204,349)	80,955
Purchased goodwill	4,168	(1,683)	2,486
Other intangible assets	3,000	(2,784)	216
TOTAL	**292,472**	**(208,816)**	**83,657**

(in thousands of euros)	DEC. 31,2023		
	Gross amount	Amortisation and impairment	Net value
Development costs and software	262,961	(181,221)	81,740
Purchased goodwill	3,965	(1,582)	2,383
Other intangible assets	2,843	(2,561)	282
TOTAL	**269,769**	**(185,364)**	**84,405**

The Group's intangible assets consist mainly of development costs (on several IT projects).

These investments amounted to €20.5 million in 2023 financial year compared to €22.6 million in 2024 financial year.

Change in the gross amount of intangible assets

(in thousands of euros)	DEC. 31,2023	Scope entry	Increases	Decreases	Curency translation	DEC. 31,2024
Development costs and software	262,961	198	21,982	(205)	369	285,304
Purchased goodwill	3,965	(0)	(0)	(0)	203	4,168
Other intangible assets	2,843	194	37	(13)	(61)	3,000
TOTAL	**269,769**	**392**	**22,019**	**(218)**	**511**	**292,472**

(in thousands of euros)	Dec. 31, 2022	Scope entry	Increases	Decreases	Curency translation	DEC. 31,2023
Development costs and software	260,160	6	22,215	(17,745)	(1,675)	262,961
Purchased goodwill	4,119	(0)	(0)	(0)	(154)	3,965
Other intangible assets	2,816	(0)	132	(64)	(40)	2,843
TOTAL	**267,095**	**6**	**22,347**	**(17,809)**	**(1,869)**	**269,769**

Change in accumulated amortisation and impairment of intangible assets

(in thousands of euros)	DEC. 31,2023	Scope entry	Additions	Reversals	Curency translation variation and other	DEC. 31,2024
Accumulated amortization - development costs and software	(181,087)	(171)	(23,180)	207	14	(204,216)
Accumulated impairment - development costs and software	(133)	(0)	(0)	(0)	(0)	(133)
Total amortisation and impairment - development costs and software	**(181,221)**	**(171)**	**(23,180)**	**207**	**14**	**(204,349)**
Accumulated amortization - purchased goodwill	(1,582)	(0)	(0)	(0)	(101)	(1,683)
Accumulated impairment - purchased goodwill	(0)	(0)	(0)	(0)	(0)	(0)
Total amortization and impairment - purchased goodwill	**(1,582)**	**(0)**	**(0)**	**(0)**	**(101)**	**(1,683)**
Accumulated amortization - other intangible assets	(2,559)	(194)	(61)	12	15	(2,787)
Accumulated impairment - other intangible assets	(2)	(0)	(0)	(0)	6	4
Total amortization and impairment - other intangible assets	**(2,561)**	**(194)**	**(61)**	**12**	**21**	**(2,784)**
TOTAL	**(185,364)**	**(365)**	**(23,241)**	**219**	**(66)**	**(208,817)**

Note 3. Insurance business investments

Analysis by category

At December 31, 2024, the carrying amount of Fair value through OCI (FVOCI) securities amounted to € 2 713 millions, securities Amortized cost securities (excluding loans and receivables) came to € 3 millions and Fair value through Profit or loss (FVTPL) securities was € 526 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 December 31, 2024 was as follows:

- Bonds rated “AAA”: 9%
- Bonds rated “AA” and “A”: 51%
- Bonds rated “BBB”: 35%
- Bonds rated “BB” and lower: 5%.

	DEC. 31, 2024						DEC. 31, 2023					
(in thousands of euros)	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 (*) recyclable	**2,711,934**	**(582)**	**1,217**	**2,712,569**	**2,712,569**	**(0)**	**2,447,074**	**(391)**	**(79,375)**	**2,367,309**	**2,367,309**	**(0)**
Bonds and government securities	2,592,333	(582)	(37,090)	2,554,661	2,554,661		2,332,159	(391)	(86,436)	2,245,332	2,245,332	
Equities and other variable-income securities	48,302		24,725	73,027	73,027		50,178		(2,795)	47,382	47,382	
Equities at FV OCI not recyclable	71,299		13,582	84,881	84,881		64,737		9,857	74,594	74,594	
Amortized cost	**118,175**	**(0)**	**(0)**	**118,175**	**118,000**	**(175)**	**143,211**	**(0)**	**(0)**	**143,211**	**142,988**	**(223)**
Bonds and government securities	3,040			3,040	2,865	(175)	3,047			3,047	2,824	
Loans and receivables	115,135			115,135	115,135		140,164			140,164	140,164	
Faire Value Profit or Loss	**553,155**	**(0)**	**(26,883)**	**526,272**	**526,272**	**(0)**	**851,555**	**(0)**	**(23,652)**	**827,903**	**827,903**	**(0)**
Debt	24,815		(51)	24,764	24,764		23,246		(2,101)	21,145	21,145	
Equities and other variable-income securities	23		(0)	23	23		5,858		(7)	5,851	5,851	
Shares in non-trading property companies	184,950		(34,639)	150,311	150,311		206,653		(26,721)	179,932	179,932	
UCIT	343,367		7,807	351,174	351,174		615,799		5,176	620,975	620,975	
Derivatives	**(0)**		**185**	**185**	**185**	**(0)**	**(0)**		**2,402**	**2,402**	**2,402**	**(0)**
Derivatives positive fair value			185	185	185				2 402	2 402	2 402	
Investment property	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**695**	**(0)**	**(407)**	**288**	**288**	**(0)**
TOTAL	**3,383,265**	**(582)**	**(25,482)**	**3,357,201**	**3,357,026**	**(175)**	**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)	185	2,402
Derivatives negatif fair value (Liabilities)	4,110	27
TOTAL	**(3,926)**	**2,374**

Analysis by flows

(in thousands of euros)	DEC. 31, 2024						
	Carrying amount opening	**Increases**	**Decreases**	**Revaluation**	**Impairment**	**Other movements**	**Carrying amount closing**
Fair Value OCI (*) recyclable	**2,367,309**	**1,292,907**	**(1,039,192)**	**82,465**	**(184)**	**9,264**	**2,712,569**
Bonds and government securities	2,245,332	1,291,669	(1,033,782)	49,790	(184)	1,837	2,554,661
Equities and other variable-income securities	47,382	511	(5,410)	28,950		1,594	73,027
Equities at FV OCI not recyclable	74,594	727	(0)	3,725	(0)	5,834	84,881
Amortized cost	**143,211**	**284,877**	**(308,959)**	**(0)**	**(0)**	**(954)**	**118,175**
Bonds and government securities	3,047	(0)	(7)	(0)	(0)	(0)	3,040
Loans and receivables	140,164	284,877	(308,952)	(0)	(0)	(954)	115,135
Fair Value Profit Loss	**827,903**	**1,625,488**	**(1,919,847)**	**(2,885)**	**(0)**	**(4,386)**	**526,272**
Bonds and government securities	21,145	32,810	(31,243)	2,050		3	24,764
Equities and other variable-income securities	5,851			7		(5,834)	23
Shares in non-trading property companies	179,932		(24,562)	(7,918)		(0)	150,311
UCIT	620,975	1,589,818	(1,864,042)	2,977		1,446	351,174
Derivatives (positive fair value)	**2,402**	**(0)**	**(2,218)**	**(0)**		**1**	**185**
Derivatives positive fair value	2,402	(0)	(2,218)	(0)		1	185
Investment property	**288**	**(0)**	**(695)**	**407**	**(0)**	**(0)**	**(0)**
TOTAL	**3,341,112**	**3,203,272**	**(3,270,912)**	**79,988**	**(184)**	**3,926**	**3,357,201**

(*) Other Comprehensive Income, equity

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 bucket’s classification.

(in thousands of euros) Gross of provision	**Balance sheet value**	**Bucket 1**	**Bucket 2**	**Bucket 3**
FV OCI R (*) - Debt instruments	2,555,243	2,533,626	21,618	(0)
Amortized cost - Debt instruments	3,040	3,040	(0)	(0)
Amortized cost - Loans and receivables	115,135	115,135	(0)	(0)
Total as at DEC. 31, 2024	**2,673,419**	**2,651,801**	**21,618**	**(0)**

(in thousands of euros) Provision	**Balance sheet value**	**Bucket 1**	**Bucket 2**	**Bucket 3**
FV OCI R (*) - Debt instruments	(582)	(467)	(116)	(0)
Amortized cost - Debt instruments	(0)	(0)	(0)	(0)
Amortized cost - Loans and receivables	(0)	(0)	(0)	(0)
Total as at DEC. 31, 2024	**(582)**	**(467)**	**(116)**	**(0)**

(in thousands of euros) Net of provision	**Balance sheet value**	**Bucket 1**	**Bucket 2**	**Bucket 3**
FV OCI R (*) - Debt instruments	2,554,661	2,533,159	21,502	(0)
Amortized cost - Debt instruments	3,040	3,040	(0)	(0)
Amortized cost - Loans and receivables	115,135	115,135	(0)	(0)
Total as at DEC. 31, 2024	**2,672,836**	**2,651,334**	**21,502**	**(0)**

(*) Fair Value by OCI (Other Comprehensive Income) recyclable at P&L

Transfer of buckets (Closing positions)

Bucket 1	Carrying amount Y-1	Securities acquired during the period	Transfer towards B2	Transfer towards B3	Securities sold / redeemed during the year	Revaluation	FX impacts & Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**2,224,000**	**1,284,758**	**546**	**(0)**	**(1,025,073)**	**49,725**	**(331)**	**2,533,626**
- Bonds and government securities	2,224,000	1,284,758	546	(0)	(1,025,073)	49,725	(331)	2,533,626
Debt instruments at amortized cost	**143,211**	**284,877**	**(0)**	**(0)**	**(308,959)**	**(0)**	**(954)**	**118,175**
- Bonds and government securities	3,047	(0)	(0)	(0)	(7)	(0)	(0)	3,040
- Loans and receivables	140,164	284,877	(0)	(0)	(308,952)	(0)	(954)	115,135

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**	**6,911**	**(546)**	**(0)**	**(8,709)**	**65**	**2,174**	**21,618**
- Bonds and government securities	21,723	6,911	(546)	(0)	(8,709)	65	2,174	21,618
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)**	**(634)**	**8**	**(0)**	**474**	**3**	**(467)**
- Bonds and government securities	(309)	(634)	8	(0)	474	3	(467)
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)**	**(166)**	**(8)**	**(0)**	**142**	**(10)**	**(116)**
- Bonds and government securities	(82)	(166)	(8)	(0)	142	(10)	(116)
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.

During the 2024 year, the majority of the derivative transactions carried out by the Group concerned the systematic hedging of currency risk via swaps or currency futures for primarily USD-denominated bonds held in the investment portfolio.

Regarding the bond portfolio, one-off interest rate hedges were put in place by certain managers in order to hedge risk.

None of these transactions qualified for hedge accounting under IFRS, as they were mainly currency transactions and partial market hedges.

Financial instruments recognised at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorises the inputs used to measure fair value into three levels as follows:

Level 1: Quoted prices in active markets for an identical financial instrument.

Level 1 securities represent 92.2% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis;

- government bonds and bonds indexed to variable interest rates;

- French units in money-market funds, SICAV.

Level 2: Use of inputs, other than quoted prices for an identical instrument that are directly or indirectly observable in the market (inputs corroborated by the market such as yield curves, swap rates, multiples method, etc.).

Level 2 securities represent 6.6% of the Group's portfolio. This level is used for the following instruments:

- unlisted equities;

- Loans and receivables due from banks or clients and whose fair value is determined using the historical cost method.

Level 3: Valuation techniques based on unobservable inputs such as projections or internal data.

Level 3 securities represent 1.2% of the Group's portfolio. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as of December 31, 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 recyclable	**2,712,569**	**2,712,569**	**2,569,410**	**70,132**	**73,027**
Bonds and government securities	2,554,661	2,554,661	2,484,529	70,132	
Equities and other variable-income securities	73,027	73,027			73,027
Equities at FV OCI not recyclable	84,881	84,881	84,881		
Shares in non-trading property companies					
Amortized cost	**118,175**	**118,000**	**2,865**	**115,135**	**(0)**
Bonds and government securities	3,040	2,865	2,865		
Loans and receivables	115,135	115,135		115,135	
Faire Value Profit Loss	**526,272**	**526,272**	**523,143**	**3,129**	**(0)**
Bonds and government securities	24,764	24,764	24,764		
Equities and other variable-income securities	23	23	23		
Shares in non-trading property companies	150,311	150,311	150,311		
UCIT	351,174	351,174	348,045	3,129	
Loans and receivables					
Derivatives (positive fair value)	**185**	**185**	**(0)**	**185**	**(0)**
Derivatives positive fair value	185	185	(0)	185	
Investment property	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
TOTAL	**3,357,201**	**3,357,026**	**3,095,418**	**188,581**	**73,027**

Movements in Level 3 securities as of December 31, 2024

(in thousands of euros)	DEC. 31, 2023	Gains and losses recognized in the period In income	Gains and losses recognized in the period Directly in equity	Transactions for the period Purchases/ Issues	Transactions for the period Sales/ Redemptions	Other movements	Changes in scope of consolidation	Exchange rate effects	DEC. 31, 2024
Fair Value OCI recyclable	**47,382**	**(0)**	**28,950**	**(0)**	**(4,899)**	**(374)**	**3,574**	**(1,607)**	**73,027**
Equities and other variable-income securities	47,382		28,950		(4,899)	(374)	3,574	(1,607)	73,027
Investment property	**288**	**(0)**	**(0)**	**(0)**	**(288)**	**(0)**	**(0)**	**(0)**	**(0)**
TOTAL	**47,670**	**(0)**	**28,950**	**(0)**	**(5,187)**	**(374)**	**3,574**	**(1,607)**	**73,027**

Note 4. Receivables arising from banking activities

Breakdown by nature

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Receivables arising from banking sector	3,090,178	2,903,980
Non-performing receivables arising from banking sector	4,538	11,558
Allowances for receivables arising from banking sector	(4,538)	(11,558)
TOTAL	**3,090,178**	**2,903,980**

Breakdown by age

Receivables arising from banking and other activities represent receivables acquired within the scope of factoring agreements.

They are recognised at cost within assets in the balance sheet and they are classified as level 1. Factoring receivables include both receivables whose future recovery is guaranteed by Coface and receivables for which the risk of future recovery is borne by the customer.

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

IFRS 9 requires an approach based on expected credit losses (ECL) for recognizing provisions on receivables, including those related to factoring. As a result, loss provisions covering factored receivables are accounted for under IFRS 9 as impairments of factored receivables.

	DEC. 31, 2024					
		Due				
(in thousands of euros)	Not Due	- 3 Months	3 Months to 1 Year	1 to 5 Years	+ 5 Years	Total
Receivables arising from banking and other activities	2,556,559	531,892	1,726	(0)	(0)	3,090,178
Non-performing receivables arising from banking and other activities	(0)	(0)	214	1,104	3,220	4,538
Allowances for receivables arising from banking and other activities	(0)	(0)	(214)	(1,104)	(3,220)	(4,538)
Total receivables arising from banking and other activities	**2,556,559**	**531,892**	**1 726**	**0**	**0**	**3,090,178**
Claims reserve as hedge for factoring receivables	(0)	(0)	(0)	(0)	(0)	(0)
Total receivables arising from banking and other activities after claims reserves	**2,556,559**	**531,892**	**1 726**	**0**	**0**	**3,090,178**

	DEC. 31, 2023					
		Due				
(in thousands of euros)	Not Due	- 3 Months	3 Months to 1 Year	1 to 5 Years	+ 5 Years	Total
Receivables arising from banking and other activities	2,203,092	699,499	1,389	(0)	(0)	2,903,980
Non-performing receivables arising from banking and other activities	(0)	(0)	1,500	7,588	2,471	11,558
Allowances for receivables arising from banking and other activities	(0)	(0)	(1,500)	(7,588)	(2,471)	(11,558)
Total receivables arising from banking and other activities	**2,203,092**	**699,499**	**1,389**	**(0)**	**(0)**	**2,903,980**
Claims reserve as hedge for factoring receivables	(0)	(0)	(0)	(0)	(0)	(0)
Total receivables arising from banking and other activities after claims reserves	**2,203,092**	**699,499**	**1,389**	**(0)**	**(0)**	**2,903,980**

Note 5. Operating building and other tangible assets

	DEC. 31, 2024	DEC. 31, 2023
(in thousands of euros)	Net value	Net value
Buildings used for operational purposes	12,894	14,193
Other property, plant and equipment	14,198	13,612
Right-of-use assets for lessees	61,587	57,683
TOTAL	**88,679**	**85,488**

	DEC. 31, 2024		
(in thousands of euros)	Gross amount	Amortisation and impairment	Net value
Buildings used for operational purposes	82,982	(70,089)	12,894
Other property, plant and equipment	51,832	(37,633)	14,198
Right-of-use assets for lessees	115,076	(53,489)	61,587
TOTAL	**249,890**	**(161,211)**	**88,679**

	DEC. 31, 2023		
(in thousands of euros)	Gross amount	Amortisation and impairment	Net value
Buildings used for operational purposes	82,985	(68,792)	14,193
Other property, plant and equipment	49,965	(36,353)	13,612
Right-of-use assets for lessees	143,788	(86,105)	57,683
TOTAL	**276,738**	**(191,250)**	**85,488**

Change in the gross amount of property, plant and equipment

(in thousands of euros)	DEC. 31, 2023	Scope entry	Increases	Decreases	Currency translation variation	DEC. 31, 2024
Land used for operational purposes	7,140	(0)	(0)	(0)	(0)	7,140
Buildings used for operational purposes	75,845	(0)	(0)	(3)	(0)	75,842
Right-of-use assets for lessees - Buildings leasing	105,481	742	15,874	(29,571)	555	93,081
Total buildings used for operational purposes	**188,466**	**742**	**15,874**	**(29,574)**	**555**	**176,063**
Operating guarantees and deposits	3,667	(0)	6	(324)	(31)	3,318
Other property, plant and equipment	46,299	1,084	3,316	(2,024)	(160)	48,514
Right-of-use assets for lessees - Equipment leasing	38,307	111	8,505	(24,829)	(99)	21,995
Total other property, plant and equipment	**88,273**	**1,195**	**11,827**	**(27,177)**	**(290)**	**73,827**
TOTAL	**276,738**	**1,937**	**27,701**	**(56,751)**	**265**	**249,890**

(in thousands of euros)	DEC. 31, 2022	Scope entry	Increases	Decreases	Currency translation variation	DEC. 31, 2023
Land used for operational purposes	7,140	(0)	(0)	(0)	(0)	7,140
Buildings used for operational purposes	75,845	(0)	(0)	(0)	(0)	75,845
Right-of-use assets for lessees - Buildings leasing	105,111	439	5,623	(4,027)	(1,665)	105,481
Total buildings used for operational purposes	**188,096**	**439**	**5,623**	**(4,027)**	**(1,665)**	**188,466**
Operating guarantees and deposits	3,524	(0)	283	(79)	(62)	3,667
Other property, plant and equipment	47,168	321	2,366	(2,668)	(888)	46,299
Right-of-use assets for lessees - Equipment leasing	32,251	165	6,403	(185)	(327)	38,307
Total other property, plant and equipment	**82,943**	**486**	**9,052**	**(2,932)**	**(1,277)**	**88,273**
TOTAL	**271,038**	**925**	**14,675**	**(6,959)**	**(2,942)**	**276,738**

Change in accumulated depreciation and impairment of property, plant and equipment

(in thousands of euros)	DEC. 31, 2023	Scope entry	Additions	Reversals	Currency translation variation and other	DEC. 31, 2024
Accumulated amortization – Building used for operational purposes	(68,792)	(0)	(1,298)	2	(0)	(70,088)
Accumulated impairment – Buildings used for operational purposes	(0)	(0)	(0)	(0)	(0)	(0)
Accumulated amortization - Right-of-use assets for lessees - Buildings	(57,401)	(247)	(12,229)	26,285	(199)	(43,791)
Accumulated impairment - Right-of-use assets for lessees - Buildings	(0)	(0)	(0)	(0)	(0)	(0)
Buildings used for operational purposes	**(126,193)**	**(247)**	**(13,527)**	**26,287**	**(199)**	**(113,879)**
Accumulated amortization other property, plant & equipment	(36,339)	(824)	(2,851)	2,286	94	(37,633)
Accumulated impairment other property, plant & equipment	(13)	(0)	(0)	(0)	13	0
Accumulated amortization - Right-of-use assets for lessees - Equipment leasing	(28,703)	(39)	(5,933)	24,954	24	(9,698)
Other property, plant and equipment	**(65,055)**	**(863)**	**(8,784)**	**27,240**	**131**	**(47,331)**
TOTAL	**(191,250)**	**(1,110)**	**(22,311)**	**53,527**	**(68)**	**(161,211)**

(in thousands of euros)	DEC. 31, 2022	Scope entry	Additions	Reversals	Currency translation variation and other	DEC. 31, 2023
Accumulated amortization – Building used for operational purposes	(67,306)	(0)	(1,486)	(0)	(0)	(68,792)
Accumulated impairment – Buildings used for operational purposes	(0)	(0)	(0)	(0)	(0)	(0)
Accumulated amortization - Right-of-use assets for lessees - Buildings	(50,065)	(146)	(12,199)	4,159	851	(57,401)
Accumulated impairment - Right-of-use assets for lessees - Buildings	(0)	(0)	(0)	(0)	(0)	(0)
Buildings used for operational purposes	**(117,371)**	**(146)**	**(13,685)**	**4,159**	**851**	**(126,193)**
Accumulated amortization other property, plant & equipment	(35,911)	(203)	(3,333)	2,707	400	(36,339)
Accumulated impairment other property, plant & equipment	(0)	(0)	(13)	(0)	(0)	(13)
Accumulated amortization - Right-of-use assets for lessees - Equipment	(23,144)	(35)	(6,023)	297	202	(28,703)
Other property, plant and equipment	**(59,054)**	**(238)**	**(9,369)**	**3,004**	**602**	**(65,055)**
TOTAL	**(176,426)**	**(384)**	**(23,054)**	**7,163**	**1,453**	**(191,250)**

Market value of buildings used in the business

(in thousands of	DEC. 31, 2024	DEC. 31, 2023
Carrying amount	12,894	14,194
Market value	52,980	56,826
Unrealised gains	**40,086**	**42,632**

Buildings held by Coface Group do not represent any unrealised losses; no impairment is therefore recorded at December 31, 2024.

Note 6. Other assets

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Deferred acquisition costs	54,507	89,899
Trade receivables arising from other activities	66,949	54,319
Current tax receivables	62,427	73,447
Other receivables	222,291	229,954
TOTAL	**406,172**	**447,619**

The line "Other receivables" mainly includes:

- Prepaid expenses totaling €11 million;
- Cash advances granted to non-consolidated Coface entities for €16 million;
- Receivables from the state and other social organizations (excluding corporate income tax) for an amount of €53 million;
- Customer receivables for an amount of €111 million.

Note 7. Cash and cash equivalents

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Cash at bank and available	471,462	481,700
Cash equivalents	36,370	13,858
TOTAL	**507,832**	**495,558**

As of December 31, 2024, operational cash increased by €12.3 million compared to December 31, 2023. These amounts are all available; no amounts are placed in escrow accounts.

Note 8. Share capital

Ordinary shares	Number of shares	Per value	Share capital (in €)
At December 31, 2023	150,179,792	2	300,359,584
Cancellation of shares	(0)	2	(0)
At December 31 2024	**150,179,792**	**2**	**300,359,584**
Treasury shares deducted	(867,854)	2	(1,735,708)
At December 31, 2024 (excluding treasury shares)	**149,311,938**	**2**	**298,623,876**

	December 31, 2024		DEC. 31, 2023	
Shareholders	Number of shares	%	Number of shares	%
Arch Capital Group Ltd	44,849,425	30,04%	44,849,425	30,10%
Public	104,462,513	69,96%	104,157,465	69,90%
Total excluding treasury shares	**149,311,938**	**100%**	**149,006,890**	**100%**

Note 9. Share-based payments

Ongoing free share plans

Coface Group awarded, since its stock market listing in 2014, free shares to certain beneficiaries (corporate officers and employees of COFACE SA subsidiaries).

Plan	Allocation date	Number of shares granted	Acquisition period	Acquisition date	Availability date	Fair value of the share at the allocation date	Net expense for the year (in thousands of euros)
Long-term Incentive Plan 2021	Feb. 10, 2021	391,403	3 ans	45,334	45,334	9	**135**
Long-term Incentive Plan 2022	Feb. 05, 2022	320,849	3 ans	45,703	45,703	12	**917**
Long-term Incentive Plan 2023	Feb. 16, 2023	336,513	3 ans	46,069	46,069	13	**1,072**
Long-term Incentive Plan 2024	Feb. 16, 2024	406,230	3 ans	46,434	46,434	10	**1,191**
						Total	**3 315**

Change in the number of free shares

Plan	Number of free shares at Dec. 31, 2023	Number of new free share grants in 2022	Number of free shares cancelled in 2022	Number of free shares acquired in 2022	Number of shares to be acquired at Dec. 31, 2024
Long-term Incentive Plan 2021	391,403	(0)	(0)	(391,403)	(0)
Long-term Incentive Plan 2022	(0)	320,849	(8,520)	(0)	312,329
Long-term Incentive Plan 2023	(0)	336,513	(10,723)	(0)	325,790
Long-term Incentive Plan 2024	(0)	406,230	(0)	(0)	406,230

The total number of shares allocated to the *Long-term Incentive Plan 2024* amounts to 546,370 shares; only 534,640 shares were affected nominatively to beneficiaries including 406,230 shares and 128,410 performance units.

The free shares allocated under the LTIP 2021 plan were delivered to the beneficiaries.

Performance units are awarded instead of free shares as soon as the free shares implementation appears complex or irrelevant in terms of the number of beneficiaries. These units are indexed on the share price and subject to the same conditions of presence and performance that shares free but are valued and paid in cash at the end of the vesting period.

Free shares under the *Long-term Incentive Plan* are definitely granted based upon presence in the group and performance achievement.

Measurement of free shares

In accordance with IFRS 2 relating to “Share-based payments”, the award of free shares to employees results in the recognition of an expense corresponding to the fair value of shares granted on the award date adjusted for unpaid dividends during the rights vesting period and transfer restrictions during the holding period, as well as the probability of the materialisation of the performance conditions.

The plans were measured on the assumptions below:

- discount rate corresponding to a risk-free rate on the plans’ duration;
- income distribution rate set at 80%;

Based on these assumptions, a total of € 3 315 thousand was expensed under the implemented plans at December 31, 2024.

Note 10. Revaluation reserves

(in thousands of euros)	Technical liabilities / IFE*	Investment instruments	Reserves - gains and losses not reclassifiable to P&L (IAS19**)	Income tax	Revaluation reserves attributable to owners of the parent	Non-controlling interests	Revaluation reserves
At DEC. 31, 2023	**11,476**	**(74,426)**	**(20,429)**	**12,498**	**(70,880)**	**(79)**	**(70,956)**
Fair value adjustments on financial assets reclassified to income	(0)	1,007	(0)	(1,071)	(63)	(0)	(63)
Fair value adjustments on financial assets recognised in equity and recyclable	(0)	48,766	(0)	(5,057)	43,709	(2)	43,707
Change in reserves - gains and losses not reclassificable to income statement	(0)	32,978	(1,089)	(4,321)	27,568	(0)	27,568
Transactions with shareholders	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Reevaluation IFRS17 OCI reserves variations recyclable in P&L	(3,040)	(0)	(0)	386	(2,654)	(0)	(2,654)
At DEC. 31, 2024	**8,436**	**8,326**	**(21,518)**	**2,435**	**(2,320)**	**(81)**	**(2,399)**

* *Insurance Finance Expenses*
** *Provisions for pensions and similar obligations*

(in thousands of euros)	Technical liabilities / IFE*	Investment instruments	Reserves - gains and losses not reclassifiable to P&L (IAS19**)	Income tax	Revaluation reserves attributable to owners of the parent	Non-controlling interests	Revaluation reserves
At DEC. 31, 2022 restated IFRS 17	**16,096**	**(72,874)**	**(17,637)**	**21,435**	**(52,981)**	**(91)**	**(53,070)**
Financial instruments first application of impact IFRS 9	(0)	(40,296)	(0)	2,796	(37,500)	(0)	(37,500)
At JAN. 1, 2023 restated IFRS 9 & 17	**16,096**	**(113,170)**	**(17,637)**	**24,231**	**(90,481)**	**(91)**	**(90,570)**
Fair value adjustments on financial assets reclassified to income	(0)	(3,618)	(0)	1,879	(1,739)	(0)	(1,739)
Fair value adjustments on financial assets recognised in equity and recyclable	(0)	66,813	(0)	(13,464)	53,349	8	53,357
Change in reserves - gains and losses not reclassificable to income statement	(0)	(24,445)	(2,794)	(1,497)	(28,737)	(0)	(28,737)
Transactions with shareholders	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Reevaluation IFRS17 OCI reserves variations recyclable in P&L	(4,620)	(0)	(0)	1,346	(3,275)	8	(3,267)
At DEC. 31, 2023	**11,476**	**(74,426)**	**(20,429)**	**12,498**	**(70,880)**	**(79)**	**(70,956)**

* *Insurance Finance Expenses*
** *Provisions for pensions and similar obligations*

Note 11. Provisions for liabilities and charges

(in thousands of euros)	**DEC. 31, 2024**	**DEC. 31, 2023**
Provisions for disputes	1,011	1,206
Provisions for pension and other post-employment benefit obligati	51,314	47,815
Other provisions for liabilities and charges	17,921	24,921
TOTAL	**70,246**	**73,942**

(in thousands of euros)	DEC. 31, 2023	Scope entry	Allowances	Reversals (utilised)	Reversals (surplus)	Reclassi-fications	Changes in OCI	Currency translation variation	DEC. 31, 2024
Provisions for employee	1,206	(0)	82	(43)	(169)	(0)	(0)	(91)	985
Provisions for other disputes	(0)	(0)	26	(0)	(0)	(0)	(0)	1	27
Provisions for disputes	**1,206**	**(0)**	**108**	**(43)**	**(169)**	**(0)**	**(0)**	**(90)**	**1,011**
Provisions for end-of-career benefits	27,056	(0)	5,313	(2,846)	(396)	(671)	713	(124)	29,045
Provisions for post-employment benefits	7,785	(0)	710	(565)	(0)	(30)	80	(35)	7,944
Provisions for long-service awards	6,458	(0)	342	(489)	(0)	12	(0)	(6)	6,317
Provisions for time savings	1	(0)	(0)	(1)	(0)	(0)	(0)	(0)	0
Provisions for insurance and other medical coverage	3,999	(0)	234	(239)	(0)	(0)	296	(0)	4,290
Provisions for other long-term employee benefits	2,516	25	2,061	(1,281)	(82)	490	(0)	(14)	3,716
Provisions for pension and other post-employment	**47,815**	**25**	**8,660**	**(5,420)**	**(477)**	**(198)**	**1,088**	**(179)**	**51,314**
Provisions for liabilities on subsidiaries	9,815	(0)	1,191	(0)	(5,997)	(0)	(0)	(0)	5,009
Provisions for restructuring	4,637	(0)	511	(3,286)	35	3	(0)	(14)	1,886
Provisions for taxes (excl. income taxes)	6,037	(0)	(0)	(386)	(34)	1,454	(0)	34	7,105
Other provisions for liabilities	4,432	27	737	(1,243)	(28)	(0)	(0)	(4)	3,922
Other provisions for liabilities and charges	**24,921**	**27**	**2,439**	**(4,915)**	**(6,024)**	**1,457**	**(0)**	**16**	**17,921**
TOTAL	**73,942**	**52**	**11,207**	**(10,378)**	**(6,670)**	**1,259**	**1,088**	**(253)**	**70,246**

(in thousands of euros)	DEC. 31, 2022	Scope entry	Additions	Reversals (utilised)	Reversals (surplus)	Reclassi-fications	Changes in OCI	Currency translation variation	DEC. 31, 2023
Provisions for tax disputes	0	0	0	0	0	0	0	0	0
Provisions for employee	1,970	25	176	(0)	(926)	(0)	(0)	(39)	1,206
Provisions for other disputes	12	(0)	(12)	(0)	(0)	(0)	(0)	(0)	(0)
Provisions for disputes	**1,982**	**25**	**164**	**(0)**	**(926)**	**(0)**	**(0)**	**(39)**	**1,206**
Provisions for end-of-career benefits	25,721	(0)	1,640	(1,480)	(194)	0	1,512	(143)	27,056
Provisions for post-employment benefits	7,218	(0)	587	(606)	(18)	(0)	693	(89)	7,785
Provisions for long-service awards	6,060	(0)	752	(356)	(1)	(0)	(0)	3	6,458
Provisions for time savings	1	(0)	0	(0)	(0)	(0)	(0)	(0)	1
Provisions for insurance and other medical coverage	3,769	(0)	235	(224)	(0)	(0)	219	(0)	3,999
Provisions for other long-term employee benefits	3,454	(0)	300	(1,244)	(4)	(0)	(0)	9	2,516
Provisions for pension and other post-employment	**46,223**	**(0)**	**3,515**	**(3,910)**	**(217)**	**(0)**	**2,423**	**(219)**	**47,815**
Provisions for liabilities	9,815	(0)	(0)	(0)	(0)	(0)	(0)	(0)	9,815
Provisions for restructuring	7,247	(0)	897	(3,332)	(179)	(0)	(0)	4	4,637
Provisions for for free share allocation plan	0	(0)	(2)	(0)	(0)	(0)	(0)	2	0
Provisions for taxes (excl. income taxes)	652	(0)	286	(0)	(150)	5,292	(0)	(43)	6,037
Other provisions for liabilities	2,742	(0)	1,692	(0)	(56)	(0)	(0)	53	4,432
Other provisions for liabilities and charges	**20,457**	**(0)**	**2,873**	**(3,332)**	**(384)**	**5,292**	**(0)**	**16**	**24,921**
TOTAL	**68,662**	**25**	**6,553**	**(7,242)**	**(1,527)**	**5,292**	**2,423**	**(241)**	**73,942**

Provisions for liabilities and charges mainly include provisions for pensions and other post-employment benefit obligations, provisions for restructuring and provisions for liabilities.

French Law No. 2023-270 on the corrective financing of social security for 2023, incorporating pension reform, was published in the Official Journal of the French Republic on April 15, 2023. It brings consequences for French insured individuals by raising the legal retirement age (age of eligibility) from 62 to 64 years, except for employees covered by specific schemes. Considering the previous assumptions made by the Group to establish its provisions, the estimated impacts of these new provisions are not material for the Group.

Other provisions for risks and charges include provisions for negative net equity of non-consolidated entities (€5 million) and provisions for restructuring (€1.9 million).

The main variation in the fiscal year is related to provisions for restructuring and a reclassification of the provision for tax risk (previously classified as a payable tax debt).

Note 12. Employee benefits

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Present value of benefit obligation at January 1st	**49,784**	**48,110**
Current service cost	4,175	1,703
Interest cost	1,584	1,561
Actuarial (gains) / losses	1,638	2,856
Benefits paid	(4,570)	(4,237)
Acquisitions/mergers/deconsolidations	11,160	(0)
Other	89	(209)
Present value of benefit obligation at December 31st	**63,860**	**49,784**
Change in plan assets		
Fair value of plan assets at January 1st	**1,968**	**1,888**
Revaluation adjustments – Return on plan assets	1,001	38
Employee contributions	(0)	110
Employer contributions	4,599	3,482
Benefits paid	(3,818)	(3,548)
Acquisitions/mergers/deconsolidations	8,796	(0)
Other	(0)	(0)
Fair value of plan assets at December 31st	**12,546**	**1,969**
Reconciliation		
Present value of benefit obligation at December 31st	**63,859**	**49,784**
Fair value of plan assets	12,546	1,969
(Liability) / Asset recognised in the balance sheet at December	**(51,313)**	**(47,815)**
Income statement		
Current service cost	4,175	1,703
Benefits paid including amounts paid in respect of settlements	(0)	(0)
Interest cost	1,391	1,561
Interest income	(0)	(73)
Revaluation adjustments on other long-term benefits	(255)	96
Other	22	(0)
(Income) / Expenses recorded in the income statement	**5,333**	**3,288**
Changes recognised directly in equity not reclassifiable to income		
Revaluation adjustments arising in the year	1,088	2,795
Revaluation adjustments recognised in equity not reclassifiable to income	**1,088**	**2,795**

(in thousands of euros)	France	Germany	Austria	Italy	Switzerland	Other	TOTAL
			DEC. 31, 2024				
Present value of benefit obligation at January 1st	**10,131**	**18,698**	**11,212**	**4,658**	**(0)**	**5,083**	**49,784**
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	11,160	(0)	11,160
Current service cost	558	273	64	349	625	2,306	4,175
Interest cost	349	609	377	97	151	(0)	1,584
Actuarial (gains) / losses	674	(425)	331	(0)	931	127	1,638
Benefits paid	(778)	(2,398)	(874)	(170)	(37)	(313)	(4,570)
Other	(0)	(0)	(0)	(0)	(0)	89	89
Present value of benefit obligation at December 31st	**10,934**	**16,757**	**11,111**	**4,934**	**12,831**	**7,292**	**63,860**
Change in plan assets							
Fair value of plan assets at January 1st	**(0)**	**970**	**999**	**(0)**	**(0)**	**(0)**	**1,969**
Revaluation adjustments – Return on plan assets	(0)	59	117	(0)	826	(0)	1,001
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	8,796	(0)	8,796
Employee contributions	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Employer contributions	(0)	2,352	896	(0)	1,351	(0)	4,599
Benefits paid	(0)	(2,398)	(874)	(0)	(547)	(0)	(3,818)
Other	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Fair value of plan assets at December 31st	**(0)**	**983**	**1,138**	**(0)**	**10,426**	**(0)**	**12,547**
Reconciliation							
Present value of benefit obligation at December 31st	**10,934**	**16,757**	**11,111**	**4,934**	**12,831**	**7,292**	**63,860**
Fair value of plan assets	(0)	983	1,138	(0)	10,426	(0)	12,547
(Liability) / Asset recognised in the balance sheet at December	**(10,934)**	**(15,774)**	**(9,974)**	**(4,934)**	**(2,405)**	**(7,292)**	**(51,313)**
Income statement							
Current service cost	558	273	64	349	625	2,306	4,175
Past service cost	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Benefits paid including amounts paid in respect of settlements	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Interest cost	349	578	342	97	25	(0)	1,391
Interest income	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation adjustments on other long-term benefits	(49)	(206)	0	(0)	(0)	(0)	(255)
Other	(0)	(0)	(0)	(0)	22	(0)	22
(Income) / Expenses recorded in the income statement	**858**	**645**	**406**	**446**	**672**	**2,306**	**5,333**
Changes recognised directly in equity not reclassifiable to income							
Revaluation adjustments arising in the year	723	(247)	250	(0)	224	137	1,087
Revaluation adjustments recognised in equity not reclassifiable to income	**723**	**(247)**	**250**	**(0)**	**224**	**137**	**1,087**

(in thousands of euros)	France	Germany	Austria	Italy	Other	TOTAL
			DEC. 31, 2023			
Present value of benefit obligation at January 1st	**9,202**	**18,687**	**10,545**	**4,186**	**5,491**	**48,110**
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	(0)	(0)
Current service cost	501	485	59	284	373	1,703
Interest cost	359	697	406	99	(0)	1,561
Actuarial (gains) / losses	518	1,107	953	160	117	2,856
Benefits paid	(448)	(2,278)	(750)	(71)	(690)	(4,237)
Other	(0)	(0)	(0)	(0)	(209)	(209)
Present value of benefit obligation at December 31st	**10,131**	**18,698**	**11,212**	**4,658**	**5,083**	**49,784**
Change in plan assets						
Fair value of plan assets at January 1	**(0)**	**960**	**928**	**(0)**	**(0)**	**1,888**
Revaluation adjustments – Return on plan assets	(0)	23	15	(0)	(0)	38
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	(0)	(0)
Employee contributions	(0)	8	101	(0)	(0)	110
Employer contributions	448	2,257	706	71	(0)	3,482
Benefits paid	(448)	(2,278)	(750)	(71)	(0)	(3,548)
Other	(0)	(0)	(0)	(0)	(0)	(0)
Fair value of plan assets at December 31st	**(0)**	**970**	**999**	**(0)**	**(0)**	**1,969**
Reconciliation						
Present value of benefit obligation at December 31st	**10,131**	**18,698**	**11,212**	**4,658**	**5,083**	**49,784**
Fair value of plan assets	(0)	970	999	(0)	(0)	1,868
(Liability) / Asset recognised in the balance sheet at December	**(10,131)**	**(17,728)**	**(10,214)**	**(4,658)**	**(5,083)**	**(48,226)**
Income statement						
Current service cost	501	485	59	284	373	1,703
Past service cost	(0)	(0)	(0)	(0)	(0)	(0)
Benefits paid including amounts paid in respect of settlements	(0)	(0)	(0)	(0)	(0)	(0)
Interest cost	359	697	406	99	(0)	1,561
Interest income	(0)	(35)	(37)	(0)	(0)	(73)
Revaluation adjustments on other long-term benefits	13	19	26	39	(0)	96
Other	(0)	(0)	(0)	(0)	(0)	(0)
(Income) / Expenses recorded in the income statement	**872**	**1,167**	**453**	**422**	**373**	**3,288**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	506	1,100	950	121	117	2,794
Revaluation adjustments recognised in equity not reclassifiable to income	**506**	**1,100**	**950**	**121**	**117**	**2,794**

Actuarial assumptions

The discount rate applied to the Group's employee benefit obligations is based on the Bloomberg Corporate AA curve for French entities and on a basket of international AA-rated corporate bonds for foreign entities.

	DEC. 31, 2024				
	France	Germany	Austria	Italy	Switzerland
Inflation rate	2.25%	2.25%	2.25%	2.25%	1.00%
Discount rate					
Supplementary retirement and other plans	3.50%	3.50%	3.50%	3,50%	N/A
Statutory retirement benefits	3.50%	N/A	3.50%	3.50%	1.10%
Long-service awards	3.50%	3.50%	3.50%	3.50%	N/A
Other benefits	N/A	3.50%	N/A	N/A	N/A
Rate of salary increases (including inflation)	2.55%	2.25%	2.00%	2.25%	1.30%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.20%	N/A
Average remaining working life until retirement					
Supplementary retirement and other plans	0.00	2.53	9.93	5.44	N/A
Statutory retirement benefits	15.35	N/A	7.75	9.58	11.29
Long-service awards	15.35	12.18	20.54	6.25	N/A
Other benefits	N/A	1.03	N/A	N/A	N/A
Term (years)					
Supplementary retirement and other plans	9.35	9.80	10.78	15.13	N/A
Statutory retirement benefits	12.18	N/A	6.35	6.63	12.67
Long-service awards	6.77	7.45	8.71	7.63	N/A
Other benefits	N/A	0.67	N/A	N/A	N/A

	DEC. 31, 2023			
	France	Germany	Austria	Italy
Inflation rate	2.25%	2.25%	2.25%	2.25%
Discount rate				
Supplementary retirement and other plans	3.50%	3.50%	3.50%	N/A
Statutory retirement benefits	3.50%	N/A	3.50%	3.50%
Long-service awards	3.50%	3.50%	3.50%	3.50%
Other benefits	3.50%	3.50%	N/A	3.50%
Rate of salary increases (including inflation)	2.55%	2.25%	2.00%	2.25%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.75%
Average remaining working life until retirement				
Supplementary retirement and other plans	0.00	3.12	9.47	6.44
Statutory retirement benefits	0.00	N/A	7.50	10.58
Long-service awards	0.00	14.21	19.47	7.25
Other benefits	0.00	1.82	N/A	0.00
Term (years)				
Supplementary retirement and other plans	2.54	10.01	11.08	15.13
Statutory retirement benefits	12.19	0,00	6.47	6.63
Long-service awards	6.76	7.83	8.48	7.63
Other benefits	9.75	1.04	N/A	N/A

Sensitivity tests on the defined benefit obligation

	DEC. 31, 2024			
	Post-employment defined benefit obligations		Other long-term benefits	
	Supplementary retirement and other plans	Statutory retirement benefits	Long-service awards	Other benefits
+0.25% increase in the discount rate	(2.51)%	(2.58)%	(1.82)%	(0.16)%
-0.25% decrease in the discount rate	2.63%	3.28%	1.88%	0.17%
+0.25% increase in the inflation rate	1.64%	0.03%	(0.49)%	0.17%
-0.25% decrease in the inflation rate	(1.58)%	(0.03)%	0.46%	(0.17)%
+0.25% increase in rate of increase in medical costs	2.83%	0.00%	0.00%	0.00%
-0.25% decrease in rate of increase in medical costs	(2.73)%	0.00%	0.00%	0.00%
+0.25% increase in rate of salary increase (including inflation)	1.74%	1.64%	(0.21)%	0.17%
-0.25% decrease in rate of salary increase (including inflation)	(1.67)%	(1.57)%	0.19%	(0.17)%

	DEC. 31, 2023			
	Post-employment defined benefit obligations		Other long-term benefits	
	Supplementary retirement and other plans	Statutory retirement benefits	Long-service awards	Other benefits
+1% increase in the discount rate	(2.56)%	(2.35)%	(1.89)%	(0.26)%
-1% decrease in the discount rate	2.68%	2.44%	1.95%	0.26%
+1% increase in the inflation rate	1.63%	1.85%	(0.48)%	0.27%
-1% decrease in the inflation rate	(1.59)%	(1.80)%	0.46%	(0.27)%
+1% increase in rate of increase in medical costs	2.91%	0.00%	0.00%	0.00%
-1% decrease in rate of increase in medical costs	(2.83)%	0.00%	0.00%	0.00%
+1% increase in rate of salary increase (including inflation)	1.75%	2.32%	(0.11)%	0.27%
-1% decrease in rate of salary increase (including inflation)	(1.71)%	(2.26)%	0.10%	(0.27)%

Note 13. Financing liabilities

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Due within one year		
- Interest	6,570	13,754
- Amortization of expenses	(706)	(657)
- Nominal	(0)	226,600
Total	**5,864**	**239,696**
Due between one and five years		
- Amortization of expenses	(3,265)	(3,064)
- Nominal	(0)	(0)
Total	**(3,265)**	**(3,064)**
Due beyond five years		
- Amortization of expenses	(3,899)	(4,890)
- Nominal	600,000	600,000
Total	**596,101**	**595,110**
TOTAL	**598,700**	**831,743**

For the year ended December 31, 2024, the Group's financing liabilities, totalling €598.7 million, correspond to:

A issuance on 22 September 2022 of €300 million subordinated notes bearing a fixed interest rate of 6.000 per cent., due on September 22, 2032.
A new issuance on 28 november 2023 of €300 million subordinated notes bearing a fixed interest rate of 5,750 per cent., due on November 28, 2033.
On 27 March 2024, the remaining debt of €227 million was repaid, following the issuance of subordinated notes by COFACE SA on 27 March 2014.

Note 14. Lease liabilities

Lease liabilities related to lease contracts amount to 71 million euros as of December 31, 2024 (68 million euros as of December 31, 2023) and are booked under "Other liabilities."

(in thousands of euros)	December 31,	DEC. 31, 2023
Lease liabilities - Real estate	57,973	57,915
Lease liabilities - Equipment	12,557	9,705
Lease liabilities	**70,529**	**67,621**

Breakdown of lease liabilities by contractual maturity

The following amounts represent the contractual cash flows.

(in thousands of euros)	December 31, 2024						
Maturity	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	TOTAL
Real estate	1,606	1,171	3,040	6,853	1,049	44,252	**57,973**
Equipment	753	2,611	3,417	4,203	1,572	(0)	**12,556**
Total	**2,359**	**3,781**	**6,458**	**11,056**	**2,621**	**44,252**	**70,529**

(in thousands of euros)	December 31, 2023						
Maturity	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	TOTAL
Real estate	1,222	3,534	1,075	3,754	13,488	34,844	**57,916**
Equipment	868	2,130	3,751	2,543	414	(0)	**9,705**
Total	**2,090**	**5,663**	**4,826**	**6,297**	**13,901**	**34,844**	**67,621**

Impact on the income statement of leasing operations

(in thousands of euros)	31/12/24	31/12/23
Amortization of right-of-use assets	(17,981)	(17,934)
Interest expenses on lease liabilities	(3,837)	(3,246)
Net gains or losses – termination of lease	749	(0)
Impact on the income statement	**(21,069)**	**(21,180)**

Note 15. Liabilities relating to insurance contracts

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
LRC - Liabilities for remaining coverage - gross	44,383	72,936
LIC - Liabilities for incurred claims - gross	1,456,285	1,395,471
Liabilities relating to insurance contracts	**1,500,668**	**1,468,406**
LRC - Liabilities for remaining coverage - ceded	(61,387)	(8,793)
LIC - Liabilities for incurred claims - ceded	455,029	393,603
Reinsurers' share of insurance liabilities	**393,643**	**384,810**
Net technical provisions	**1,107,025**	**1 083 596**

Reconciliation from the opening to the closing balances of net book values of insurance contracts as of DEC. 31, 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	(1320,007)	(,428)	872,771	(9,039)	(456,702)
Insurance service revenue	(1512,923)	,0	,0	,0	(1512,923)
Insurance service expenses	192,915	(,428)	872,771	(9,039)	1056,221
Incurred claims (excluding investment components) and other insurance service expenses	(0)	(3,278)	922,671	301,650	1,221,043
Amortisation of insurance acquisition cash flows	192,915	(0)	(0)	(0)	192,915
Adjustements to liabilities for incurred claims	(0)	(0)	(49,900)	(310,689)	(360,588)
Losses and losses reversals on groups of onerous contracts	(0)	2,850	(0)	(0)	2,850
Net finance expenses from insurance contract	3,075	,0	34,724	26,457	64,256
Other comprehensive incomes (OCI)	(2,079)	(,6)	3,142	(6,839)	(5,782)
Other variations	(10,682)	,0	(,270)	(,174)	(11,126)
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(1329,694)	(,434)	910,367	10,406	(409,354)
Cash flows	1301,575	,0	(859,959)	,0	441,615
Premiums received under insurance contracts issued	1,496,446	(0)	(0)	(0)	1,496,446
Insurance acquisition cash flows	(194,871)	(0)	(0)	(0)	(194,871)
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)	(859,959)	(0)	(859,959)
Insurance contract liability - Closing	44,383	,0	834,881	621,404	1500,668

Reconciliation from the opening to the closing balances of net book values of reinsurance contracts as of DEC. 31, 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	(249,474)	(1,081)	,0	(250,555)
Amounts recovered from the reinsurer	12,355	113,229	6,533	132,118
Amounts recovered for claims and other expenses incurred during the period	12,355	128,360	82,265	222,980
Changes in recoveries related to changes in liabilities for claims incurred	(0)	(15,131)	(75,732)	(90,863)
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	(237,119)	112,149	6,533	(118,437)
Net finance expenses from insurance contract relating to reinsurance treaties held	(,90)	7,401	5,319	12,630
Other comprehensive incomes (OCI)	,28	(2,584)	,4	(2,552)
CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(237,180)	116,965	11,857	(108,358)
Cash flows	189,255	(75,932)	,0	113,324
Premiums paid for reinsurance contracts held	201,610	(0)	(0)	201,610
Amounts recovered from the reinsurer	(12,355)	(75,932)	(0)	(88,286)
Other variations	(4,669)	8,622	(86)	3,867
Reinsurance contract liability - Closing	(61,387)	288,016	167,013	393,642

Note 16. Payables arising from banking activities

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Amounts due to banking sector companies	858,620	762,907
Amounts due to customers of banking sector companies	544,583	474,446
Debt securities	1,721,749	1,655,719
TOTAL	**3,124,951**	**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 17. Deferred tax

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Deferred tax assets	(54,507)	(89,899)
Deferred tax liabilities	118,249	143,886
Net deferred tax - liabilities	**63,742**	**53,987**
Timing differences	(69,075)	(51,186)
Provisions for pensions and other employment benefit obligations	112	(4,908)
Tax loss carry forwards	(7,405)	(7,035)
Cancellation of the claims equalization provision	140,111	117,116
Net deferred tax - liabilities	**63,742**	**53,987**

Deferred tax assets and liabilities are assessed at the rate applicable on the date on which the asset will be realized or the liabilities will be settled.

Each entity is compensating deferred tax assets and liabilities whenever it is legaly authorized to compensate due tax assets and liabilities.

Changes in deferred tax balances by region

Deferred tax with positive signs are deferred tax liabilities. On the other hand, those with negative signs are deferred tax assets.

(in thousands of euros)	DEC. 31, 2023	Change through income statement	Revaluation adjustment on AFS investments	Currency translation variation	Scope entry	Other movements	DEC. 31, 2024
Northern Europe	70,426	(6,383)	(253)	(0)	(0)	256	64,047
Western Europe	3,528	(1,165)	8,720	(29)	(0)	(2,182)	8,872
Central Europe	3,206	241	186	142	(0)	(29)	3,745
Mediterranean & Africa	(6,388)	6,753	(474)	351	(0)	(2,890)	(2,649)
North America	(1,068)	533	2,746	(591)	(0)	(1,719)	(,99)
Latin America	(11,686)	3,856	(288)	1,145	(0)	(125)	(7,098)
Asia Pacific	(4,032)	910	(364)	100	1	309	(3,076)
TOTAL	**53,987**	**4,743**	**10,272**	**1,117**	**1**	**(6,380)**	**63,742**

(in thousands of euros)	DEC. 31, 2022	Change through income statement	Revaluation adjustment on AFS investments	Currency translation variation	Scope entry	Other movements	DEC. 31, 2023
Northern Europe	62,643	8,613	(319)	(214)	(0)	(298)	70,426
Western Europe	(6,673)	(4,851)	14,373	71	(0)	608	3,528
Central Europe	4,864	426	(20)	114	(0)	(2,178)	3,206
Mediterranean & Africa	(13,288)	6,539	314	1,172	(0)	(1,125)	(6,388)
North America	453	(2,525)	950	41	(0)	13	(1,068)
Latin America	(9,706)	(2,133)	(2,865)	3,937	(37)	(882)	(11,686)
Asia Pacific	(3,546)	(1,088)	301	250	(0)	51	(4,032)
TOTAL	**34,748**	**4,982**	**12,734**	**5,371**	**(37)**	**(3,812)**	**53,987**

The "Other movements" column mainly includes deferred taxes on changes in retirement benefits recognised as equity not reclassifiable to income and a correction with a reclassification between taxes/deffered taxes and changes effects.

Deferred taxes related to tax losses

The breakdown by region of deferred taxes assets linked to tax losses is as follows :

(in thousands of euros)	DEC. 31, 2024	Dec. 31, 2023
Northern Europe	987	3,044
Western Europe	41	768
Central Europe	5	164
Mediterranean & Africa	63	(0)
North America	3,046	(0)
Latin America	147	344
Asia-Pacific	3,117	2,715
Net deferred tax - liabilities	**7,405**	**7,035**

The recognition of deferred tax assets on tax losses is subject to a case-by-case recoverability analysis, taking into account the forecasts of the results of each entity. Deferred tax assets on losses are recognized at the level of entity's income tax results estimated for the period from 2025 to 2029, ie a recoverability horizon of five years. This recognition results from a Business Tax Plan prepared by each entity on the basis of the Business Plan approved by the Management.

Note 18. Other liabilities

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Current tax payables	**70,837**	**51,917**
Derivatives and related liabilities	**4,110**	**27**
Accrued personnel costs	82,000	80,841
Sundry payables	216,655	199,989
Deferred income	13,687	13,643
Other accruals	17,727	20,257
Other payables	**330,068**	**314,730**
Total	**405,015**	**366,675**

Note 19. Consolidated revenue

Breakdown of consolidated revenue

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Premiums – direct business	*1,521,911*	*1,594,179*
Premiums – inward reinsurance	*96,930*	*100,010*
Gross written premiums	**1,618,841**	**1,694,189**
Premium refunds	**(105,189)**	**(129,073)**
Change of provisions for unearned premiums	**(,729)**	**(6,053)**
Insurance revenue	1,512,923	1,559,063
Fees and commission income	**179,891**	**171,374**
Net income from banking activities	**73,688**	**72,686**
Income from service activities	**78,339**	**65,109**
Revenue or income from other activities	331,919	309,168
CONSOLIDATED REVENUE	**1,844,841**	**1,868,231**

Consolidated revenue by country of invoicing

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Northern Europe	362,159	379,557
Western Europe	391,780	380,075
Central Europe	173,783	177,058
Mediterranean & Africa	538,505	526,285
North America	176,551	171,850
Latin America	77,749	100,303
Asia-Pacific	124,313	133,102
CONSOLIDATED REVENUE	**1,844,841**	**1,868,231**

Note 20. Claim expenses

(in thousands of euros)	DEC. 31,2024	DEC. 31,2023
Paid claims, net of recoveries	(505,430)	(545,990)
Change in claims reserves	(766)	(12,653)
TOTAL	**(506,196)**	**(558,644)**

Note 21. Overheads by function

(in thousands of euros)	DEC. 31, 2024	DEC. 31,2023
Claims handling expenses *	**(42 249)**	**(39,043)**
Policy acquisition costs	(196,483)	(196,673)
Administrative costs	(353,981)	(350,326)
Overhead costs attributable to contract activity	**(550,464)**	**(546,999)**
Other insurance activity expenses	(120,632)	(106,515)
Expenses from banking activities, excluding risk cost	(14,117)	(14,018)
Other operating expenses	(166,911)	(142,470)
Other activities expenses	**(301,660)**	**(263,003)**
Investment management expenses**	**(9 628)**	**(9,756)**
TOTAL	**(904,001)**	**(858,801)**
of which employee profit-sharing	*(9,879)*	*(9,193)*

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

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

Total overheads include general insurance expenses (by function), expenses from services activities and expenses from banking activities. It came out at €904,001 thousand as of December 31, 2024 versus €858,801 thousand as of December 31, 2023.

Coface has drawn up a plan to reduce its carbon emissions, focusing in particular on clean operations. It is a question of adopting sober and responsible practices, aimed at minimizing the environmental impact of its activities: reducing and adapting its car fleet, optimizing its operating property, reducing the footprint of its travels, etc. These commitments lead the Group to record expenses mainly in overheads.

This information is the subject of new reporting in the sustainability report (see section 2.3.3. Resources allocated to the transition of Chapter 6 of the Universal Registration Document). It should be noted that the financial impacts are not material in relation to the Group's total general expenses.

Note 22. Expenses from banking activities

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Charges to allowances for receivables	130	(147)
Reversal of allowances for receivables	7,082	13,293
Losses on receivables	(7,038)	(13,680)
Cost of risk	**174**	**(534)**
Operating expenses	**(14,117)**	**(14,018)**
TOTAL Expenses from banking activities	**(13,942)**	**(14,552)**

“Cost of risk” corresponds to the risk-related expense on credit insurance operations conducted by factoring companies, which includes net additions to provisions, receivables written off during the year, and recoveries of amortised receivables.

Note 23. Income and expenses from ceded reinsurance

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Ceded claims	112,555	123,425
Change in claims provisions net of recoveries	7,208	6,859
Commissions paid by reinsurers	12,355	15,670
Income from ceded reinsurance	**132,118**	**145,954**
Ceded premiums	(248,736)	(248,795)
Change in unearned premiums provisions	(1,819)	(1,400)
Expenses from ceded reinsurance	**(250,555)**	**(250,194)**
TOTAL	**(118,437)**	**(104,240)**

Note 24. Net investment result excluding cost of debt

In thousand of euros	DEC. 31, 2024	DEC. 31, 2023
Investment income		
Amounts recognised in the profit or loss		
Investment income	98,462	68,298
Change in financial instruments at fair value though profit or loss	(2,861)	(21,936)
Net gains on disposals	11,404	18,238
Net impairment losses on financial assets	2,910	(67)
Net foreign exchange differences	(2,711)	(38,672)
Investment management expenses	(15,500)	(13,434)
Total amounts recognised in the profit or loss	**91,703**	**12,427**
Amounts recognised in OCI (*)	**81,656**	**35,950**
Total investment income	**173,359**	**48,376**

(*) Other Comprehensive Income

In thousand of euros	DEC. 31, 2024	DEC. 31, 2023
Net finance expenses from insurance contracts		
Interest accreted	(58,687)	(59,096)
Effect of changes in interest rates and other financial assumptions	8,364	8,006
Net foreign exchange differences related to technical provisions	(8,783)	(1,552)
Total amounts recognised in the profit or loss	**(59,107)**	**(52,642)**
Amounts recognised in OCI (*)	**(5,150)**	**(6,624)**
Total net finance expenses from insurance contracts	**(64,256)**	**(59,266)**
Net finance expenses from reinsurance contracts held		
Interest accreted	11,762	12,175
Effect of changes in interest rates and other financial assumptions	(1,381)	(3,367)
Net foreign exchange differences related to technical provisions	6,205	3,875
Total amounts recognised in the profit or loss	**16,586**	**12,683**
Amounts recognised in OCI (*)	**2,139**	**2,107**
Total net finance expenses from reinsurance contracts held	**18,725**	**14,790**
Total amounts recognised in the profit or loss	**(42,520)**	**(39,959)**
Amounts recognised in OCI (*)	**(3,011)**	**(4,517)**
Net financial costs of insurance or reinsurance contracts held	**(45,531)**	**(44,476)**
Total amounts recognised in the profit or loss	**49,183**	**(27,533)**
Amounts recognised in OCI (*)	**78,645**	**31,433**
Total net investment result excluding cost of debt	**127,828**	**3,900**

(*) Other Comprehensive Income

Note 25. Other operating income and expenses

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Build to Lead restructuring expenses	0	27
Impact of entry in consolidation scope	(2,059)	(3,159)
Restructuring provision	(3,272)	(1,657)
Other operating expenses	(5,063)	(1,791)
Total other operating expenses	**(10,394)**	**(6,581)**
Impact of entry in consolidation scope	(0)	1,065
Other operating income	1,755	565
Total other operating income	**1,755**	**1,630**
TOTAL	**(8,640)**	**(4,952)**

Other operating income and expenses amounted to €(8.6) million as of December 31,2024 and mainly includes :

- Charges related to the inclusion of four service entities in the consolidated scope for €2.0 million.
- Restructuring provisions for €3.3 million.
- Expenses related to CSRD project for €1.7 million.

Note 26. Income tax expense

(in thousands of euros)	DEC. 31, 2024	DEC. 31, 2023
Income tax	(100,489)	(83,172)
Deferred tax	(4,743)	(4,861)
TOTAL	**(105,232)**	**(88,033)**

The income tax expense highly increased because of the better entities results.
Total amount of unused tax losses and tax credits for which no deferred tax asset has been recognized is €238.2 million. The corresponding unrecognized deferred tax asset amounts to €52.6 million.

Tax proof

(in thousands of euros)	DEC. 31, 2024		DEC. 31, 2023	
Net income	**261,067**		**240,500**	
Non-controlling interests	31		(120)	
Income tax expense	(105,232)		(88,033)	
Share in net income of associates	(0)		(0)	
Pre-tax income before share in net income of associates and badwill	**366,268**		**328,532**	
Tax rate		25,83%		25,83%
Theoretical tax	(94,607)		(84,860)	
Tax expense presented in the consolidation income statement	(105,232)	28,73%	(88,033)	26,80%
Difference	**10,625**	**2,90%**	**3,173**	**0,97%**
Impact of differences between Group tax rates and local tax rates	14,789	4,04%	19,911	6,06%
Specific local taxes	(8,674)	-2,37%	(2,686)	-0,82%
Tax losses for which no deferred tax assets have been recognised	(1,678)	-0,46%	(19,589)	-5,96%
Use of previously unrecognised tax loss carryforwards	2,535	0,69%	399	0,12%
Dividends paid in France non deductible for tax purposes (1%)	(0)	0,00%	(0)	0,00%
Variable carryover effect	484	0,13%	315	0,10%
Tax on prior periods and other taxes (including carry back)	(6,696)	-1,83%	607	0,18%
Accounting recognition difference IFRS vs Local GAAP	(2,565)	-0,70%		
Hyperinflation	(4,027)	-1,10%	(4,100)	1,25%
Other differences	(4,793)	-1,31%	968	0,29%

The effective income tax rate has slightly increased rising from 26.80% in 2023 to 28.73% in 2024.

The difference between the theoretical tax and the actual tax expense is explained by the positive effect of differences between the Group and local tax rates, partially offset by the negative effects of specific local taxes, differences in recognition between IFRS and local accounting standards, hyperinflation, and adjustments related to prior periods.

Note 27. Breakdown of net income by segment

Analysis of December 31, 2024 net income by segment

31/12/2024 *(in thousand of euros)*	Nothern Europe	Western Europe	Central Europe	Mediterranean - Africa	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**251,220**	**354,141**	**131,468**	**433,117**	**159,977**	**67,596**	**115,404**	**1,512,923**
Claims expenses	(91,737)	(120,236)	(41,321)	(156,186)	(42,096)	(11,464)	(43,158)	(506,196)
Attributable costs from insurance activity	(81,887)	(178,448)	(39,270)	(125,350)	(68,055)	(22,298)	(35,157)	(550,464)
Loss component & reversal of loss component	(0)	2	0	364	0	62	(0)	428
Insurance Service Expenses	**(173,623)**	**(298,682)**	**(80,591)**	**(281,171)**	**(110,151)**	**(33,700)**	**(78,314)**	**(1,056,233)**
INSURANCE RESULT BEFORE REINSURANCE	77,596	55,458	50,877	151,945	49,826	33,896	37,090	456,690
Income and Expenses from ceded reinsurance	(27,508)	38,753	(17,464)	(50,266)	(34,093)	(10,547)	(17,311)	(118,437)
INSURANCE RESULT AFTER REINSURANCE	50,088	94,211	33,413	101,679	15,733	23,349	19,779	338,253
Other revenue	135,486	29,554	42,106	94,326	16,574	4,965	8,909	331,918
Other expenses	(80,811)	6,540	(45,897)	(99,051)	(39,555)	(16,104)	(26,782)	(301,660)
Risk cost	219	(0)	(45)	(0)	(0)	(0)	(0)	174
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	104,982	130,305	29,577	96,954	(7,248)	12,210	1,906	368,685
Net income from investments	**(25,093)**	**62,853**	**8,996**	**(5,098)**	**1,611**	**927**	**4,987**	**49,183**
Other operational income and expenses	0	(5,394)	(98)	(537)	(990)	0	(1,622)	(8,640)
Finance costs	(429)	(40,187)	(570)	(799)	(585)	(139)	(251)	(42,961)
OPERATIONAL RESULT	79,890	187,764	38,475	91,320	(6,627)	13,137	5,271	409,229
Income tax expense	(24,662)	(30,211)	(4,622)	(34,941)	(4,434)	(4,829)	(1,533)	(105,232)
CONSOLIDATED NET RESULT	54,799	117,367	33,282	55,579	(11,646)	8,168	3,487	261,036
Non-controlling interests	(3)	(3)	(2)	28	1	10	(0)	31
NET INCOME OF THE PERIOD	**54,796**	**117,363**	**33,280**	**55,607**	**(11,646)**	**8,179**	**3,487**	**261,067**
Other key indicators *(accounting view)*								
Total Turnover	**386,705**	**383,694**	**173,574**	**527,442**	**176,551**	**72,561**	**124,313**	**1,844,841**
Total Claims expenses (inc. loss component)	**(91,737)**	**(120,234)**	**(41,321)**	**(155,821)**	**(42,096)**	**(11,402)**	**(43,158)**	**(505,769)**
Total Overheads (inc. commissions)	**(162,697)**	**(181,080)**	**(85,168)**	**(224,668)**	**(107,648)**	**(38,402)**	**(62,089)**	**(861,752)**
Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**386,705**	**383,694**	**173,574**	**527,442**	**176,551**	**72,561**	**124,313**	**1,844,841**
Reallocation of inward business	**(0)**	**(16,460)**	**209**	**11,063**	**(0)**	**5,188**	**(0)**	**(0)**
Reallocation of net income banking activities	**(24,546)**	**24,546**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Turnover - managing view	**362,159**	**391,780**	**173,783**	**538,505**	**176,551**	**77,749**	**124,313**	**1,844,841**
Total Claims expenses (inc. loss component) - accounting view	**(91,737)**	**(120,234)**	**(41,321)**	**(155,821)**	**(42,096)**	**(11,402)**	**(43,158)**	**(505,769)**
Reallocation of inward business	**(2,491)**	**14,152**	**(1,033)**	**(5,982)**	**(1,593)**	**(1,903)**	**(1,151)**	**(1)**
Total Claims expenses (inc. loss component) - managing view	**(94,228)**	**(106,082)**	**(42,354)**	**(161,803)**	**(43,689)**	**(13,305)**	**(44,309)**	**(505,770)**
Loss ratio - accounting view	36,5%	34,0%	31,4%	36,0%	26,3%	16,9%	37,4%	33,4%
Reallocation of inward business	1,0%	-2,5%	0,7%	0,5%	1,0%	1,4%	1,0%	0,0%
Loss ratio - managing view	37,5%	31,4%	32,2%	36,4%	27,3%	18,3%	38,4%	33,4%

Analysis of December 31, 2023 net income by segment

(in thousand of euros)	Nothern Europe	Western Europe	Central Europe	Mediterranean - Africa	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**269,407**	**357,197**	**134,553**	**424,251**	**157,228**	**88,776**	**127,651**	**1,559,063**
Claims expenses	(74,664)	(138,465)	(32,650)	(170,105)	(43,194)	(74,193)	(25,372)	(558,644)
Attributable costs from insurance activity	(85,631)	(174,925)	(38,364)	(120,932)	(59,538)	(30,296)	(37,313)	(546,999)
Loss component & reversal of loss component	6	716	173	(352)	(0)	53	(0)	596
Insurance Service Expenses	**(160,289)**	**(312,674)**	**(70,841)**	**(291,389)**	**(102,733)**	**(104,436)**	**(62,685)**	**(1,105,047)**
INSURANCE RESULT BEFORE REINSURANCE	109,118	44,524	63,712	132,861	54,495	(15,660)	64,966	454,016
Income and Expenses from ceded reinsurance	(43,174)	18,562	(24,686)	(28,092)	(25,927)	26,520	(27,444)	(104,240)
INSURANCE RESULT AFTER REINSURANCE	65,944	63,086	39,026	104,770	28,568	10,860	37,522	349,776
Other revenue	132,741	24,349	40,390	85,429	14,622	6,185	5,452	309,168
Other expenses	(79,407)	12,810	(42,981)	(86,522)	(29,043)	(16,216)	(21,645)	(263,003)
Risk cost	(591)	(0)	57	(0)	(0)	(0)	(0)	(534)
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	118,688	100,246	36,492	103,677	14,146	829	21,328	395,407
Net income from investments	**(28,315)**	**19,718**	**(1,182)**	**(16,801)**	**1,251**	**(3,071)**	**867**	**(27,533)**
Other operational income and expenses	(85)	(787)	865	(214)	(783)	(38)	(3,911)	(4,952)
Finance costs	(263)	(31,885)	(446)	(565)	(719)	(196)	(196)	(34,269)
OPERATIONAL RESULT	90,288	119,177	36,175	86,663	14,614	(2,280)	18,284	362,922
Income tax expense	-24 211	-22 096	-6 080	-28 500	-690	-5 491	-965	-88 033
CONSOLIDATED NET RESULT	65,814	65,197	29,649	57,598	13,205	(7,966)	17,123	240,620
Non-controlling interests	-3	0	-1	-127	-1	12	-1	-120
NET INCOME OF THE PERIOD	**65,811**	**65,197**	**29,648**	**57,471**	**13,205**	**(7,954)**	**17,123**	**240,500**
Other key indicators *(accounting view)*								
Total Turnover	**402,149**	**381,547**	**174,943**	**509,680**	**171,850**	**94,961**	**133,102**	**1,868,231**
Total Claims expenses (inc. loss component)	**(74,658)**	**(137,749)**	**(32,477)**	**(170,458)**	**(43,194)**	**(74,140)**	**(25,372)**	**(558,048)**
Total Overheads (inc. commissions)	**(165,206)**	**(171,245)**	**(81,345)**	**(207,489)**	**(88,927)**	**(46,513)**	**(59,034)**	**(819,758)**
Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**402,149**	**381,547**	**174,943**	**509,680**	**171,850**	**94,961**	**133,102**	**1,868,231**
Reallocation of inward business	**(0)**	**(24,063)**	**2,115**	**16,605**	**(0)**	**5,343**	**(0)**	**(0)**
Reallocation of net income banking activities	**(22,592)**	**22,592**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Claims expenses (inc. loss component) - accounting view	**(74,658)**	**(137,749)**	**(32,477)**	**(170,458)**	**(43,194)**	**(74,140)**	**(25,372)**	**(558,048)**
Reallocation of inward business	**(0)**	**10,226**	**(392)**	**(6,214)**	**(0)**	**(3,619)**	**(0)**	**(0)**
Total Claims expenses (inc. loss component) - managing view	**(74,658)**	**(127,524)**	**(32,869)**	**(176,672)**	**(43,194)**	**(77,759)**	**(25,372)**	**(558,048)**
Loss ratio - accounting view	27,7%	38,6%	24,1%	40,2%	27,5%	83,5%	19,9%	35,8%
Reallocation of inward business	0,0%	-0,3%	-0,1%	-0,1%	0,0%	-0,9%	0,0%	0,0%
Loss ratio - managing view	27,7%	38,3%	24,0%	40,1%	27,5%	82,6%	19,9%	35,8%

Note 28. Earnings per share

	DEC. 31, 2024		
	Average number of shares	Net income for the period *(in €k)*	Earnings per share *(in €)*
Basic earnings per share	149,159,414	261,067	1.75
Dilutive instruments			
DILUTED EARNINGS PER SHARE	**149,159,414**	**261,067**	**1.75**

	DEC. 31, 2023		
	Average number of shares	Net income for the period (in €k)	Earnings per share (in €)
Basic earnings per share	149,035,282	240,500	1.61
Dilutive instruments			
DILUTED EARNINGS PER SHARE	**149,035,282**	**240,500**	**1.61**

Note 29. Group's headcount

(in full time equivalent)	DEC. 31, 2024	DEC. 31, 2023
Northern Europe	752	735
Western Europe and Northern Africa	1,272	1,095
Central Europe	936	846
Mediterranean & Africa	724	711
North America	400	249
Latin America	222	334
Asia-Pacific	178	130
Total	**4,484**	**4,100**

**Since 2023, Mexico has been classified under North America rather than Latin America.*
***Since 2024, the Maghreb has been classified under Western Europe rather than the Mediterranean and Africa.*

At December 31, 2024, the number of employees of fully consolidated companies was 4,484 full-time equivalents FTE *versus* 4,100 at December 31, 2023, up for 384 FTEs.

Note 30. Related parties

Ownership structure at December 31, 2024:

	Number of shares	%
Arch Capital Group Ltd.	44 849 425	30,04%
Public	104 462 513	69,96%
Total	**149 311 938**	**100.00%**

Ownership structure at December 31, 2023:

	Number of shares	%
Arch Capital Group Ltd.	44 849 425	30,10%
Public	104 157 465	69,90%
Total	**149 006 890**	**100.00%**

As of 31 December 2024, Arch Capital Group Ltd. held 30.04% of Coface Group's shares, excluding treasury stock, and 29.86% of the shares including treasury stock.

Relations between the Group's consolidated entities and related parties

The COFACE Group's main transactions with related parties concern Arch Capital Group and its subsidiaries.

The main related-party transactions are as follows:
- reinsurance policies between Coface and Arch Reinsurance Group which is owned by Arch Capital Group Ltd.
- Coface's credit insurance coverage made available to entities related to Coface;
- recovery of insurance receivables carried out by entities related to Coface on behalf of Coface;
- rebilling of general and administrative expenses, including overheads, personnel expenses, etc.

These transactions are broken down below as of December 31, 2024:

Current operating income *(in thousands of euros)*	DEC. 31, 2024 Arch Reinsurance Group
Revenue (net banking income, after cost of risk)	
Claims expenses	
Expenses from other activities	
Policy acquisition costs	
Administrative costs	
Other current operating income and expenses	
Reinsurance result	(1,648)
Operating income/(loss)	**(1,648)**

Related-party receivables and payables *(in thousands of euros)*	DEC. 31, 2024 Arch Reinsurance Group
Financial investments	
Other assets	
Reinsurance receivables	(32)
Cash and cash equivalents	
Liabilities relating to insurance contracts	
Amounts due to banking sector companies	
Reinsurance debts	(477)
Other liabilities	

These transactions are broken down below as of December 31, 2023:

Current operating income *(in thousands of euros)*	DEC. 31, 2023 Arch Reinsurance Group
Revenue (net banking income, after cost of risk)	
Claims expenses	
Expenses from other activities	
Policy acquisition costs	
Administrative costs	
Other current operating income and expenses	
Reinsurance result	(1,914)
Operating income/(loss)	**(1,914)**

Related-party receivables and payables *(in thousands of euros)*	DEC. 31, 2023 Arch Reinsurance Group
Financial investments	
Other assets	(41)
Reinsurance receivables	
Cash and cash equivalents	
Liabilities relating to insurance contracts	
Amounts due to banking sector companies	
Reinsurance debts	(196)
Other liabilities	

Note 31. Key management compensation

(in thousands of euros)	Dec.31, 2024	Dec. 31, 2023
Short-term benefits (gross salaries and wages, incentives, benefits in kind and annual bonus)	6,731	6,505
Other long-term benefits	2,138	1,536
Statutory termination benefits	(0)	(0)
Share-based payment	1,158	1,342
TOTAL	**10,027**	**9,384**

As of 31st December 2024, the Group Management Committee is composed of Coface CEO and eight members.

The line "Other long-term benefits" corresponds to the free performance shares attribution (fair value IFRS).

For 2024, the line "Share-based payment" corresponds to the free performance shares attributed in the LTI Plan 2021 and delivered in 2024 (fair value IFRS).

A total envelope of 397,667 EUR was paid out to the members of the Board of Directors, the Audit, the Risk and the Compensation Committees in 2024.

Note 32. Breakdown of audit fees

	MAZARS				DELOITTE				TOTAL			
(in thousands of euros)	DEC. 31, 2024	%	Dec 31, 2023	%	DEC. 31, 2024	%	Dec 31, 2023	%	DEC. 31, 2024	%	Dec 31, 2023	%
Statutory and IFRS Audit												
COFACE SA*	(620)	27%	(573)	29%	(707)	24%	(643)	24%	(1,326)	26%	(2,099)	37%
Subsidiaries	(1,603)	71%	(1,346)	67%	(1,956)	68%	(1,887)	71%	(3,560)	69%	(3,175)	57%
Sub-total	(2,223)	98%	(1,919)	96%	(2,663)	92%	(2,530)	95%	(4,886)	95%	(5,274)	94%
Other fees than Statutory and IFRS Audit												
COFACE SA	(0)	0%	(48)	2%	(235)	8%	(97)	4%	(235)	5%	(282)	5%
Subsidiaries	(37)	2%	(28)	1%	(0)	0%	(31)	1%	(37)	1%	(54)	1%
Sub-total	(37)	2%	(76)	4%	(235)	8%	(128)	5%	(272)	5%	(336)	6%
TOTAL	**(2,260)**	**100%**	**(1,995)**	**100%**	**(2,898)**	**100%**	**(2,657)**	**100%**	**(5,158)**	**100%**	**(5,609)**	**100%**

*Amounts presented above correspond to the budget for the audit of the accounts of FY 2024.

Fees for services other than the certification of accounts correspond mainly to (i) engagements to issue assurance reports on financial or regulatory information, (ii) tax services outside France, such as tax reporting support services, and (iii) other authorised advisory services.

Note 33. Off-balance sheet commitments

(in thousands of euros)	DEC. 31, 2024		
	TOTAL	Related to financing	Related to activity
Commitments given	**1,253,252**	**1,167,942**	**85,310**
Endorsements and letters of credit	1,167,942	1,167,942	
Property guarantees	3,500		3,500
Financial commitments in respect of equity interests	81,810		81,810
Commitments received	**2,301,187**	**1,553,829**	**747,358**
Endorsements and letters of credit	186,031		186,031
Guarantees	561,327		561,327
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	853,829	853,829	
Financial commitments in respect of equity interests			
Guarantees received	**457,982**		**457,982**
Securities lodged as collateral by reinsurers	457,982		457,982
Financial market transactions	**82,336**		**82,336**

Endorsements and letters of credit correspond mainly to :

- Joint guarantees for €1 054 million given by COFACE SA to banks (Natixis, BNPP, Santander, HSBC, SG) financing bilateral lines of Coface Finanz and Coface Poland Factoring.

Securities lodged as collateral by reinsurers concern Coface RE for €445.6 million and Coface Europe for €12.3 million.

(in thousands of euros)	DEC. 31, 2023		
	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 34. Operating leases

The Lease contracts for future years are mainly recorded in the balance sheet since the implementation of IFRS 16 on January 1, 2019.

Note 35. Relationship between parent company and subsidiaries

The main operational subsidiary of the Coface Group is the Compagnie Française d'Assurance pour le Commerce Extérieur (la Compagnie). This subsidiary, which is wholly owned by the Company, composed from French entity and its 37 branches, is a public limited company (société anonyme) under French law, with share capital of €300 359 584, registered in the Nanterre Trade and Companies Registry under number 552 069 791.
The main flows between Coface SA, the listed parent company, and la Compagnie are as follows:

- Financing:
  - Coface SA and la Compagnie have granted each other one seven-year and one eight-year loans;
  - In net terms, Coface SA finances la Compagnie;
  - Two-way cash flow agreements in euro and in dollar USD exist between COFACE SA and "La Compagnie";
  - COFACE SA delegates to "La Compagnie" management of its commercial paper program.
- Dividends:
  - la Compagnie pays dividends to Coface SA.
- Tax consolidation:
  - la Compagnie forms part of the tax consolidation group headed by Coface SA.

The table below summarises the interim balance of la Compagnie française d'assurance pour le commerce exterieur and its principal financial flows as of December 31, 2024 :

(in thousands of euros)	Compagnie française pour le commerce extérieur (including branches)	Coface SA	Other entities	Eliminations	Total
Revenue	1,397,047	1,917	1,035,559	(589,683)	1,844,840
Current operating income	222,951	35,791	227,509	(68,383)	417,868
Net income	101,400	(9,596)	169,263		261,067
Fixed assets	4,652,382	2,081,624	2,620,705	(5,668,402)	3,686,309
Indebtedness outside the group	(0)	598,700			598,700
Cash and cash equivalent	228,714	410	278,708		507,832
Net cash generated from operating activities	(37,117)	169,576	215,315		347,775
Dividends paid to the quoted company	99,997	(0)	150,000		249,997

At the end of December 2023, The table wich summarised the interim balance of la Compagnie française d'assurance pour le commerce exterieur and its principal financial flows was :

(in thousands of euros)	Compagnie française pour le commerce extérieur (including branches)	Coface SA	Other entities	Eliminations	Total
Revenue	1,662,573	2,282	1,022,263	(818,887)	1,868,231
Current operating income	144,911	28,153	242,001	(47,191)	367,874
Net income	54,153	(3,849)	190,195		240,500
Fixed assets	4,807,599	2,274,684	2,758,894	(6,174,862)	3,666,315
Indebtedness outside the group	(0)	831,743			831,743
Cash and cash equivalent	254,568	919	240,071		495,558
Net cash generated from operating activities	50,385	57,559	171,734		279,678
Dividends paid to the quoted company	131,417	(0)	77,969		209,386

Note 36. Entry into the scope of consolidation

Entries into the scope of consolidation in the year of 2024 concern two entities: Coface Services Maghreb and Coface Greater China Services.

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In the absence of an IFRS standard covering entries into the scope of consolidation of entities held for several years and in accordance with ANC regulation n° 2020-01, the results accumulated by these entities since their takeover have been recorded in the consolidated income, after deduction of dividends received by the group.

The contribution of new entities to the Coface Group's consolidated accounts as of December 31, 2024 is presented below:

- Turnover: €4,549 thousand;
- Net income: €(2,970) thousand;
- Equity: €(3,129) thousand;
- Total balance sheet: €10,854 thousand.

Note 37. Events after the reporting period

Announcement of the Agreement to acquire Cedar Rose Group, a Company Specializing in Information Services in the Middle East and Africa

On February 3, 2025, Coface announces that it has signed an agreement for the acquisition of Cedar Rose Group, one of the leading providers of business information solutions in the Middle East and Africa region. This acquisition will enable Coface to further strengthen its information production capabilities in areas where information is not readily available. This external growth operation aligns perfectly with the objectives of the Power the Core strategic plan, which notably focuses on data excellence.

Note 38. Risk management

In an uncertain economic environment marked by geopolitical and economic tensions, the Coface Group strives to maintain discipline in its risk management. This chapter identifies significant risk factors to which the group believes it is exposed, and how they are managed: the credit risk, the financial risks and the reinsurance risk. The note discloses the definition and measurement of these risks.

Risk factors related to the Issuer

/ Breakdown of the Group's overall exposure by business line (in €bn)

	2024		2023	2022
By business line	***(in €bn)***	***(as a %)***	*(in €bn)*	*(in €bn)*
Credit insurance	**715.4**	**96.4%**	**685.1**	**666.9**
Bonding	**15.8**	**2.1%**	**15.5**	**14.7**
Single Risk Insurance[1]	**3.1**	**0.4%**	**3.5**	**3.5**
Other	**8.1**	**1.1%**	**6.1**	**4.6**
Total	**742.5**	**100%**	**710.2**	**689.7**

The data and charts on exposures provided below relate to credit insurance, which accounts for 96% of total amounts outstanding.

38.1 Credit risk

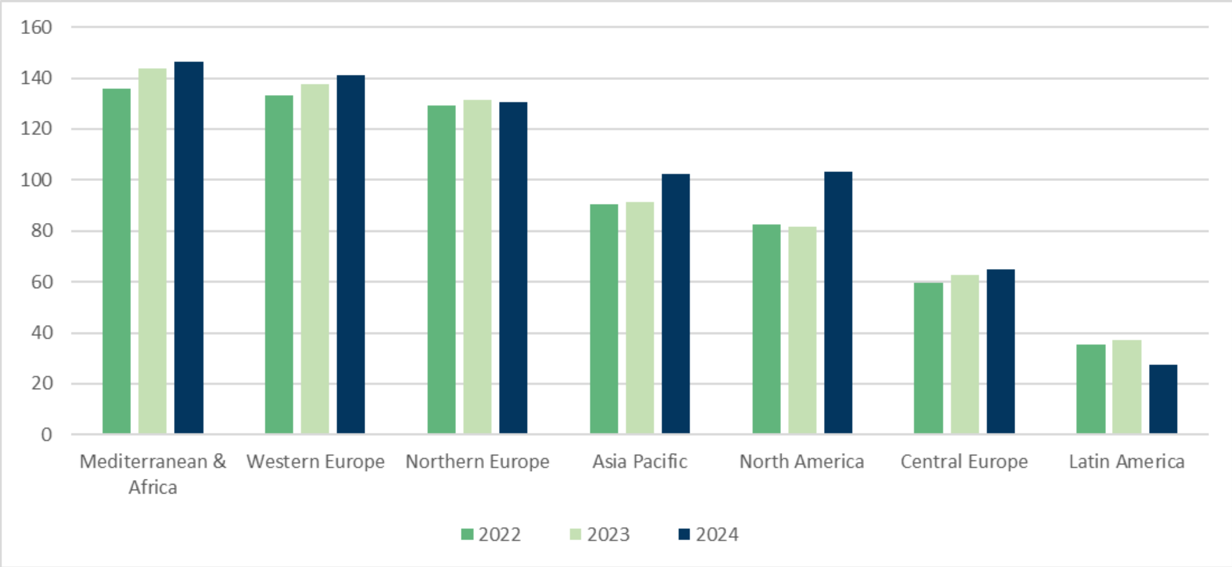
a) Risk related to the management of the Group's exposure in its trade credit insurance business

Description of the risk	**Potential impacts on the group**
As part of its trade credit insurance activities, the Group allocates its exposures between clients operating in a wide range of economic sectors and established in different countries around the world.	Exposure to certain countries with high corporate default rates or the concentration of exposures in fragile economic sectors could have a material impact on the Group's loss ratio, operating income, liquidity and solvency margin.
Risk management	
In this regard, the Group manages its exposures and determines the maximum amount of risk that it is willing to accept for each group of debtors based on the underlying level of risk related to the economic sector concerned and/or the location of those groups of debtors.	The Group significantly increased the control of its exposures in 2021 and 2022, in a context of a decline in the COVID-19 pandemic and then of high inflation, which supported the revenue of Coface's clients. Growth was contained in 2023 (+2.7%) and 2024 (+4.4%), reflecting the efforts to control risk and the preventive actions taken against the backdrop of an economic slowdown and the normalisation of claims. Exposure thus stood at €715 billion at the end of 2024.

[1] Single Risk is a special type of insurance that covers political and commercial risks (i.e. payment defaults). This type of policy is designed specifically for complex and long-term projects. The insurer draws up a bespoke policy with the client.

The chart below shows a breakdown of the level of exposure by region for the periods ended December 31, 2022, 2023 and 2024 respectively:

/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURES BY GEOGRAPHIC REGION (IN € BILLIONS)

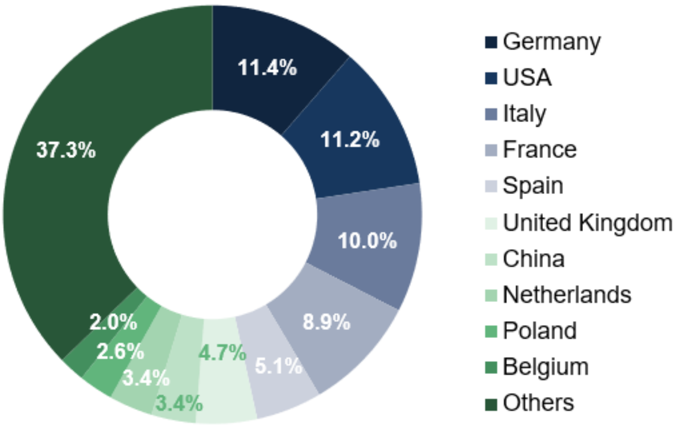


Changes in exposure were affected by a change in internal reporting: in 2024, Mexico was reassigned from Latin America to North America, and West Africa was reassigned from the Mediterranean and Africa to Western Europe. Taking these reassignments into account, the growth in exposure is differentiated according to the regions: the exposure of Northern Europe (-0.6%) and Western Europe (-1.3% *pro forma*) is down, in a context of economic slowdown, while the Asia-Pacific (12.3%), North America (11.5% *pro forma*) and Mediterranean and Africa (5.8% *pro forma*) regions are growing strongly. Growth is more moderate in Central Europe (+3.4%) and Latin America (+3.5% *pro forma*), a region in which exposure remains limited (less than 4% of credit insurance outstandings), while numerous risk prevention actions have been implemented.

The geographical breakdown of risk is monitored according to the Group's country risk assessment, which estimates the average credit risk of companies in a given country using a risk scale ranging from A1 (the highest rating) to E (the lowest rating). The concentration of exposure on the lowest-rated countries is constantly monitored as part of Coface's risk appetite.

At December 31, 2024, the top ten countries accounted for 62.7% of credit insurance exposures, down slightly compared with December 31, 2023. Germany, which accounts for 11.4% of the Group's risks, remains the country in which the Group has the biggest exposure. More than 80% of the debtors covered by credit insurance policies are located in OECD countries.

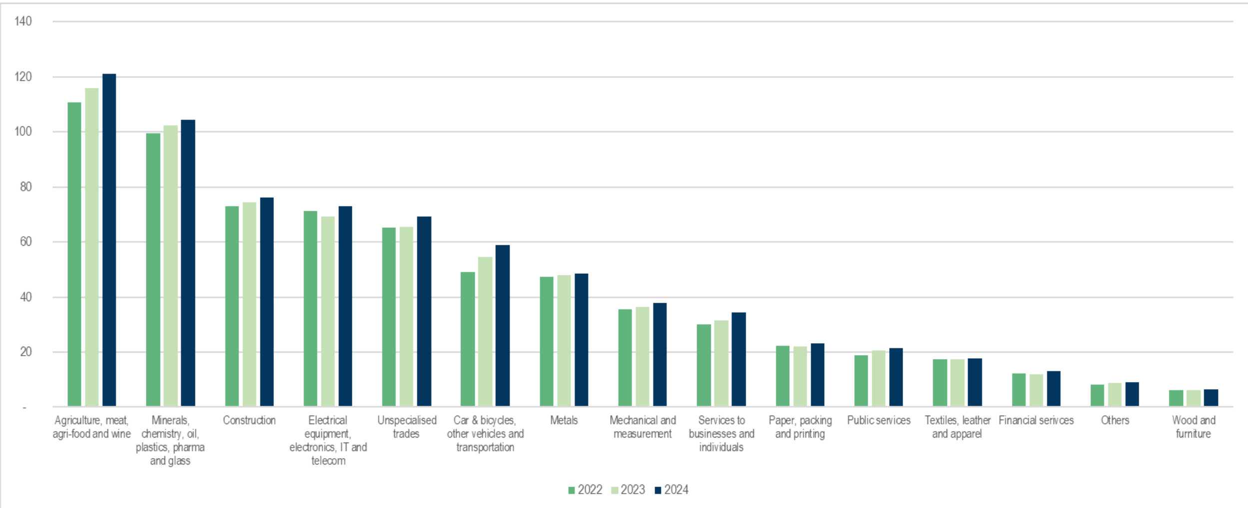
/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURE BY COUNTRY AT DECEMBER 31, 2024



The Group's exposure is also diversified by economic sector. Exposure increased slightly in most sectors. The concentration on the largest sector, namely agriculture, was stable at 17.0% of total exposure. The biggest increases came in the transport and services sectors.

The chart below shows a breakdown of the level of exposure by economic sector for the periods ended December 31, 2022, 2023 and 2024 respectively:

/ BREAKDOWN OF THE GROUP'S CREDIT INSURANCE EXPOSURE BY ECONOMIC SECTOR (IN € BILLION)



At December 31, 2024, more than 95% of the Group's total exposure consisted of short-term risks. The maximum credit term stipulated in its policies rarely exceeds 180 days.

However, an adverse change in the economic cycle (at a global, sector, geographical or country level) resulting from:

- a financial or health crisis, such as the global COVID-19 pandemic in 2020;
- a failure of the Group's management systems, processes or governance;
- a poor assessment of the risks associated with an economic sector, geographical area or country;

could lead to delays in reducing exposures and/or an overestimation of the quality of exposures to the economic sector, geographical area or country concerned. In such an event, the Group's credit risk would increase and it could experience a sharp rise in paid claims, which would have an impact on its loss ratio, operating income, liquidity and solvency margin.

Analysis of the exposure by risk type at the closing date:

i. Insurance service expenses at the Group level:

(in millions of euros)	31/12/2024			31/12/2023		
	GROSS OF REINSURANCE	CEDED	NET OF REINSURANCE	GROSS OF REINSURANCE	CEDED	NET OF REINSURANCE
Claims expenses and other insurance service expenses	(863.0)	124.9	(738.1)	(896.3)	139.1	(757.2)
Amortisation of insurance acquisition cash flows	(192.9)	0.0	(192.9)	(196.7)	0.0	(196.7)
Variations into the future cash flows related to the liability for incurred claims (LIC)	(0.8)	7.2	6.4	(12.7)	7.1	(5.5)
Losses and losses reversals on groups of onerous contracts	0.4	0.0	0.4	0.6	(0.3)	0.3
INSURANCE SERVICE EXPENSES	(1,056.2)	132.1	(924.1)	(1,105.0)	146.0	(959.1)

The claims expenses and other insurance service expenses include the attributable costs.

ii. Loss ratio :

The loss ratio mesures the proportion between the claims expenses including claims handling costs and the earned premiums (sum of the issued premiums and the premiums reserves) net of premium refunds. It is analysed gross and net of reinsurance.

	31/12/2024	31/12/2023
Loss ratio gross of reinsurance	**33.4%**	**35.8%**
Loss ratio net of reinsurance	**35.2%**	**37.7%**

iii. Insurance risk — Development of ultimate claims

The development of claims provisions shows how claims provisions have progressed over the last decade.

The following triangles show the development of the ultimate claims expenditure and sets out, for a given line N, the outlook for each of the subsequent year-ends (N+1, N+2, etc.). The estimated final claims expenditure varies according to the increasing reliability of information relating to claims still pending. The discrepancy between the initial claims expenditure and the final one measures the excess or insufficiency of the provisions originally recorded.

The cumulated claims related to each development year and the closing positions of reserves for incurred claims (LIC) at the end of 2024 for each development year are also presented.

As requested by the standard, the data anterior to 2022 are presented here under the old IFRS 4 accounting standard and from 2022, under the new IFRS 17 standard.

The reconciliation with the financial statements is done in the following note: Reconciliation between the notes Development of ultimate claims and Analysis of the liquidity risk and the financial statements.

Ultimate claims expenditure estimates (undiscounted amounts) – gross of reinsurance

(in millions of euros)

YEAR OF OCCURRENCE (N)/YEAR OF DEVELOPMENT	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	TOTAL
2015	593	756	639	600	590	574	577	564	559	557	
2016	582	720	622	608	600	611	584	579	575		
2017	604	697	597	548	537	514	503	499			
2018	632	730	598	562	523	517	509				
2019	642	784	653	623	593	583					
2020	653	509	353	358	337						
2021	622	555	432	385							
2022	809	764	595								
2023	843	758									
2024	908										
Cumulative gross claims	(91)	(399)	(488)	(336)	(283)	(550)	(495)	(486)	(567)	(541)	
Gross liabilities - AY from 2015 to 2024	816	359	107	49	53	33	14	13	8	16	1,467
Gross liabilities - AY before 2015											50
Total BE + RA undiscounted											**1,518**
Discounting											**(69)**
TOTAL GROSS LIABILITIES DISCOUNTED											**1,449**

The loss experience in 2024 began at a higher level than previous years due to progressive claims experience normalization and the economic uncertainty in Northern Europe, Central Europe and Asia Pacific.

Ultimate claims expenditure estimates (undiscounted amounts)– net of reinsurance

(in millions of euros)

YEAR OF OCCURRENCE (N)/YEAR OF DEVELOPMENT	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	TOTAL
2015	471	610	509	478	471	458	461	450	446	426	
2016	460	565	485	474	467	475	454	450	431		
2017	446	520	454	417	409	392	383	360			
2018	473	546	445	419	390	385	361				
2019	477	565	480	459	436	402					
2020	346	326	215	223	187						
2021	419	403	313	263							
2022	611	572	432								
2023	643	574									
2024	689										
Cumulative claims net of reinsurance	(70)	(305)	(367)	(227)	(148)	(379)	(351)	(351)	(425)	(413)	
Liabilities net of reinsurance - AY from 2015 to 2024	619	269	66	36	39	24	10	10	6	12	1,092
Liabilities net of reinsurance - AY before 2015											42
Total BE + RA net undiscounted											**1,134**
Discounting											**(56)**
TOTAL LIABILITIES NET OF REINSURANCE DISCOUNTED											**1,078**

Reconciliation between the notes Development of ultimate claims and Analysis of the liquidity risk and the financial statements:

In millions of euros	December 31, 2024	December 31, 2023
Undiscounted Best estimates	861	811
Discounting – Best estimates	(33)	(31)
Undiscounted Risk adjustment	657	647
Discounting – Risk adjustment	(36)	(36)
LIC – Liability for incured claims	**1,449**	**1,392**
Cash flows related to Provision for incurred claims	7	4
LIC - Liability for incurred claims net of cash flows	**1,456**	**1,395**
LRC – Liability for remaining coverage net of cash flows	**44**	**73**
TOTAL LIABILITIES ISSUED INSURANCE CONTRACTS	**1,501**	**1,468**

In millions of euros	December 31, 2024	December 31, 2023
Undiscounted Best estimates – net of reinsurance	650	608
Discounting – Best estimates – net of reinsurance	(27)	(24)
Undiscounted Risk adjustment – net of reinsurance	483	484
Discounting – Risk adjustment – net of reinsurance	(29)	(29)
LIC – Liability for incurred claims net of reinsurance	**1,078**	**1,040**
Cash flows related to Provision for incurred claims – net of reinsurance	(78)	(38)
LIC - Provision for incurred claims net of cash flows – net of reinsurance	**1,000**	**1,002**
LRC – Provision for remaining coverage net of cash flows – net of reinsurance	**106**	**82**
Total Liabilities issued insurance contracts – net of reinsurance	**1,106**	**1,084**

b) Risk of debtor insolvency

Description of the risk	Potential impacts on the group
Insolvency risk is the risk of losses arising from non-payment by a debtor of amounts owed to one of the Group's policyholders.	An overestimation of the quality of our debtors, poor management of the concentration of debtors or a delay in assessing certain adverse economic developments could lead to the granting of inappropriate limits to companies that may encounter financial difficulties and potentially default on their payment obligations towards our policyholders, thereby increasing the claims submitted to the Group.

Risk management

The approval of the maximum amount of risk incurred on debtors is based on an analysis of their financial strength and an assessment of their capacity to pay amounts due to our policyholders in a given economic situation. This analysis is carried out by the Group's credit analysts and underwriters, who continually assess and monitor debtor solvency based on publicly available information and/or data collected directly from the debtors and/or using an internal assessment tool and a historical database.

The default risk of debtors (policyholders' clients) is analysed according to the concentration of exposures to a group of debtors. The Group provides unpaid receivables risk insurance covering nearly two million debtors worldwide. At

December 31, 2024, the Group's average exposure to individual debtors increased but was contained, with the average risk per debtor below €360,000.

The table below shows a breakdown of debtors at December 31, 2024 according to the total outstanding credit risk incurred by the Group. Analysis of the number of debtors by amounts outstanding shows that the risk concentration is limited. For example, debtors to which the Group's exposure totals less than €5 million account for 48% of the Group's total exposure.

	Outstandings* *(in millions of euros)*
Debtor total outstandings brackets	**2024**
€1 - €100,000	43,997
€101,000 - €200,000	29,830
€201,000 - €400,000	39,584
€401,000 - €800,000	50,800
€801,000 - €1.5 million	53,495
€1.5 million - €5 million	122,558
€5 million - €50 million	244,173
€50 million - €200 million	87,000
€200 million and more	43,944
Total	**715,381**

* The outstandings shown are gross of reinsurance (direct business and inward reinsurance) and correspond to the maximum amount of cover granted by the Group to its policyholders. They do not correspond to the effective use thereof by the policyholders.

The risk of debtor insolvency can also be exacerbated by debtors' exposure to climate risk. Coface has incorporated a climate stress test as part of its annual own risk and solvency assessment (ORSA). In a scenario reflecting the risk of a delayed transition to a low-carbon economy, obligors operating in sectors the most exposed to transition risk (such as carbon-intensive sectors) and whose financial strength is low or medium would be the most exposed. However, the share of these companies in Coface's portfolio is very low. As a result, the impact of this stress scenario on the Group's profitability and solvency is not material. Environmental risk management is detailed in the **sustainability statement (CSRD).**

The Group is mainly exposed to small and medium-sized debtors and, to a certain extent, to larger debtors for larger amounts. Although the Group's exposures are covered by a reinsurance programme, the default of a number of small and medium-sized debtors, each for amounts below the minimum amounts covered by the reinsurance programme, could be borne directly by the Group. In addition, the default of certain debtors for a significant amount may exceed the upper limit of the reinsurance programme. As a result, adverse developments in the economic situation of a debtor, internal defaults of debtors, or a failure in the Group's systems or processes leading to an incorrect assessment of the risk of insolvency of a debtor or group of debtors, may lead to an underestimation of this risk of default of one or more debtors, thereby increasing the claims presented to the Group, which may have a material impact on its operating income, liquidity and solvency margin.

Analysis of the insurance risk sensitivity:

The table below present the impacts in net result and net equity of the variation of 1 point in loss ratio, 2 points and 5 points, with a unchanged level of premiums.

(in millions of euros)	Hypothesis change	Net Result impact		Net equity impact	
		Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Insurance and reinsurance contracts	Var. in loss ratio +1 point	(12)	(8)	(12)	(8)
	Var. in loss ratio: +2 points	(23)	(16)	(23)	(16)
	Var. in loss ratio: + 5 points	(58)	(40)	(58)	(40)

The variation of +/- one point of gross accounting loss ratio at December 31, 2024 would have an impact of (12) millions of euros on the net result gross of reinsurance and (8) millions on the net result after reinsurance, (12) millions of euros on the net equity before reinsurance and (8) millions on the net equity after reinsurance.

The Group considers that a variation of one point of loss ratio is consistent regarding the loss ratio observed on previous years.

Maximal exposure to credit risk

The disclosures « Analysis of the exposure by risk type at the closing date » included in the paragraph « Risk related to the management of the Group's exposure in its trade credit insurance business » are providing the informations related to the maximal exposure to credit risk within the group.

Risk related to the potential insolvency of its reinsurers

The Group's 2024 reinsurance treaties have been concluded with a pool of 26 reinsurance companies without any of them having a dominant exposure. All of the reinsurance companies on the 2024 panel are rated between A- and AA+ by one of the leading international rating agencies. The credit quality of the reinsurance treaties held that are assets is therefore very good.

38.2 Financial risk

a) Interest rate risk

Description of the risk	Potential impacts on the group
Interest rate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates.	Any significant fluctuation in the value of the Group's bond portfolio due to a change in interest rates may have a material adverse effect on the Group's ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

Risk management

The Group holds an investment portfolio composed mainly of listed financial instruments. Its portfolio allocation is mainly focused on debt products (almost all at fixed rates), as shown in the table below. The Group's portfolio of assets also enables it to meet some of its liquidity needs.

Investment portfolio (fair value)* As of Dec. 31	2024		2023		2022	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Shares	85	2.6%	80	2.4%	85	2.9%
Bonds	2,582	78.6%	2,269	68.9%	2,265	77.1%
Loans, deposits and other financial investments**	466	14.2%	764	23.2%	367	12.5%
Investment property	150	4.6%	180	5.5%	220	7.5%
Total	**3,284**	**100%**	**3,294**	**100%**	**2,937**	**100%**

* Excluding non-consolidated subsidiaries.
** Including units in money market UCITS.

The Group's investment policy aims to respect legal and regulatory requirements while generating regular income with limited risk.
Macroeconomic figures for 2024 showed divergent trends on each side of the Atlantic. The US economy surprised by its resilience, while Europe and, to an even greater extent, China posted weaker-than-expected growth. Inflation in developed economies fell significantly, from 4.7% to 2.6%, but remained stable in emerging economies, decreasing on average from 5.7% to 5.3%. Monetary policy arrived at a turning point with cuts in key central banks' key rates. The ECB initiated this trend with a rate cut in June, followed by the Fed in September.

As monetary policy normalised, the Coface Group continued to lower the risk profile of its portfolio, mainly by reducing its exposure to emerging sovereign debt in favour of corporate bonds. Regarding real assets, some real estate assets were reallocated from offices and retail to residential and logistics real estate. Lastly, cash levels remain high to cover a possible deterioration in the loss experience.

The listed equity portfolio was restructured into a long-term investment segment classified at fair value through other comprehensive income not reclassified to profit or loss (FV OCI NR). Bond investments will be recognised at fair value through other comprehensive income reclassified to profit or loss (FV OCI-R).

At December 31, 2024, the fair value of the Group's investment portfolio amounted to €3,284 million (excluding non-consolidated subsidiaries), down €10 million compared with the end of 2023.

The bond portfolio is mainly invested in government bonds (50% at end-December 2024) and investment grade corporate bonds (46.3% at end-December 2024)[1]. These investments were made in accordance with a clear risk policy with a particular focus on issuer quality, interest rate sensitivity, and the spread of issuers and geographic regions in the investment mandates granted to the Group's dedicated asset managers.

The average rating of the bond portfolio at the end of 2024 was A, with nearly 94.7% of securities rated BBB- or above.

Breakdown by rating* of bonds in the bond portfolio (fair value)	At December 31, 2024	
	(in €m)	*(as a %)*
AAA	239	9.3%
AA – A	1,297	50.2%
BBB	910	35.2%
BB – B	131	5.1%
CCC and below	5	0.2%
Total	**2,582**	**100%**

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

The Group is exposed to interest rate risk on its bond investments, which includes:

- interest rate risk representing the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates, and
- spread risk arising from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level of credit spreads relative to the interest rates at which sovereign bonds are issued.

The modified duration of the Group's bond portfolio is capped at 5[1] in the Group's internal investment policy. At December 31, 2024, the bond portfolio's modified duration was 3.5, up 0.5 compared with the end of 2023. The Group's exposure to interest rate risk and, consequently, to spread risk, therefore remains limited.

However, fluctuations in interest rates have a direct impact on the market value and return on the Group's investments since unrealised gains or losses and the return on securities held in its portfolio depend on the level of interest rates.

Interest rates are highly sensitive to a number of external factors, including monetary and fiscal policies, domestic and international economic and political environments, and investors' risk aversion.

The risk associated with a significant drop in interest rates is that either the portfolio's average rate decreases (in which case reinvestments are made at lower rates) or the portfolio's duration increases (which may make the portfolio more sensitive to future interest rate fluctuations). The risk associated with rising interest rates is a fall in the market value of the bond portfolio, which may lead the Group to record unrealised losses.

At December 31, 2024, the Group considered that an increase in interest rates of 100 basis points would have an impact of €89.6 million on the fair value of its portfolio (excluding hedging activities).

/ Sensitivity of the portfolio to variation in interests rates at December 31, 2024 (1)

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+100 pbs	-100 bps	+100 bps	- 100 bps
Bonds	(1)	+1	(71)	+71

(1) Excluding any hedging impact.

[1] The modified duration of a bond measures its loss of value in the event of a rise in interest rates. Thus, a bond with a modified duration of 4 will see its market value decrease by 4% if interest rates rise by 1%.

/ Sensitivity of the insurance and reinsurance contracts to variation in interests rates at December 31, 2024

Credit-insurance, Coface's core activity, is a short-term business, that is why the liabilities show a short term duration. It limits the risks linked to the interest rates variation.

(in millions of euros)	Accounting value as of Dec. 31, 2024	Impact increase in interest rates of 100 bps	Impact decrease in interest rates of 100 bps
Technical liabilities net of reinsurance	1,107	(13)	13

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+100 pbs	-100 bps	+100 bps	- 100 bps
Technical liabilities net of reinsurance	-	-	10	(10)

b) Real estate risk

Description of the risk	Potential impacts on the group
Real estate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of real estate assets.	Any significant change in the value of the Group's real estate portfolio due to real estate market trends may have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below). The change is recognised directly in the Group's financial income (IFRS 9) because the funds are recognised at fair value through profit or loss.

Risk management

The Group's real estate portfolio consists of property used for its operating activities and investments having real estate as their underlying assets.

At December 31, 2024, the fair value of the Group's real estate exposure was €203 million, with €53 million in real estate assets used for its operations and €150 million in real estate investment funds invested in real estate assets linked to various economic sectors in Europe. Investment in real estate investment funds accounts for a limited portion of the Group's investment portfolio (4.6%) due to the low liquidity of this asset class. In addition, exposure to investment real estate decreased in 2024 compared with 2023, thus justifying the reduction in residual risk relative to 2023.

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

The rental income of the real estate portfolio is exposed to variations in the indices used to calculate rents (for example, the cost of construction index in France), risks related to the rental market (changes in supply and demand, vacancy rates, impact on market rental values or lease renewals) and the risk of default by leaseholders.

The value of real estate assets is exposed to the risk of obsolescence due to changes in applicable regulations, which could lead to impairment losses in the event of a sale of the assets or additional expenditure to restore the value of the assets.

The following table assesses the portfolio's sensitivity to a downturn in the real estate market:

/ Sensitivity of the portfolio to the decline in the real estate market at December 31, 2024

(in millions of euros)	Market value as of Dec. 31, 2024	Impact of a 10% decline in the real estate market	Impact of a 20% decline in the real estate market
Real estate assets	150	(15.0)	(30.1)

/ Sensitivity of the portfolio to the variation in the real estate market at December 31, 2024

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+10%	-10 %	+10%	- 10 %
Real estate assets	12	(12)	12	(12)

c) Foreign exchange risk

Description of the risk	Potential impacts on the group
Foreign exchange risk is the risk of loss resulting from adverse changes in exchange rates.	Given its global presence, the Group is exposed to exchange rate fluctuations that may affect its profitability, financial position, liquidity and solvency margin. This could have an impact on the Group's operating income (for example, turnover from subsidiaries or liabilities denominated in specific currencies) and on the value of the Group's assets (for example, through direct investments in assets denominated in foreign currencies).

Risk management

At December 31, 2024, 35.3% of the Group's consolidated turnover was denominated in currencies other than the euro (mainly the currencies of the United States, the United Kingdom, Singapore and Hong Kong) thus exposing the Group to foreign exchange risk. Emerging countries account for 15.1% of the Group's revenue, with the three biggest countries being Israel (1.7%), Brazil (2.0%) and Poland (3.6%).

Most of the Group's investments are denominated in euros. At December 31, 2024, more than 80.0% of its investments were denominated in euros and the exposure to foreign exchange risk (mainly in US dollars, Singapore dollars, pounds sterling and Hong Kong dollars) was therefore limited. The absolute weight of emerging currencies in the portfolio is 2.2%, with the most significant countries being Chile, with 0.7% and Brazil, with 0.7%.

However, the following types of foreign exchange risk have been identified by the Group:

- Operations: fluctuations in exchange rates may have consequences on the Group's operating income due to the translation of foreign currency transactions, the settlement of balances denominated in foreign currencies and a mismatch between monetary assets and liabilities in foreign currencies. To reduce the impact of this mismatch, the Group uses derivatives to hedge its positions against foreign exchange fluctuations in sensitive currencies, particularly during periods of heightened volatility on the capital markets. However, it is never possible to fully align monetary assets and liabilities and a potential impact on profits and losses may be recorded as a result of fluctuations in exchange rates and since these transactions are not subject to hedge accounting under IFRS.

- *Conversion*: the Group publishes its consolidated financial statements in euros, but some of its income and expenses, as well as its assets and liabilities, are denominated in currencies other than the euro. As a result, fluctuations in the exchange rates used to convert these currencies into euros may have a significant impact on reported turnover from one year to the next. In particular, the significant volatility of emerging currencies against the euro may significantly alter the contribution of the countries concerned to the Group's turnover.

- *Hyperinflation*: the Group is exposed to significant inflationary risks, especially in Argentina, Brazil, Israel and Turkey. Due to expensive and inefficient currency hedging, the risk of asset devaluation may be significant. Hyperinflation thus generated a loss of €11.9 million in income in 2024[1].

Any significant change in the exchange rates for currencies in which the Group operates or manages its assets is therefore likely to have an adverse effect on its cash flows, solvency margin and financial position as well as the value of its portfolio.

/ Sensitivity of the net result and net equity to a variation in Foreign exchange rates at December 31, 2024 (1)

	Net result impact		Net equity impact	
(In millions of euros)	+10%	-10%	+10%	-10%
USD				
Technical reserves net of reinsurance	17	(17)	23	(23)
Financial assets	(10)	10	(19)	19
HKD				
Technical reserves net of reinsurance	2	(2)	0	0
Financial assets	0	0	(7)	7
GBP				
Technical reserves net of reinsurance	2	(2)	5	(5)
Financial assets	0	0	(5)	5

(1) Excluding any hedging impact.

d) Liquidity risk

Description of the risk	Potential impacts on the group
Liquidity risk represents the inability to meet payment obligations.	Adverse conditions on the capital markets could have a significant impact on the Group's ability to fund its factoring business.

Risk management

The Group has a commercial credit insurance business, which is the core of its business model, but has also developed a factoring business in Germany and Poland.

Through this business, the Group acquires and finances its clients' trade receivables, thereby generating a significant liquidity requirement insofar as it does not have an internal source of financing. For example, the liquidity used to fund this activity amounted to more than €2.6 billion at December 31, 2024. To finance its factoring activity on a sustainable basis, the Group has a diversified and resilient refinancing programme, consisting of a commercial receivables securitisation programme of up to €1,300 million, and a commercial paper programme for up to €700 million (the same as of December 31, 2023) as well as several credit lines and overdraft facilities for a maximum of €1,717 million. The Group's refinancing programme is oversized and guaranteed for a much longer maturity than the underlying short-term trade receivables it finances. It includes back-up facilities for its market financing solutions such as the commercial paper and securitisation programmes.

Any substantial downgrade of the credit ratings of the Group or one of its entities or any non-compliance with the obligations set out in the financing agreements could have a material adverse effect on the Group's ability to fund its factoring business due to the loss of financing available under existing credit facilities or difficulties in renewing these credit lines. In addition, any market event leading to the unavailability of the debt market or the commercial paper market, as sometimes happens during a financial crisis, could compromise the Group's ability to obtain adequate funding and lead to a decline in business and consequently a loss of revenue.

[1] Two contributing entities: Coface Service Argentina and Coface Sigorta (Turkey)

Liquidity tensions related to the payment of claims to its policyholders and/or the failure of some of its reinsurers to meet their obligations could cause the Group to record a loss in value of its portfolio. Significant disposals required within a few days and carried out urgently on illiquid assets or involving high execution costs could impact the value of the portfolio in sudden or adverse market scenarios, thereby having consequences for the Group's solvency margin and/or net income.

The Group's investment portfolio must be sufficiently liquid to meet significant cash requirements at all times. For this reason, it consists mainly of debt products (which represent the bulk of the Group's overall asset allocation) with a fixed rate and short duration, in line with the Group's liabilities and a cap on money-market assets set at a minimum 10%. In addition, the Group allocates a significant portion of its assets to highly liquid money market instruments, which accounted for 14.2% of the investment portfolio at December 31, 2024 (loans, deposits and other financial investments), corresponding to €466 million at this date. Under current market conditions and according to the Group's assessment, this amount could be fully available in less than 15 days.

The following table presents the breakdown of the duration of the Group's bond portfolio:

	At December 31, 2024	
Breakdown of the bond portfolio by duration	*(in €m)*	*(as a %)*
< 1 year	495	19.2%
1-3 years	793	30.7%
3-5 years	351	13.6%
5-10 years	489	18.9%
> 10 years	455	17.6%
Total	**2,582**	**100%**

At December 31, 2024, 49.9% of the bond portfolio had a duration of less than three years.

This short duration allows the Group to have regular access to liquid assets that may be allocated to operating needs if necessary or to make regular reinvestments in market securities.

As an insurer, the Group must regularly pay claims and has implemented liquidity management policies for its investment portfolio as well as clear rules for monitoring its reinsurers' default risk.

Analysis of the maturities of the risk liquidity

The table below presents the undiscounted estimates of future cash flows (or *Best estimates*) by maturity date. The total of the liabilities represents 861 millions of euros of which 614 millions of euros, representing 71% of the total, are with a maturity date equal or inferior to 1 year. Credit- Insurance, core business activity is short term, that is why the insurance liabilities duration is short. It limits the liquidity risk.

The estimates of future cash flows, when they are realized, are fully payable on demand.

As of DECEMBER 31, 2024 (In millions of euros)	**Undiscounted estimates of future cash flows**						
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Liabilities – Issued insurance contracts	614	145	27	24	19	32	861
Total	**614**	**145**	**27**	**24**	**19**	**32**	**861**

e) Equity risk

Description of the risk	Potential impacts on the group
Equity risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities.	Any significant change in the value of the Group's equity instruments due to a decline in the equity markets may therefore have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position (see sensitivity table below).

Risk management

At December 31, 2024, equity investments accounted for 2.6% of the Group's investment portfolio, compared with 2.4% at the end of 2023.

This exposure is concentrated in the eurozone, in line with the Group's core business.

The recognition of shares at FV OCI NR[1] in accordance with the Group's implementation of IFRS 9 limits the impact of changes in the value of shares in the portfolio on the balance sheet. This approach is justified as these are long-term investments bearing significant dividends. As a result, the equity portfolio is extremely stable and has no impact on the Group's financial income besides the dividends received.

Equity prices may be affected by risks affecting the market as a whole (uncertainty over general economic conditions, such as expected growth trends, inflation, interest rate fluctuations, sovereign risk, etc.) and/or by risks affecting a single asset or a small number of assets. This may result in a fall in the price of equity instruments held by the Group and may have an impact on its realised or unrealised capital gains and losses.

The following table assesses the portfolio's sensitivity to changes in the equity market:

/ Sensitivity of the portfolio to changes in equity markets as of December 31, 2024

(in millions of euros)	Market value as of Dec. 31, 2024	Impact of a 10% fall in equity markets (1)	Impact of a 20% fall in equity markets (1)
Shares	85	(8.5)	(17.0)

	NET RESULT IMPACT		NET EQUITY IMPACT	
(in millions of euros)	+20%	-20%	+20%	- 20%
Shares	0	(0)	13	(13)

(1) Excluding any hedging impact.

[1] FV OCI NR: Fair value through other comprehensive income: No Recycling

38.3 Reinsurance risk

a) Residual reinsurance risk

Description of the risk	Potential impacts on the group
The main reinsurance risk is a lack of coverage available on the market, which would reduce the Group's risk appetite for future uncovered extreme credit events.	Under certain adverse circumstances, reinsurance treaties may not be renewed in full or extended in line with the development of the Group's activities, which may have an adverse impact on the Group's solvency margin and operating income.

Risk management

This risk may increase due to changes in the economic cycle, a poor financial performance by the Group, or a decline in the attractiveness of the credit insurance and bonding segments in relation to other risk segments that could be considered to be more profitable by the reinsurance market.

The Group has structured its reinsurance programme as follows:

- two proportional treaties whose combined cession rates come to 23% for short-term credit, with each one possessing a cession rate of 11.5%. One treaty has a term of one year and the other has a term of two years. Regarding Surety Bonds and Single Risk, the same system applies with a combined cession rate of 50%, with a rate of 25% under each of the two treaties. The renewal dates for these treaties are 12 months apart, so half of the coverage is already secured for the following year regardless of the outcome of the renewal in progress. Proportional coverage aims to protect the Group against a significant increase in the frequency of claims;

- after the application of proportional treaties, the residual exposure is covered by two excess of loss treaties aimed at covering the Group against the default of a significant exposure or the accumulation of losses related to small and medium-sized exposures. This coverage aims to protect the Group against an exceptional risk with a very high adverse financial impact;

- in the long term, the Group's residual exposure is also covered by a two-year stop loss reinsurance treaty covering the Group against a combination of exceptional events.

Over the past two years, the Group has continued to diversify its reinsurance pool and actively manage its concentration risk with an improved investment rate and overall conditions linked to efficient claims management.

If one or more reinsurance treaties cannot be renewed or are renewed for a lower coverage amount, the Group will incur more risks than expected, which may increase the final share of the losses it will have to finance and may have a negative impact on its solvency and operating income. In the event of serious losses, reinsurance companies may increase premiums, which may also have a direct impact on the Group's operating income.

The Group faced a capacity shortage at the end of 2008 and could only partially place its proportional reinsurance programme and the overall cost of the reinsurance programme was significantly higher than in the previous year. If a similar event occurs in the future with the current reinsurance structure, this may have a negative impact on the Group's solvency margin.