2018 Solvency and Financial Conditions Report

(SFCR - Solvency and Financial Conditions Report)

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General comments

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

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

Forward-looking information

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

These forward-looking statements are based on data, assumptions and estimates that the Coface Group deems reasonable. They may evolve or be modified due to uncertainty linked, in particular, to the economic, financial, competitive or regulatory environment. Furthermore, the forward-looking statements contained in this report also involve risks, both known and unknown, uncertainty and other factors that, were they to occur, could affect the Coface Group's future results, performance and achievements. Such factors may include, in particular, changes in the economic and commercial climate as well as the risk factors presented in Chapter 5 of the registration document filed with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on April 3, 2019 under number D.19-0261.

Risk factors

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

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

Clarifications relating to the presentation

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

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

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

The Coface Group's general scope of consolidation is stated on page 11 of this document and the reader's attention is drawn to the following information:

- The quantitative information relating to COFACE SA was prepared in accordance with IFRS or Solvency II standards, as the case may be.
- In accordance with the regulations, Compagnie française d'assurance pour le commerce extérieur has no obligation to prepare consolidated financial statements and, as a result, the quantitative information in this document is provided on a statutory basis under French accounting standards, in respect of the business and under Solvency II standards for the prudential items.
- The quantitative information for Compagnie française d'assurance pour le commerce extérieur primarily comprises information relating to the ultimate holding company and to the 30 full-function branches listed in appendix F.1
- The factoring business and credit insurance or services subsidiaries are not consolidated by Compagnie française d'assurance pour le commerce extérieur but at COFACE SA level: this, for the most part, explains the discrepancies in business revenue and results.
- External reinsurance activities are covered by Coface Re, an entity consolidated at COFACE SA level.
- In the absence of a specific paragraph or note, the qualitative or quantitative information in this document is valid for both establishments.
- This report has not been reviewed by the Statutory Auditors of COFACE SA or Compagnie française d'assurance pour le commerce extérieur, although it has been approved by the respective Boards of Directors of COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

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Summary

Business and performance

Coface delivered a strong performance in 2018, thereby demonstrating the relevance of its strategic plan, Fit to Win. Consolidated revenue, which amounted to €1,384.7 million, grew 4.6% compared to 2017 at constant scope and exchange rates. The loss ratio improved 6.2 points to 45.1% and the net cost ratio declined by -0.7 points to 34.5%. The Group ended the year with net income (Group share) up to 47% : €122.3 million (compared to €83.2 million in 2017).

"La Compagnie" saw a 4.5% increase in revenue at constant scope and exchange rates, totalling €1,078.3 million. *"La Compagnie"*'s loss ratio improved by 4.5 points (47.5%), and the net cost ratio fell by -1.4 points to 46.9%. *"La Compagnie"*'s net income rose by 37.7%, from €45.6 million in 2017 to €62.8 million.

System of governance

The Coface Group has put a clear governance system in place based on the Board of Directors, the Audit Committee and specialised committees. The risk management and control system is structured around the Coface Group Risk Committee, its specialised sub-committees and key functions.

The Group set up a risk management system comprising three lines of defence:

- Level 1 operational controls assigned to the businesses
- Level 2 continuous controls assigned to the Group Risk Department and the Group Compliance Department
- Level 3 periodic controls assigned to the Group Audit Department

Risk Profile

As a credit insurer, commercial underwriting risk is the Coface Group's main risk, accounting for a significant proportion of the capital requirements under the standard formula. All the same, it is still impacted by market, credit, liquidity and operational risks. Regarding more efficient management, the Group maintains a sufficiently diversified risk portfolio, both in terms of commercial underwriting risk with geographic or sectoral diversification as well as diverse investments. The Group also uses reinsurance to improve its solvency when facing an increase in the loss ratio.

In addition, the Group uses the ORSA to measure changes in the Group's solvency when facing unfavourable events.

Valuation for solvency purposes

The Coface Group's Solvency balance sheet was closed as at and for the year ended December 31, 2018 in line with Solvency II regulations. The Coface Group values its assets and liabilities based on a going concern assumption. The methods used to value the prudential balance sheet are the same as those used in 2017, allowing comparisons between changes in the major classes of assets and liabilities. This

valuation of the Coface Group’s assets based on IFRS to Solvency II standards is €4,355 million. *“La Compagnie”* has total assets of €3,538 million.
As far as liabilities are concerned, the Group’s liabilities amounts to €1,859 million and *“La Compagnie”*’s liabilities level is €1,719 million.

Capital management

The Coface Group and *“La Compagnie”* use the standard formula for calculating their Solvency Capital Requirements (SCR) and their Minimum Capital Requirements (MCR). In order to optimising capital, the Group has put a capital management policy in place, which is reviewed at least once a year. The Solvency ratios for the Coface Group and Compagnie française d'assurance pour le commerce extérieur are 172% and 278%, respectively, as at December 31, 2018.

A Business and performance

A.1 Business

A.1.1 General Introduction

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

COFACE SA is a public limited company (*société anonyme*) with share capital of €314,496,464 whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 432 413 599.

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

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

COFACE SA and Compagnie française d'assurance pour le commerce extérieur are both governed by the French Insurance Code (Code des Assurances) and are subject to prudential supervision by the ACPR (French Prudential Supervision and Resolution Authority) located at 61 rue Taitbout in Paris (75009).

- ***Name and contact details of the external auditors***

Statutory auditors – COFACE SA

Principal statutory auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La Défense cedex Represented by Jérôme LEMIERRE	KPMG SA EQHO- 2 Avenue Gambetta CS 60055 92066 Paris La Défense Represented by Régis TRIBOUT
Alternate statutory auditors	BEAS 6, place de la Pyramide 92908 Paris-La Défense cedex Represented by Mireille BERTHELOT	KPMG AUDIT FS I Tour EQHO 2 avenue Gambetta CS 60055 92066 Paris la Défense Represented by Isabelle GOALEC

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

Principal statutory auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La Défense cedex Represented by Jérôme LEMIERRE	KPMG SA EQHO- 2 Avenue Gambetta CS 60055 92066 Paris La Défense Represented by Régis TRIBOUT
Alternate statutory auditors	BEAS 6, place de la Pyramide 92908 Paris-La Défense cedex Represented by Mireille BERTHELOT	KPMG AUDIT FS I Tour EQHO 2 avenue Gambetta CS 60055 92066 Paris la Défense Represented by Isabelle GOALEC

A.1.2 Holders of qualifying stakes in the company

- ***COFACE SA***

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

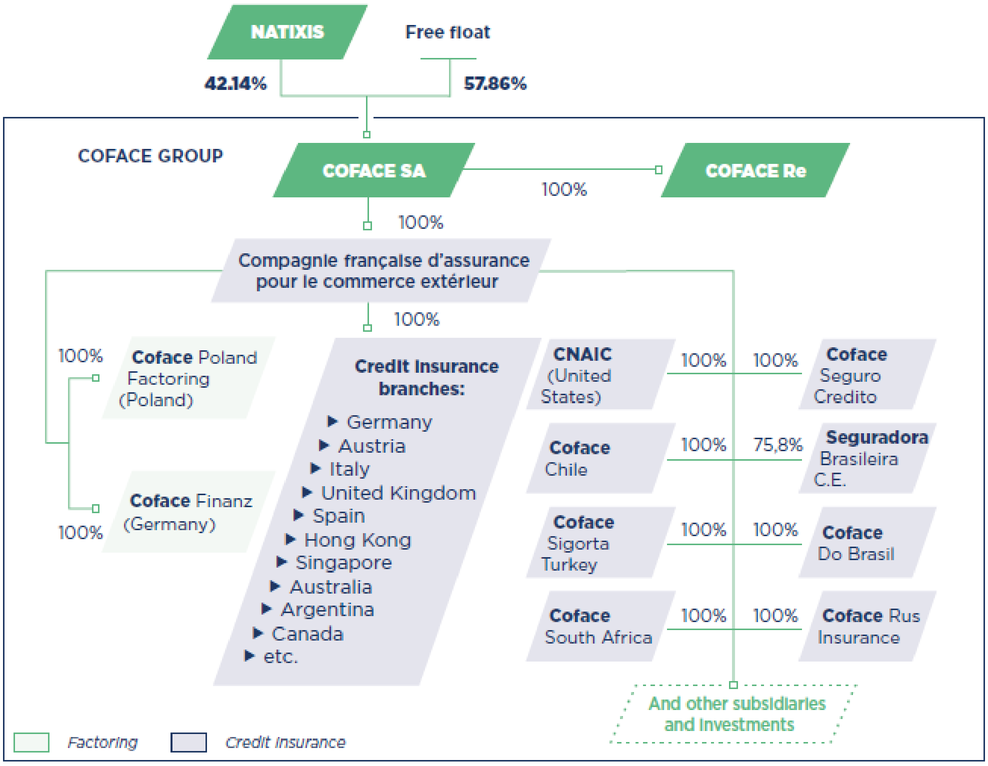
	At Dec. 31, 2018				At Dec. 31, 2017		At Dec. 31, 2016	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Natixis	64 853 881	42,14%	64 853 881	42,86%	64 853 881	64 853 881	64 853 881	64 853 881
Employees	382 256	0,25%	382 256	0,25%	376 537	376 537	383 618	383 618
Public	86 062 884	55,92%	86 062 884	56,88%	91 494 985	91 494 985	91 666 723	91 666 723
Independent holding (liquidity agreement and treasury share transactions)	2 600 240	1,69%	0	0,00%	522 829	0	344 010	0
Other					0	0	0	0
Total	**153 899 261**	**100%**	**151 299 021**	**100%**	**157 248 232**	**156 725 403**	**157 248 232**	**156 904 222**

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

"La Compagnie" is fully owned by COFACE SA.

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

The following diagram represents COFACE SA's legal structure and shows its material subsidiaries and branches.



[1] Natixis head office: 30 avenue Pierre Mendès France - Immeuble Arcade de Seine - 75013 Paris - France
[2] Details of parent-subsidiary relationships are presented in appendix F1 Including the name of the entities, their addresses, the consolidation method, the control and interest percentage, by region and by country, as at December 31, 2018 and December 31, 2017.
[3] *Compagnie française d'assurance pour le commerce extérieur is thus the Group's main operating company and main insurance company. It also owns the two Group companies authorised to engage in the factoring business: Coface Finanz in Germany and Coface Factoring Poland in Poland.*

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

The establishments' business is mainly focused on credit insurance which represented 88.9% of COFACE SA's revenues in 2018. It consists in offering solutions to companies in order to protect them against the risk of financial default by their debtor clients, on both domestic and export markets.
In some countries, primarily in Central Europe, the Group markets information and recovery products without insurance or surety bond cover.
As a general rule, COFACE SA carries out its activities through fully-owned subsidiaries, while *"La Compagnie"* carries out its business through 30 branches, credit insurance subsidiaries and two factoring companies.

Both establishments (COFACE SA and *"La Compagnie"*) operate in seven operational regions:

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

The Group operates in the factoring market in Germany and in Poland, as well as in the surety bond market.

A.1.5 Substantial transactions and significant events in 2018

- **Introduction of a new tag line - COFACE FOR TRADE**

During its Country Risk Symposium on January 23, 2018, Coface introduced its new tag line: Coface For Trade. This new wording is intended to be more clear and engaging. It underscores the Group's commitment to trade and commerce, key drivers in creating wealth and stability, and expresses the Group's purpose – to work hard to help companies grow.

- **Initiation of two share buyback programmes**

In accordance with pillar two of Fit to Win, which aims to improve the capital efficiency of its business model, in 2018, Coface initiated two share buyback programmes totalling €45 million. A description of these programmes is as follows:

-A first programme for €30 million, carried out from February 15 through October 15, resulted in the buyback of 3,348,971 shares. During its meeting on October 24, 2018, the Board of Directors voted to cancel these shares and reduce the Company's share capital accordingly;

-A second programme for €15 million was initiated on October 25 and ended on January 8, 2019 resulting in the buyback of 1,867,312 additional shares. As at December 31, 2018, Coface had repurchased 1,708,735 shares for a value of €13,736,491.

- **Arrangement of a €300 million syndicated credit facility signed by Coface Poland Factoring**

On June 8, 2018, Coface Poland Factoring signed an agreement for a €300 million multi-currency (EUR and PLN) syndicated loan with a group of partner banks to refinance its factoring business[1]. This loan partially replaces the existing bilateral credit lines. The loan was arranged for a two-year period with a one-year extension option, by the lenders. This transaction enables the Group to improve its financial flexibility and extend the maturity of its refinancing, while taking advantage of favourable market conditions and strengthening relations with its leading banks, thereby confirming their medium-term commitment to Coface.

- **Disposal of COFACREDIT**

On June 27, 2018, Coface announced that it had sold to Factofrance (Groupe Crédit Mutuel – CM11) its 36% interest in the capital of Cofacrédit (a factoring company jointly owned by the two groups until that time), as this non-controlling interest did not align with the factoring business's development strategy. Furthermore, this disposal is consistent with the second pillar of the Fit to Win plan which is designed to improve capital management. The transaction had a negative -€2.2 million impact on net income for the second quarter of 2018 and around a 3-point positive impact on the solvency ratio.[2]

- **Signed purchase agreement for PKZ (Slovenia)**

On September 6, 2018, Coface announced that it signed a purchase agreement with SID Bank (Slovenian public bank) for 100% of the share capital of PKZ, SID Bank's credit insurance subsidiary. Founded by SID Bank in 2005, PKZ is Slovenia's credit insurance market leader, with a substantial market share. In 2017, the company recorded €15.1 million in gross written premiums for what is mainly an export portfolio. After obtaining authorisation from the Slovenian Competition Authority on October 19, 2018, finalisation of the acquisition remains subject to obtaining authorisation from the Slovenian insurance supervision agency.

[1] *Seven relationship banks: Crédit Agricole CIB, HSBC, ING Bank Ślaski and Natixis operate as mandated arrangers and book runners, Banco Santander, Commerzbank and Société Générale CIB operate as mandated arrangers. Natixis acts as documentation agent and Crédit Agricole CIB as a facility agent*

[2] *Information not audited.*

- **Announcement of a strategic partnership with TRADESHIFT**

On October 10, 2018, Coface announced a strategic partnership with Tradeshift, a leader in payments and supply chain marketplaces, to help companies from its network make decisions confidently and with more financial transparency between buyers and suppliers. As a result, Coface makes risk indicators available to a network of 1.5 million companies in 190 countries. By combining their business ecosystems and know-how, Coface and Tradeshift are working together to develop innovative solutions to guide companies through the complex world of global trade and protect them against risk of non-payment.

- **Impact of Brexit on Coface's business in the United Kingdom**

In 2018, negative effects related to Brexit highlighted broader economic trends in Britain: decreased business and consumer confidence, pressure on changing business models (non-food distribution). In light of these circumstances, Coface has maintained its strict commercial underwriting policy. As a result, our overall exposure in the United Kingdom dropped 12%, primarily in the agri-food, distribution and construction sectors. Uncertainty in how the UK plans to withdraw from the EU remains high (no deal, second referendum) and additional actions may be taken in 2019. A Steering Committee chaired by the Group's General Secretary was formed to follow up on these actions. It meets regularly to determine and prioritise actions to take: making required changes to the branch's status, amending the commercial underwriting policy, communicating with our clients and brokers, etc.

- **Opening the capital of COFACE SOUTH AFRICA**

On November 16, Coface South Africa, a South African subsidiary of Compagnie française d'assurance pour le commerce extérieur, signed a strategic partnership that should result in opening the capital to a leading South African investment fund (B-BBEE Investment Holding Company, Identity Capital Partners (Pty) Ltd). This transaction will make it possible for Coface South Africa to expand its local footprint and brand as well as show its drive to give more consideration to B-BBEE (broad-based Black Economic Empowerment). This transaction remains subject to approval by South African regulatory authorities (not yet obtained as at the period-end). It will result in the privatisation of up to 25% of Coface South Africa over the span of 10 years.

A.2 Underwriting performance

A.2.1 COFACE SA

COFACE SA's consolidated revenue rose by 4.6% at constant scope and exchange rates to €1,384.7 million in 2018 (+2.2% at current scope and exchange rates). A more detailed description is available in Chapters 1.3 – Description of principal activities and 3.3 – Comments on income as of December 31, 2018.

A.2.2 "La Compagnie"

- **Revenue**

Revenue for *"La Compagnie"* amounted to €1,078.3 million, up 4.5% compared to December 2017 at constant scope and exchange rates (+2.8% at current scope and exchange rates)
The following table illustrates the changes in revenue, for each business line, as at December 31, 2017 and 2018:

Revenue composition ***"La Compagnie"*** *(in millions of euros)*	**As of Dec. 31**		**Change**		
	2018	**2017**	**as a %**	**as a %: at constant exchange**	**as a %: at constant scope and exchange rate**
Premiums - direct business	898	874	2,7%	3,7%	3,7%
Premiums - inward reinsurance	169	153	10,6%	8,9%	8,9%
Gross written premiums	**1 067**	**1 027**	**3,9%**	**4,4%**	**4,4%**
Fees and Commission Income	**10**	**20**	**-51,4%**	**-46,3%**	**5,1%**
Public procedures managements services	0	1	-100,0%	-100,0%	-
Other insurance-related services	2	1	27,2%	31,5%	31,5%
Income from other activities	**2**	**2**	**-10,8%**	**-7,8%**	**8,4%**
Total Revenue	**1 078**	**1 049**	**2,8%**	**3,3%**	**4,5%**

Earned premiums were €1,066.7 million, an increase compared with 2017. Fees and commission income increased by 5.1% (at constant scope and exchange rates) to reach €9.8 million as at December 31, 2018. Lastly, other income totalled €1.7 million, down 8.4% compared to December 2017.

- **Change in revenues by region**

The following table shows the changes in the revenue of *"La Compagnie"* for its seven geographical regions for the financial years ended December 31, 2017 and 2018:

Revenue composition ***"La Compagnie"*** *(in millions of euros)*	**As of Dec. 31**		**Change**			
	2018	**2017**	**(in €m)**	**as a %**	**as a %: at constant exchange rate**	**as a %: at constant scope and exchange rate**
Western Europe	248	240	7	3,1%	2,4%	2,7%
Northern Europe	216	210	6	2,8%	2,8%	2,8%
Central Europe	100	95	4	4,7%	6,3%	6,3%
Mediterranean & Africa	297	291	6	2,2%	2,4%	6,4%
Latin America	44	47	-4	-7,7%	5,7%	5,7%
North America	77	73	4	6,0%	9,2%	9,2%
Asia-Pacific	98	93	5	5,0%	1,2%	1,2%
Total Revenue	**1 078**	**1 049**	**29**	**2,8%**	**3,3%**	**4,5%**

All regions delivered an increase in revenue at constant scope and exchange rates.
In Western Europe, revenue rose by 2.7% (3.1% at current scope and exchange rates). New production is up in France and policyholder revenue is continuing to grow. Single Risk policy production was down in the United Kingdom, due to overhauling underwriting rules in anticipation of Brexit and the UK's unresolved terms of withdrawal from the EU.
In Northern Europe, revenue grew by 2.8% this year. The credit insurance business levelled off in Germany. Pricing pressure remained significant, but was offset by a decline in terminations and an increase in policyholder activity. Revenue grew in other countries in the region (the Netherlands, Sweden and Denmark).
Revenue for the Mediterranean & Africa region was up by 6.4%, restated for the transfer of the branch's fee and commission income business to the Italian subsidiary (2.2% at current scope and exchange rates). The entire region delivered a robust commercial performance, due particularly to a better retention rate.
In Latin America, we saw a 5.7% increase in revenue at constant scope and exchange rates (-7.7% at current scope and exchange rates). The highly unfavourable impact of the foreign exchange was due to the sharp depreciation of the Argentine peso, and the Brazilian real to a lesser extent. The retention rate also improved substantially in almost all countries in the region.
In North America, revenue rose by 9.2% (6% at current scope and exchange rates). The strongly negative foreign exchange impact was due to the euro strengthening against the US dollar. In credit insurance, better policyholder activity and a slight increase in new contract production stabilised the portfolio.
Central Europe reported a 6.3% increase in revenue (4.7% at current scope and exchange rates). High retention and client business that continues to flourish have supported premium volumes in the credit insurance business, while the underwriting of new policies has floundered.

In the Asia-Pacific region, revenue rose by 1.2% (5% at current scope and exchange rates). The negative foreign exchange impact is due to currencies whose value is pegged to the US dollar. New production is up and terminations are down. However, premium refunds have been granted given the low level of loss. Single Risk policy production is down.

- **Loss ratio**

Claims expenses for *"La Compagnie"* amounted to €466.8 million, down by 11.7% compared to 2017:

"La Compagnie" *(in millions of euros)*	**As of Dec. 31**		
	2018	**2017**	**Change (as a %)**
Claims expenses	-467	-529	-11,7%
Earned premiums	1 067	1 027	3,9%
Loss ratio before reinsurance	**43,8%**	**51,5%**	**-7,7 pts**

The loss ratio before reinsurance and including expenses improved by 8 points, down from 51.5% in 2017 to 43.8% in 2018. This improvement can be explained by a decrease in the loss ratio in the Asia-Pacific region, thanks to targeted and reviewed portfolio actions in order to gain control over loss levels in emerging markets, in a favourable economic environment.

- **Overheads**

Total overheads, which include claims handling expenses and expenses for internal investment management, grew by 7.3% at constant scope and exchange rates, from €456.9 million in 2017 to €490.2 million in 2018.
Internal overheads, including claims handling expenses and expenses for internal investment management, grew by 9.2% at constant scope and exchange rates (+6.8% at current scope and exchange rates), from €281.7 million in 2017 to €301 million in 2018.

Overhead ***"La Compagnie"*** *(in millions of euros)*	**As of Dec. 31**		**Change**	
	2018	**2017**	**as a %**	**as a %: at constant scope and exchange rate**
Internal overhead costs	-301	-282	6,8%	9,2%
of which claims handling expenses	*-23*	*-23*	2,6%	3,3%
of which internal investment management costs	-3	-2	72,6%	72,7%
Fees and commissions	-189	-175	8,0%	4,2%
Total overhead costs	**-490**	**-457**	**7,3%**	**7,3%**

- **Underwriting income**

Gross reinsurance underwriting income rose by €8.5 million (+5.26% compared to 2017), from €161.3 million in 2017 to €169.8 million in 2018. This increase is due to a decline in loss ratio.

The cost of reinsurance rose by 37.8% in 2018, from €88.3 million in 2017 to €121.7 million in 2018.

"La Compagnie" *(in millions of euros)*	As of Dec. 31		
	2018	**2017**	**Change (as a %)**
Ceded premium	-532	-540	-1,6%
Claims ceded	213	276	-23,0%
Commissions paid by reinsurers	197	176	12,2%
Reinsurance Income	**-122**	**-88**	**37,8%**

Reinsurance costs were up due to an improvement in loss (fewer claims ceded to reinsurers) and growth in earned premiums (more premiums ceded to reinsurers).
"*La Compagnie*"*'s* net underwriting income declines by 34.2% from €73 million in 2017 to €48 million in 2018.

A.3 Investment performance

A.3.1 Detailed results over the period

- **Changes in financial markets**

In 2018, economic growth remained largely positive in the major regions in the world, but it was not able to prevent some significant fluctuations. The US economy performed very well, backed by the Trump Administration's budgetary measures. The same cannot be said for the Eurozone, however, where growth was very disappointing due to both internal and external factors.

In the United States, 2018 was a year of robust economic performance – after a low start to the year, growth sharply accelerated in Q2 and Q3 as a result of the tax reform budget stimulus. Confidence remained particularly high in all sectors of the US economy. The Federal Reserve continued to harden its monetary policy by raising interest rates four times throughout the year, given the robust growth and stable inflation. The Trump Administration applying customs duties on a wide range of Chinese imports and other key trade partners has coloured the United States' trade policy with conflict, raising fears of a trade war between the US and China with negative consequences that will hinder trade growth and confidence. Interest rate markets were marked by a decline in long-term interest rates of sovereign bonds. In the US, 10-year interest rates ended the year at 2.6% after having reached a peak of 3.26% in early November.

In the Eurozone, economic figures were a major disappointment in 2018. In fact, GDP growth was only 1% during the first three quarters of the year, versus 2% during the last three quarters of 2017. Several negative factors played into this. Industrial activity and exports were penalised by the strong euro at the beginning of the year and by the tense international trade environment. Political uncertainty has remained a major theme to varying degrees in the major countries - difficulty building a government majority in Germany at the beginning of the year, a budget power struggle between Italy and the European Commission that began in the summer, and major social tensions in France starting in Q4. Not to mention that at the end of the year, visibility on how Britain planned to leave the European Union remained practically non-existent. In December, the European Central Bank ended its asset purchase programme knowing that it may or may not be able to raise its key interest rates in 2019. At the end of December, the 10-year German interest rate fell below 0.2% – lower than what was seen in early 2018. Moreover, the market revised the Fed's and ECB's interest rate hike forecasts downward to a large extent.

With regard to emerging economies, despite substantial differences between countries, growth was robust during the first quarter of 2018 in a buoyant global climate. However, this momentum eased somewhat during the second quarter. First and foremost, the normalisation of the US monetary policy as well as the strong appreciation of the US dollar led several emerging central banks to end their relaxed monetary policy and even raise their interest rates. Second, emerging markets continued to struggle, weakened by growing geopolitical/international risks and distinctive one-off risks that developed into real crises (Turkey, Argentina, etc.). Lastly, the trade war between the United States and China put a heavy strain on emerging economies.
On the stock markets, major uncertainties led all markets to sharply fall in local currencies at the end of the year – the United States fell -6.3%, the Eurozone -14.7%, Europe -13.1%, emerging markets -12.3%, and Japan 16.8% due to an increase in long-term interest rates in the United States.

- **Financial income from investments – COFACE SA**
  - **Changes in the investment portfolio**

Within this economic environment and as part of the defined strategic allocation, the Group reduced its exposure to Investment Grade and High Yield corporate debt while increasing its exposure to sovereign debt.
All these investments were made within a strictly defined risk framework; the quality of issuers, sensitivity of issues, dispersal of issuer positions and geographic areas are governed by strict rules defined in the different management mandates granted to the Group's dedicated managers.
The market value of the portfolio decreased in 2018, due to the stock market decline and widening credit spreads, reflecting an uncertain economic environment against a backdrop of a trade war and geopolitical tensions. The following table shows the financial portfolio by main asset class:

Investment portfolio COFACE SA *(in millions of euros)*	As of Dec. 31 2018 *(in €m)*	2018 *(as a %)*	2017 *(in €m)*	2017 *(as a %)*
Investment property	227	8,4%	219	7,5%
Equities	178	6,6%	208	7,1%
Bonds	1 777	66,0%	1 785	60,8%
Loans, deposits and other financial investments	511	19,0%	722	24,6%
Total financial assets	**2 692**	**100%**	**2 934**	**100%**

- **Investment portfolio income**

Investment income amounted to €45.4 million, €4.7 million of which is from outsourcing and accumulated impairment (i.e. 1.7% of the 2018 average annual outstanding and 1.5% excluding outsourcing and accumulated impairment), compared to €49.8 million, €12.3 million of which is from outsourcing and accumulated impairment/reversal in 2017 (i.e. 1.7% of the 2017 average annual outstanding and 1.4% excluding outsourcing and accumulated impairment). Despite difficult market conditions throughout the year characterised by widening credit spreads and plummeting stock markets, we have succeeded in keeping our rate of return relatively similar to what it was in 2017.

Investment portfolio income COFACE SA *(in millions of euros)*	As of Dec. 31 2018	2017	Change
Equities	5,5	6,7	-17,9%
Fixed-income products	30,9	36,8	-16,0%
Investment property	9,0	6,3	42,9%
Total Investment portfolio	**45,4**	**49,8**	**-8,8%**
o/w outsourcing	*4,7*	*10,0*	*-53,0%*
Associated and non-consolidated companies	3,1	4,5	-31,1%
Net foreign exhange gains and derivatives	7,8	4,5	73,3%
Financial and investment charges	-5,2	-3,6	44,4%
Total	**51,1**	**55,3**	**-7,6%**

After income from investments in companies, foreign exchange and derivatives income, financial and investment charges, the Group's financial income for 2018 is €51.1 million. Due to the decline in revaluation reserves on the investment portfolio primarily impacted by a decrease in the credit and stock markets, the economic rate of return of financial assets comes to -0.2% in 2018, versus 2.3% over the same period in 2017. The investment portfolio achieves its objective of capital preservation in an environment where almost all asset classes performed poorly.

- **Financial income from investments – Compagnie française d'assurance pour le commerce extérieur**
  - **Changes in the investment portfolio**

The portfolio of *"La Compagnie"* followed the same trends as that of the Group in terms of allocation. We notice a drop in the market value of "*La Compagnie'"s* portfolio, due to stock market declines and the decrease in derivatives between 2017 and 2018 (other financial investments category).
The investment portfolio of Compagnie française d'assurance pour le commerce extérieur can be broken down as follows:

Investment portfolio *"La Compagnie"* *(in millions of euros)*	As of Dec. 31			
	2018		2017	
	(in €m)	(as a %)	(in €m)	(as a %)
Investment property	188	8,4%	185	7,4%
Equities	143	6,4%	168	6,7%
Bonds	1 342	59,8%	1 385	55,2%
Loans, deposits and other financial investments	572	25,5%	771	30,7%
Total financial assets	**2 244**	**100%**	**2 508**	**100%**

- **Investment portfolio income**

"*La Compagnie*'"s financial income amounts to €76.2 million in 2018, versus €75.7 million in 2017. It includes €24.6 million in revenue from holdings, compared to €21.2 million in 2017. Despite difficult market conditions throughout the year characterised by widening credit spreads and plummeting stock markets, the Group succeeded in keeping its rate of return relatively similar to what it was in 2017.

Investment portfolio income *"La Compagnie"* *(in millions of euros)*	As of Dec. 31		
	2018	2017	Change
Investment income	72,2	74,5	-2,3
Gains on investment realization	79,9	92,7	-12,8
Total revenue	**152,1**	**167,1**	**-15,0**
Financial charges	-16,7	-17,3	0,6
Investment management	-3,0	-1,7	-1,3
Accumulated impairment - investments	-12,2	-4,1	-8,1
Other investment charges	-2,5	-2,6	0,2
Losses on investment realization	-41,5	-64,9	23,4
Total expenses	**-76,0**	**-91,5**	**15,5**
Financial result	**76,1**	**75,7**	**0,5**

This income is not in line with Group income, due mainly to the differences in scope of consolidation and standards.
In the statutory accounts of *"La Compagnie"*, due to the German cash-pooling agreement, the income of the German subsidiaries are recorded in financial income, while in the Group's IFRS accounts these entities are consolidated and contributes to comprehensive income.
Furthermore, French accounting standards do not allow a detailed breakdown of dedicated funds, unlike the IFRS standards for the Group.

A.3.2 Impact on equity

➢ **COFACE SA**

The two tables below show the impact on equity as at December 31, 2018 and as at December 31, 2017 for comparison purposes:

(in millions of euros)	Investments instruments	Reserves - gains and losses not	Income tax	Revaluation reserves	Non-controlling interests	Revaluation reserves
At January 1, 2018	154,0	-32,1	-20,8	101,0	-0,1	100,9
Fair value adjustment on available-for-sale financial assets reclassified to income	1,9		-1,2	0,7	0,0	0,7
Faire value adjustment on available-for-sale financial assets recognisez in equity	-39,3		20,6	-18,7	0,0	-18,7
Change in reserves - gains and losses not reclassifiable to income (IAS 19R)		1,8	-0,4	1,4	0,0	1,4
Transactions with shareholds	0,0		0,0	0,0	0,0	0,0
At December 31, 2018	**116,6**	**-30,3**	**-1,8**	**84,5**	**-0,1**	**84,3**

(in millions of euros)	Investments instruments	Reserves - gains and losses not reclassifiable to income (IAS 19R)	Income tax	Revaluation reserves attributable to owners of the parent	Non-controlling interests	Revaluation reserves
At January 1, 2018	140	-33	-14	93	2	95
Fair value adjustment on available-for-sale financial assets reclassified to income	-11	-	3	-9	0	-9
Faire value adjustment on available-for-sale financial assets recognisez in equity	23	-	-8	15	0	15
Change in reserves - gains and losses not reclassifiable to income (IAS 19R)	2	1	-2	-1	-	-1
Transactions with shareholds	0		0	2	-2	
At December 31, 2017	**154**	**-32**	**-21**	**101**	**0**	**101**

➢ ***"La Compagnie"***

*"La Compagnie"*prepares its financial statements in accordance to French GAAP. Profit and loss are not therefore directly recognised as equity.

A.3.3 Securitisation

Not applicable for COFACE SA and *"La Compagnie"*.
Indeed, as at December 31, 2018, no institution has investments in securities issued as part of a securitisation in its financial portfolio.

A.4 Income from other activities

A.4.1 Other income and expenses

- **COFACE SA**

Other operating income and expenses total -€5.0 million and mainly break down as follows:

- for other operating income:
  - net reversals of compensation paid as part of renegotiating the lease for the head office in Bois-Colombes totalling €5.2 million
  - reversals of provisions which became irrelevant in Brazil and in Belgium for €3.1 million
- for other operating expenses:
  - restructuring expenses totalling €5.7 million
  - €5.0 million in compensation paid to sales representatives in North America for their insourcing
  - for other operating expenses
- losses on disposals of Cofacrédit securities for €2.2 million

- ***"La Compagnie"***

Non-recurring income comes to €5.8 million in 2018, versus -€4.2 million in 2017. This increase is due to large reversals of provisions for Germany and Italy.
Non-recurring income includes:

- The impact from renegotiating the Bois-Colombes lease for €5.2 million. This amount primarily takes into account a reversal of provisions for vacant premises and a reversal of remaining deductible, offset by paid compensation.
- Reversals of provisions which are no longer required in Belgium for €0.8 million
- A reversal of accumulated amortisation for €3.9 million.

Other non-recurring expenses mainly comprised expenses related to the Fit to Win strategic plan for €4.8 million:

- €0.5 million in additional expenses in the Mediterranean & Africa region
- €3.8 million in additional expenses in France (€0.6 million of which was in the form of provisions for liabilities and charges).

A.4.2 Rental agreements

- **Operating leases**

Rental agreements mainly concern office rentals and computer equipment rental and maintenance contracts.
Expenditure relating to rental agreements are as follows:
The main office rental agreements are in respect of the head offices of COFACE SA and of German branch of *"La Compagnie"*.

- **COFACE SA**

The Group's head office is located at 1, Place Costes et Bellonte, 92270, Bois-Colombes, France. Financial terms and conditions of the long-term commercial lease as well as the development of occupied surface area have been renegotiated in 2018. The new 12-year lease granted began on September 1, 2018 and should end on August 31, 2030.

Charges due to leasing agreements Coface SA *(in millions of euros)*	**As of Dec. 31**		
	2018	**2017**	**Change**
Charges due to leasing of offices	29,8	31,6	-1,8
Charges due to IT costs	13,9	14,2	-0,3
Total	**43,6**	**45,8**	**-2,2**

This long-term lease was renegotiated, due to transferring State export guarantees to BPI France and redeveloping the Bois-Colombes site as part of the restructuring plan. As a result, the provision for vacant premises and refurbishment of premises made in 2016 has been totally reversed in 2018, which had a partially favourable impact on rental expenses.
The decrease in office rental costs is also due to efforts to streamline and renegotiate leases undertaken as part of the *Fit to Win* strategic plan.

In 2019, IFRS 16 replaces IAS 17. Assets financed through leasing or finance leases and now through operating leases must be presented in the consolidated financial statements as if they had been acquired directly through financial debt. As a result, the standard requires all leases in the form of a right of use on the leased asset to be recorded in fixed assets on the balance sheet and financial debts for rents and other payments to be made throughout the duration of the lease to be recorded in liabilities on the balance sheet. COFACE SA has planned to use the exception provided by the standard by not modifying the accounting treatment of short-term leases (less than 12 months) or relating to low-value underlying assets (less than USD 5,000).
The most material impact expected pertains to recognising the lease of the Group's head office, which is under an operating lease.

- **« La Compagnie »**

The table below sets out "*La Compagnie*'"s rental expenses:

Charges due to leasing agreements *"La Compagnie"* *(in millions of euros)*	**Au 31 décembre**		
	2018	**2017**	**Change**
Charges due to leasing of offices	23,3	24,8	-1,5
Charges due to IT costs	13,4	12,6	0,8
Total	**36,7**	**37,3**	**-0,7**

The efforts made to rationalise and renegotiate leases under the Fit to Win plan, undertaken for the Group, also had a favourable impact on Compagnie française d'assurance pour le commerce extérieur's rental expenses.

- **Financial leases**

Not applicable to COFACE SA and *"La Compagnie"*.

A.5 Other information

No other material information is to be made publicly available.

B System of governance

B.1 General information on the system of governance

B.1.1 Governance structure

- ***COFACE SA's governance structure***

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

- **The Board of Directors**

Until its meeting on February 11, 2019, the Board of Directors was made up of eleven members, of whom 45.5% were women and 45.5% were independent[3]:

- Mr François RIAHI, Chairman, co-opted to replace Mr Laurent MIGNON, who resigned
- Mr Jean ARONDEL
- Mr Jean-Paul DUMORTIER
- Mr Éric HEMAR
- Mr Daniel KARYOTIS
- Ms Isabelle LAFORGUE
- Ms Nathalie LOMON
- Ms Sharon MACBEATH
- Ms Isabelle RODNEY
- Ms Anne SALLE-MONGAUZE
- Mr Olivier ZARROUATI

Detailed information on the operation and governance of the Board of Directors is provided in paragraph 2.1 - Structure and operation of the Board of Directors and its specialised Committees of the 2018 registration document.

- **Financial Statements and Audit Committee**

On the date of this report, the Financial Statements and Audit Committee was composed of Mr Éric Hémar (Chairman), Ms Isabelle Laforgue and Mr Jean-Paul Dumortier since April 24, 2018.

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

Duties (article 3 of the Financial Statements and Audit Committee's internal regulations)
The role of the Financial Statements and Audit Committee is to ensure the follow-up of matters concerning the preparation and verification of accounting and financial information, in order to facilitate the Board of Directors' duties of control and verification. In this regard, the Committee issues opinions and/or recommendations to the Board of Directors.

[3] Since the Company is controlled by Natixis as defined in article L.233-3 of the French Commercial Code, the recommendation of article 8.3 of the AFEP-MEDEF Code, under which at least one third of this committee must be independent members, was met.

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

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

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

More details are available in the 2018 registration document in the paragraph on the Financial Statements and Audit Committee in Section 2.1.8 – Specialised committees, offshoots of the Board of Directors.

- **Risk Committee**

The principle of a Risk Committee was decided on by the Board of Directors during its meeting on April 24, 2018.

At the date of this report, the Risk Committee consists of Ms Nathalie Lomon (Chairman), Ms Isabelle Rodney and Ms Anne Sallé-Mongauze.

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

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

a) Ensures risk management systems are running effectively;
b) Reviews all regulatory reports relating to the Company;
c) Monitors changes in prudential regulations;
d) Follows up on the Group's capital requirements;
e) Sets up all the Level 1 and Level 2 operational controls.

More details are available in the 2018 registration document in the paragraph on the Risk Committee in Section 2.1.8 – Specialised committees, offshoots of the Board of Directors.

- **Nominations and Compensation Committee**

The principle of a Nominations and Compensation Committee was decided by the Board of Directors during its meeting of July 15, 2014. As at the date of this report, the Nominations and Compensation Committee comprised Mr. Olivier Zarrouati (Chairman), Ms. Sharon MacBeath since July 15, 2014 and Mr. François Riahi since June 15, 2018. As required by the AFEP-MEDEF Code, it is mainly composed of independent members.

Detailed information on its composition, powers, operations and activity is set out in the paragraph on the Nominations and Compensation Committee in Section 2.1.8 – Specialised committees, offshoots of the Board of Directors in the 2018 registration document.

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

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

- Pierre BEVIERRE, Human Resources Director
- Nicolas de BUTTET, Transformation Office Director
- Cyrille CHARBONNEL, Underwriting and Claims Director
- Nicolas GARCIA, Commercial Director
- Carole LYTTON, General Secretary
- Carine PICHON, Chief Financial and Risk Officer
- Keyvan SHAMSA, Business Technology Director
- Thibault SURER, Strategy and Business Development Director

- ***Governance structure of « La Compagnie »***

Compagnie française d'assurance pour le commerce extérieur is governed by a Board of Directors. As at December 31, 2018, the Board of Directors comprised eight Board members appointed by the Ordinary Shareholders' Meeting and four Board members representing employees. They are as follows:

- Mr Xavier DURAND, Chairman
- NATIXIS, represented by Mr Nicolas NAMIAS until October 5, 2018, then by Ms Nathalie Bricker
- Mr Cyrille CHARBONNEL
- Mr Peter ESMANN, employee Board member
- Ms Marguerite FOUGEREUX, employee Board member
- Ms Doris KUKLA, employee Board member
- Mr Daniel LOUIS
- Mr Fredrik MURER
- Mr André-Jean OLIVIER
- Ms Cécile PAILLARD
- Mr Avelino PEREIRA, employee Board member
- Ms Carine PICHON

At its meeting of February 15, 2016, the Board of Directors reaffirmed a governance model in which the functions of Chairman of the Board of Directors and Chief Executive Officer are carried out by the same person.

- ***Description of the key functions***

In order to manage and prevent risks, and in compliance with Solvency II regulations, the Group has set up a complete and effective governance system, intended to guarantee sound and prudent management for the business. This governance system is based on a clear separation of responsibilities and must be proportionate to the nature, scale and complexity of the Group's operations.
Heads of key functions carry out their roles for both COFACE SA and *"La Compagnie"*.

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

It also define the following four key functions:

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

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

Heads of key functions have the appropriate professional qualifications, know-how and experience to manage the business soundly and prudently; their reputation and integrity are of a high standard (see paragraph B.2).

Key functions are free from influences that might compromise their ability to perform the tasks that are incumbent upon them in an objective, loyal and independent manner.
Each function is the subject of further development in the following paragraphs (B.4, B.5 and B.6).

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

B.1.2 Significant change in governance during the period

In 2018, other than the change in Board members as mentioned previously, the main changes in governance concerns:

- The creation of a Risk Committee described in paragraph B.1.1
- The creation of a Business Technology and Transformation Office to bring together the IT and Organisation Departments to improve operational efficiency and optimise the Group's customer service

B.1.3 Policy on remuneration and other employee benefits

The remuneration policy is a key instrument in implementing COFACE SA's strategy. It seeks to attract, motivate and retain the best talent. It encourages individual and collective performance and seeks to be competitive in the market, while respecting the Group's financial balance. It is respectful of prevailing regulations and ensures internal fairness and professional equality, in particular between men and women. It is defined by General Management based on proposals by the Group's Human Resources Department and rolled out by function in Coface regions and countries.
The regulatory framework, the general guidelines and the specific provisions applicable to the regulated population and to the Chief Executive Officer are described in Chapter 2.3.1 – Compensation policy of the 2018 registration document.

- ***Compensation of members of the Board of Directors of COFACE SA***

The rules on the compensation of members of the Board of Directors are set out in the policy on allocating directors' attendance fees. The overall budget for directors' attendance fees allocated to Board members for 2018 amounts to €450.000, split between the Board of Directors, the Financial Statements and Audit Committee, the Risk Committee and the Nominations and Compensation Committee.

- **The Board of Directors**

For members of the Board of Directors, the policy for allocating directors' attendance fees is determined as follows:

- Fixed component: €8.000 per year (*pro rata* for the term of office);
- Variable component: €2.000 per meeting until the Board meeting of April 24, 2018, then €3.000 per meeting, capped at six meetings.

- **Financial Statements and Audit Committee**

For members of the Financial Statements and Audit Committee, the policy for allocating directors' attendance fees is determined as follows:

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at six meetings)	
		Until April 23, 2018	Since April 23, 2018
Chairman	€17.000	€2.000	€3.000
Members	€2.500	€1.000	€2.000

- **Risk Committee**

For members of the Risk Committee, the policy for allocating directors' attendance fees is determined as follows:

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at five meetings)
Chairman	€8.500	€3.000
Members	€2.500	€2.000

- **The Nominations and Compensation Committee**

For members of the Nominations and Compensation Committee, the policy for allocating directors' attendance fees is determined as follows:

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at five meetings)	
		Until February 6, 2018	Since February 6, 2018
Chairman	€8.000	€2.000	€3.000
Members	€3.000	€1.000	€2.000

- ***Compensation of members of the Board of Directors of "La Compagnie"***

The amount allocated to the Board of Directors is €50.000. The shareholding policy and Compagnie française d'assurance pour le commerce extérieur's policy is that directors' attendance fees should not be allocated to management representatives who carry out Board member functions in the Group's companies. Only board members who represent employees should receive these allowances. The allocation policy is €500 per meeting, with that sum being increased to €1.000 in the event of actual attendance.
This policy is the same as for the previous reference period.

B.1.4 Information on significant transactions

For both COFACE SA and Compagnie française d'assurance pour le commerce extérieur, no significant transaction with shareholders, persons exercising significant influence on the company or members of the administrative, management or supervisory body took place in 2018.

B.2 Fit and proper requirement

The Group has put in place a policy on fitness and proper, applicable to executive officers and heads of key functions at COFACE SA and *"La Compagnie"*.

B.2.1 Fit

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

The assessment of fit includes an assessment of the professional diplomas and qualifications, relevant knowledge and experience in the insurance sector, as well as in the sectors of finance, accounting, actuarial services and management. The assessment takes into account the different entrusted tasks.

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

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

B.2.2 Proper

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

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

- a final and binding conviction as described in article L.322-2 of the French Insurance Code;
- a final measure of personal bankruptcy or any other final prohibition measure.

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

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

The Company's fitness and probity policy was reviewed on November 29, 2018 and approved by COFACE SA's Board of Directors on December 18, 2018 and by the Board of Directors of *"La Compagnie"* on December 20, 2018 to require independent directors to provide the company with a police record to attest to their reputation.

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

B.3.1 Risk management

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

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

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

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

The internal control and risk management mechanism is composed of:

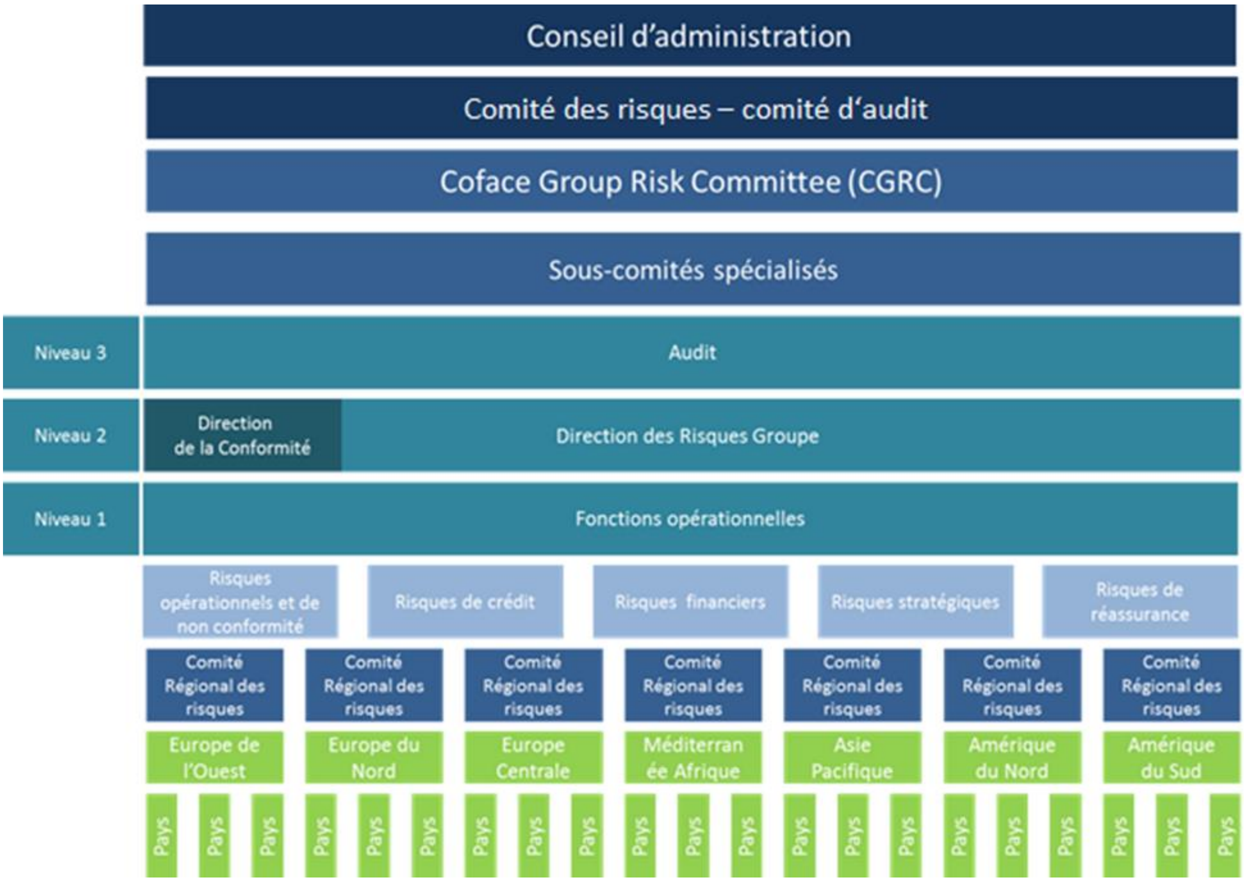
- a governance structure designed to allow supervision and appropriate management of the Group's activities
- management structures and control mechanisms designed to enable the Group's directors to gain a clear understanding of the main risks to which the Group is exposed, and to hold the necessary tools for their analysis and prevention

Governance structure

The Coface Group has implemented a risk management and control system that covers the activities of COFACE SA and *"La Compagnie"*.

It is structured around a clear governance supported by a dedicated organisation based on key functions. It has developed its governance with support from the Boards of Directors and, as applicable, from their specialised committees as well as from the general management specialised committees that determine the Group's strategy, the limits and indicators of risk appetite and their control mechanisms; review and approve policies; and identify, measure and manage the risks identified.

Governance is structured around level one operational committees and level two control committees. The Coface Group Risk Committee (CGRC) is the level two lead committee which relies on specialised sub-committees covering different risk scopes or categories as described in the diagram below: each committee covers the activities of both COFACE SA and *"La Compagnie"*.



The regional Risk Committees of the Group's seven global regions meet every quarter. They are chaired by the regional risk manager and perform the same tasks as the CGRC.

- ***Management structures and control mechanisms***

The management structures and control mechanisms are based on the CGRC. The committee is chaired by the Chief Executive Officer and meets at least every quarter. Its composition and tasks are detailed in the paragraph on the Management structure and control mechanisms in Chapter 5.1- Risk management and internal control of the 2017 registration document.

- ***Identification and control of risks***

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

- **Identification of risks**

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

Credit risks

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

The credit risk may be aggravated due to the concentration of our exposures (countries, sectors, debtors, etc.) and is modelled as a premium risk, reserve risk and natural disaster risk. Traditionally, there is a distinction between frequency risk and peak risk:

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

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

Operational risks and non-compliance

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

Operational risk also includes the concept of legal risk, such as the risk of dependency. The Coface Group considers that it does not depend on any trademarks, patents or licences whatsoever for its business activity or its profitability. As a matter of fact, in the context of its activity of marketing credit insurance solutions and additional services, the Group does not hold any patents. The corporate name "Coface" is protected by a trademark registered in France. In the context of its activities, the Group has registered a number of trademarks, logos and domain names worldwide.
Non-compliance risk forms part of the operational risks, in the same way as model risk and dilution risk:

- non-compliance risk is defined as the risk of judicial, administrative or disciplinary sanctions, significant financial loss or damage to reputation that results from a failure to comply with specific legislative or regulatory provisions applicable to the insurance, sale of information, debt collection or factoring businesses, whether they concern professional rules or mandatory internal regulations. The main areas of non-compliance are as follows: legislation governing the fight against financial crime (anti-money laundering legislation, anti-terrorist financing, fraud prevention and anti-corruption), personal data protection, professional ethics rules and the regulations applicable to the insurance, factoring and debt recovery businesses;
- the model risk is defined by a risk on income resulting from inappropriate or incorrectly used models, due to poor design, poor follow-up or incorrect use;
- dilution risk is included in operational risks for the factoring business (resulting in particular from disputes or falsified invoices). This risk consists of all of the causes that render invoices technically valueless, regardless of the solvency of the debtor: disputes, compensation, prepaid invoices and double issuance, for example, and even the issuing of falsified invoices in the most serious cases.

Financial risks

Financial risks cover all risks associated with the management of assets and liabilities. They include: interest rate risk, currency risk, liquidity risk, real estate risk, spread risk, equity risk and counterparty risk:

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

Strategic risks

Strategic risk arises from the Group's businesses and activities worldwide. It may be defined as the risk impacting our earnings and our solvency due to changes in market conditions, poor strategic decisions or incorrect application of these decisions aimed at addressing changes in market conditions.

Changes in market conditions may, for example, be connected to economic, regulatory or prudential changes or to the intermediation model implemented within the Group.

Reinsurance risks

Given its risk appetite, COFACE SA and *"La Compagnie"* reinsure themselves against the extreme risks they may encounter.
Reinsurance generates four types of risks:

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

B.3.2 Procedure for the own risk and solvency assessment

The ORSA (Own Risk and Solvency Assessment) policy, applicable for COFACE SA and also *"La Compagnie"*, describes the process used for the internal assessment of risks and solvency and its integration into the structures of the relevant companies.

COFACE SA's Risk Committee is the body managing all of the ORSA process on behalf of COFACE SA's Board of Directors. It establishes the ORSA assumptions and approves the results, basing itself on the guidelines issued by the CGRC, which acts on behalf of both COFACE SA and *"La Compagnie"*.

The ORSA is assessed and approved by the Boards of Directors of COFACE SA and *"La Compagnie"* on an annual basis, but may be requested after any change in the company's risk profile (creation of a new product, change in the reinsurance structure, etc.).
It may also be reviewed as part of a change in the structure of equity by tier, particularly following buybacks, refunds or expiry.

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

The ORSA model is identical for COFACE SA (Group) and for *"La Compagnie"* (Solo), with the only difference being the scope of exposure to risks. The governance of Group and Solo ORSAs is common to both (except for the approval by their respective Boards of Directors) and results in a single ORSA declaration as defined in article 246 of Directive 2009/138/EC.

B.4 Internal control system

B.4.1 Internal control

The internal control system is based on the same functions as the risk management system, and is designed to verify the implementation of the rules and principles defined for the risk management system. Details of the mechanism can be found in the paragraph on the Internal control system in Chapter 5.1.2 - Organisation of the 2018 registration document.

B.4.2 Compliance function

The compliance function consists of verifying compliance of operations with the rules and of ensuring the control of operational activities. The function is performed by the Group Compliance Department, which reports to the General Secretariat.

The compliance function has particular responsibility for implementing the procedures ensuring that the Company always complies with the legislation applicable to it, and for checking effective application of this legislation. In this respect, it ensures that the Level 1 controls relating to compliance are properly implemented by the businesses, it defines and performs Level 2 controls and issues recommendations intended to correct any shortcomings highlighted during such controls.

It provides advice on all issues relating to compliance with legislative, regulatory and administrative provisions associated with access to insurance activities and the practice thereof.

B.5 Internal audit function

• *Organisation of the internal audit function*

COFACE SA's internal audit function is incorporated in the periodic control mechanism of Natixis, its major shareholder, and of the BPCE Group.

The Coface Group's Internal Audit Department is placed under the responsibility of the Group Audit Director, who is also in charge of the key internal audit function. The Group Audit Director reports hierarchically to the Group Chief Executive Officer and functionally to the Natixis General Inspection Director, and attends the Group General Executive Committees, without decision-making powers.

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

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

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

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

• *Independence of the internal audit function*

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

The Group Audit Director has complete freedom for involving the Chairman of the Audit Committee and has free access to the Audit Committee. If necessary, and after consulting the Chief Executive Officer and/or the Chairman of the Audit Committee, the Group Audit Director may inform the ACPR of any breach that he might notice.

The Group Audit Department does not perform any operational activity. It neither defines nor manages the mechanisms that it controls. In order to avoid any conflict of interests, any new auditor must wait for a minimum period of one year before intervening on a process or entity in which they have been previously involved. Internal auditors are not responsible for any other function. Lastly, the Group Audit Department has access to all information, all systems and all persons required for carrying out its audit assignments. In this context, no professional secrecy or reserved area can be invoked against it.

B.6 Actuarial function

The actuarial function is performed by the Director of the Actuarial Department for COFACE SA, who reports to the Chief Financial Officer, since July 1, 2016.
The actuarial function has direct access to the Boards of Directors to carry out its assignments.
In accordance with the requirements of the Solvency II European Directive, the actuarial function is responsible for the following activities:

- coordinating the calculation of technical reserves
- guaranteeing that the appropriate methodologies, underlying models and assumptions are used to calculate technical reserves
- assessing if sufficient and high-quality data is used in calculating technical reserves
- comparing the best estimates to empirical observation
- informing the Board of Directors, management body or supervisory body of the reliability and appropriateness of the calculation of technical reserves
- supervising the calculation of technical reserves in the instances referred to in article 82
- issuing an opinion on the global commercial underwriting policy
- issuing an opinion on the appropriateness of the measures taken with regard to reinsurance
- helping to set up the risk management system mentioned in article 44

COFACE SA is a Group within which the Actuarial Department is integrated into the various decision-making processes, ranging from commercial underwriting to reinsurance through provisioning.
In 2018, the actuarial report will therefore have been composed of three separate reports:

- An actuarial report on provisioning
- An actuarial report on reinsurance
- An actuarial report on commercial underwriting

B.7 Outsourcing

In accordance with the regulations relating to the outsourcing of important or critical operations, in 2016, the Company enacted a Group policy in this area that was updated in 2017 and 2018, intended to identify "important or critical" operations and to set out:

(i) the fundamental principles on the use of outsourcing

(ii) the standard terms of any contract providing such outsourcing and also

(iii) the control procedures pertaining to the operations and functions outsourced in this manner

More details are available in paragraph 6.3.3 – Subcontracting and suppliers of the 2018 registration document.

B.8 Other information

No other material information is to be made publicly available.

C Risk profile

C.1 Underwriting risk

C.1.1 Exposure

The Group's core business is credit insurance. The Group also carries out factoring activities in Germany and Poland. Assessment of the credit risk associated with these activities forms an essential part of its business. Credit risk is defined as the risk of loss, due to non-payment by a debtor, of a receivable due to a policyholder of the Group.

The credit risk may be higher due to the concentration of our exposures (countries, sectors, debtors, etc.) and is modelled as a premium risk, reserve risk and natural disaster risk. Traditionally, there is a distinction between frequency risk and peak risk:

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

The quality and reliability of the information on the solvency of debtors are essential for managing the pricing policy and the risk underwriters' decision-making process. The Group, as with other players in the market, cannot exclude the possibility, in certain markets, that it will face difficulties in obtaining reliable information on the solvency of debtors, or that the service providers it uses may not be able to provide it with quality error-free information.

Any lack of information or insufficiently reliable information on a debtor or the environment in which it operates, or even any delay in the provision of this information, is likely to distort assessments and appraisals, and therefore the Group's estimation of the risks of potential claim. Such risks relating to solvency assessments could have a material adverse effect on its business, financial position, operating results, solvency margin and prospects.

Furthermore, if the credit insurance or the factoring products, which it develops and sells, are intended to meet the needs of policyholders (or clients in the case of factoring activities) and their evolution in terms of coverage, the Group must also manage risks in terms of exposure and therefore profitability. A poor assessment of debtor and client solvency at the time of underwriting, and for credit insurance during the lifetime of the product, or even at the time of its renewal, could result in poor compatibility between the premium, the commitments made and the Group's management, and thus bring about a potentially significant risk of loss.

C.1.2 Risk mitigation techniques

Since January 2015, the Group's external reinsurance is carried out by Coface Re on behalf of the Group's entities.
The Coface Group's external reinsurance is intended to cover both the frequency of claims, peak risk (on a debtor group or on the whole portfolio) and the risk of recession.
Peak risk is addressed by means of one quota share treaty (which also covers frequency risk) and two excess of loss treaties (by debtor and by country).

Risk of recession is addressed by a stop-loss treaty against the disproportionate change in the frequency of claims.

These claims may also be limited by "disbursement limits". This means a compensation cap for each policy expressed as a percentage of premiums (30 times the premium, for example). For 2018, excess of loss treaties as well as the annual stop-loss treaty have not been triggered.

C.1.3 Risk concentration

COFACE SA and *"La Compagnie"* have put in place follow-up indicators for concentration risks (debtors or group of debtors, sectors and geography), which are managed at least quarterly and fully integrated into the risk appetite of the companies.

Concerning risks on major debtors, a specific body periodically monitors the cumulative risks of more than €500 million on a debtor or a group of debtors, and these are then subject to coverage by the Group's XS[4] reinsurance programme.

Furthermore, through the operational management of their activities, COFACE SA and *"La Compagnie"* are implementing procedures that make it possible to manage debtor risks in the event of deterioration of the claims rate together with reinsurance programmes, as described in Chapter E.

[4] *Excess of loss*

C.2 Market risk

C.2.1 Exposure

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

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

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

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

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

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

- the monthly investment committee: deals with the evolution of financial markets and the detailed review of the Group's investments. Macroeconomic scenarios and underlying risk factors are presented by the manager together with an analysis of the investment strategies and possible tactical recommendations
- the half-yearly risk committee: is dedicated to the coverage and management of risks, in relation with the manager's services. It therefore covers investment risks (market risk, spread risk (including counterparties and derivatives), liquidity risk) and operational risks. These risks are considered in particular with regard to the meaning given to them by the Solvency II Directive

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

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

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

As an insurance company, the Group retains an allocation predominantly focused on fixed-income instruments offering more recurrent and stable revenues[5].

Investment portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	227	8,4%	219	7,5%
Equities	178	6,6%	208	7,1%
Bonds	1777	66,0%	1785	60,8%
Loans, deposits and other financial investments	511	19,0%	722	24,6%
Total financial assets	**2692**	**100%**	**2934**	**100%**

Investment portfolio *"La Compagnie"* *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(en M€)***	***(en %)***
Investment property	188	8,4%	185	7,4%
Equities	143	6,4%	168	6,7%
Bonds	1342	59,8%	1385	55,2%
Loans, deposits and other financial investments	572	25,5%	771	30,7%
Total financial assets	**2244**	**100%**	**2508**	**100%**

As at December 31, 2018, bonds accounted for 66.0% of the Group's total investment portfolio. The same observation can be made at the level of *"La Compagnie"* where the bond portfolio represented the largest part of the investment portfolio (59.8%), while allocations in equities and property remained substantially similar to those of the Group.

As part of the defined strategic allocation, the Group has reduced its equity allocation and increased its allocation to European non-listed real estate, while increasing its exposure to the sovereign debt of the main issuers in the financial markets.

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

[5] The figures shown may differ from those in the 2018 registration document. This difference is explained by an introduction to the Solvency II standards in this document and an introduction to the IFRS standards in the 2018 registration document.

Specific limits applied to the whole investment portfolio are also defined in terms of the portfolio's rating, counterparty and country limits. A regular follow-up is carried out on the credit portfolio's liquidity, the evolution of spreads and the Group's cumulative exposure to the main asset/liability exposures. Hedging operations are finally carried out where appropriate: they are systematic on foreign exchange risk and discretionary on interest rate and spread risks. As at December 31, 2018, part of the sovereign bond portfolio is hedged using interest rate futures.

As at December 31, 2017 and 2018, the main features of the bond portfolio were as follows:

Distribution by geographic zone of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	249	14,0%	230	12,9%
Emerging countries	165	9,3%	171	9,6%
Europe outside the eurozone	132	7,4%	144	8,1%
North America	397	22,4%	461	25,8%
Eurozone	833	46,9%	779	43,6%
Total	**1777**	**100%**	**1785**	**100%**

The investment portfolio is primarily exposed to developed countries in the eurozone and in North America. We are still not exposed to Greek sovereign debt, but we have made some investments in Portugal during the year. In 2018, the Group continued to increase its international diversification, particularly in Asian and eurozone countries, to take advantage of higher rates of return, track the various increases in rates or reduce the cost of foreign exchange hedging.

The breakdown by geographical area over the scope of consolidation of *"La Compagnie"* remained in line with that of the Group, with a strong leaning towards the eurozone (47.1%).

Distribution by geographic zone of the bond portfolio *"La Compagnie"* *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	233	17%	211	15,2%
Emerging countries	122	9,1%	121	8,7%
Europe outside the eurozone	100	7,5%	115	8,3%
North America	254	18,9%	305	22,0%
Eurozone	632	47,1%	632	45,6%
Total	**1342**	**100%**	**1385**	**100%**

The Group's interest rate risk on its financial portfolio is limited, since the maximum authorised sensitivity for the bond asset class is deliberately capped at 4[6]. The bond portfolio's sensitivity stood at 3.5 as at December 31, 2018 for the Group as well as for *"La Compagnie"*.

[6] *A bond's sensitivity measures its impairment loss in the event of an increase in interest rates. Therefore, a bond with a sensitivity of 4 will see its market value fall by 4% if interest rates increase by 1%.*

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

The vast majority of the Group's investment instruments are denominated in euros. Exposure of the investment portfolios to exchange rate risk is limited: as at December 31, 2018, more than 70% of investments were denominated in euros.

Breakdown by currency in the investment portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	1980	73,6%	2065	70,4%
USD	322	12,0%	449	15,3%
Other (<3%)	390	14,5%	420	14,3%
Total	**2692**	**100%**	**2934**	**100%**

For *"La Compagnie"*, we find the same high exposures to the EUR (68.4%) and the USD (14.3%).

Breakdown by currency in the investment portfolio ***"La Compagnie"*** *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	1535	68,4%	1815	72,4%
USD	322	14,3%	337	13,4%
Other (<3%)	388	17,3%	357	14,2%
Total	**2244**	**100%**	**2508**	**100%**

C.2.2 Risk mitigation techniques

The Group's investment department, responsible for directing its investments and managing its investment portfolio, may authorise the use of hedges against the risk of interest rate hikes, through forward financial instruments (swaps, futures, options) on regulated markets or, over-the-counter, with counterparties rated A- or higher.

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

As at December 31, 2018, *"La Compagnie"* and Coface Re were partially hedged against the risk of an interest rate hike and the risk of a fall in the stock markets. The first hedge is based on exposure to the rates of French government bonds in the investment portfolio through futures. The second aims to hedge the equity exposure of the investment portfolio, particularly through the money long-term put options. The level and management of these hedges are defined and reviewed depending on the market conditions and management of the levels of unrealised gains and losses at the monthly Investment Committee meetings between the Group's management and the manager of the Amundi investment platform.

C.2.3 Sensitivity to risk

Monthly simulations are also carried out on the invested portfolio of the Group, *"La Compagnie"* and Coface Re and presented at Investment Committee meetings. Over different periods, these cover the expected maximum loss in terms of economic performance, asset class by asset class with special attention to the spread risk.

Such sensitivity tests cover all asset classes where the Group is invested and, each month, allow for appraisal of the portfolio's overall risk exposure in the event of adverse scenarios and for possible precautions to be taken to reduce this risk as necessary (reduced exposure to certain risk factors, introduction of hedging strategies, protection of the economic result over a given period, etc.).

It is desirable for results to be representative of the various risks relating to investments made but, like any quantitative analysis, they present limitations associated with the data and models used.
The following tables show that, as at December 31, 2018, the portfolio's sensitivity, excluding the effect of the equity hedge set up, was virtually stable.

- ***Sensitivity of the portfolio to fluctuations in stock and bond markets as at December 31, 2018***

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	As of Dec. 31, 2018			
	Market value	Impact of a 100bps rise in interest rates	Impact of a 10% fall in equity markets	Impact of a 20% fall in equity markets
Bonds	1777	-62,5	0,0	0,0
Equities	178	0,0	-17,8	-35,6
Total	**1954**	**-62,5**	**-17,8**	**-35,6**

Sensitivity of the portfolio to changes in equity and bond markets *"La Compagnie"* *(in millions of euros)*	As of Dec. 31, 2018			
	Market value	Impact hausse de taux de 100 bp	Impact baisse du marché actions de 10%	Impact baisse du marché actions de 20%
Bonds	1342	-49,4	0,0	0,0
Equities	143	0,0	-14,3	-28,6
Total	**1485**	**-49,4**	**-14,3**	**-28,6**

- ***Sensitivity of the portfolio to fluctuations in stock and bond markets as at December 31, 2017***

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

C.3 Credit risk

C.3.1 Exposure

As stated above as part of the defined strategic allocation, COFACE SA and *"La Compagnie"* have increased their exposure to the sovereign debt of the main issuers on financial markets. Both portfolios are significantly exposed to non-sovereign issuers.

Breakdown by type of debt in the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
Sovereign	964	54,3%	881	49,4%
Non-sovereign	813	45,7%	904	50,6%
Total	**1777**	**100%**	**1785**	**100%**

Breakdown by type of debt in the bond portfolio *"La Compagnie"* *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
Sovereign	690	51,4%	619	44,7%
Non-sovereign	652	48,6%	767	55,3%
Total	**1342**	**100%**	**1385**	**100%**

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

The bond portfolios of the Group and *"La Compagnie"* remain primarily invested in companies and countries rated in the investment grade category[7]. The breakdown by rating for *"La Compagnie"* is very similar to that of the Group, with a significant proportion of bonds having AA-, A and BBB ratings.

Breakdown by rating of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
AAA	285	16,0%	341	19,1%
AA - A	755	42,5%	663	37,1%
BBB	588	33,1%	587	32,9%
BB - B	148	8,4%	193	10,8%
< CCC	0	0,0%	1	0,0%
Total	**1777**	**100%**	**1785**	**100%**

[7] *According to Standard & Poor's rating classification, all bonds rated at least BBB- are considered investment grade, and bonds with a rating of less than or equal to BB+ are considered to be high yield.*

Breakdown by rating of the bond portfolio "*La Compagnie*" *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	191	14,2%	204	14,7%
AA - A	574	42,7%	536	38,7%
BBB	464	34,5%	488	35,2%
BB - B	114	8,5%	156	11,3%
< CCC	0	0,0%	1	0,0%
Total	**1342**	**100%**	**1385**	**100%**

Furthermore, investments in corporate bonds represent 45.7% of the Group's bond portfolio, and more than 85% of this is in investment grade companies. For *"La Compagnie"*, corporate bond securities represent 48.6% of the bond portfolio and more than 90% of this is in investment grade companies.

Within the Group's investment policy, which therefore applies to *"La Compagnie"*, the Group has set maximum authorised exposure thresholds. Such thresholds apply to non-sovereign exposures and make it possible to limit the risk on a single issuer. These limits are set in line with the rating associated with the issuers.

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

It is mainly sovereign exposures and Groups that are recognised worldwide.

C.3.2 Risk mitigation techniques

With the introduction of its investment policy, the Group has defined specific limits applying to the whole investment portfolio in terms of portfolio rating, limits by counterparties and countries. A regular follow-up is carried out on the credit portfolio’s liquidity, the evolution of spreads and the Group’s cumulative exposure to the main asset/liability exposures. Hedging operations can also be carried out on a discretionary basis over the spread risk. However, as at December 31, 2018 the portfolio of the Group and of *"La Compagnie"* were not party to any.

C.4 Liquidity risk

Liquidity risk corresponds to the risk that COFACE SA and *"La Compagnie"* are unable to meet their payment obligations using their respective liquid financial resources.

The liquidity risk is subject to specific risk limits followed up as part of the risk appetite of COFACE SA and *"La Compagnie"*.

C.4.1 Exposure

Follow-up of the liquidity risk is framed by the liquidity and concentration risk policy, whether for COFACE SA or *"La Compagnie"*.

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

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

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

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

Breakdown by maturity of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	316	17,8%	366	20,5%
1 year < > 3 years	594	33,4%	562	31,5%
3 years < > 5 years	418	23,5%	366	20,5%
5 years < > 10 years	415	23,4%	451	25,3%
>10 years	33	1,9%	40	2,2%
Others	0	0,0%	0	0,0%
Total	**1777**	**100%**	**1785**	**100%**

51.2% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2018.

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

The breakdown by maturity over the scope of consolidation of *"La Compagnie"* is in line with that of the Group:

Breakdown by maturity of the bond portfolio ***"La Compagnie"*** *(in millions of euros)*	**As of Dec. 31**			
	2018		**2017**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	222	16,5%	294	21,2%
1 year < > 3 years	436	32,5%	419	30,3%
3 years < > 5 years	311	23,2%	257	18,6%
5 years < > 10 years	341	25,4%	377	27,2%
>10 years	33	2,4%	39	2,8%
Others	0	0,0%	0	0,0%
Total	**1342**	**100%**	**1385**	**100%**

For *"La Compagnie"*, slightly less than 50% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2018.

C.4.2 Risk mitigation techniques

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

Depending on the results from the liquidity follow-up carried out in the Risk Committee meetings, the Group may decide to increase the portfolio's liquidity by focusing primarily on two pillars: increasing the cash component of the asset allocation and/or reducing the portfolio's average maturity.

C.4.3 Sensitivity to risk

The liquidity of the portfolio of OECD credit bonds and sovereign bonds from emerging markets is monitored on a regular basis via market indicators (evolution of flows, spreads, purchase and sale spreads) and the manager carries out regular analyses on liquidation time frames and costs of lines in portfolios (duration of partial/total liquidation, cost of immediate liquidity and liquidity under stressful market conditions, etc.). These studies are presented within the Risk Committee, which meets half-yearly. Regarding factoring, the average duration of factoring receivables is very short (less than six months), which reduces the liquidity risk attached to these activities. The Group has put several financing programmes in place: a securitisation programme for its factoring trade receivables, bilateral credit lines with various partners and a commercial paper issue programme.

C.5 Operational risk

Operational risk is defined as a risk of direct or indirect losses, due to an inadequacy or failure attributed to processes and persons in all fields of activity, including risks of internal and external fraud, to the information system or to outside events. The non-compliance risk forms part of the operational risks, in the same way as for the models risk and dilution risk.

Various tools are used to control operational risks:

- mapping of operational risks
- reporting of incidents and losses
- business continuity plans (BCP) where the regular assessment of relevance and effectiveness (tests) makes it possible to plan for business interruption scenarios
- indicators that monitor the level of risk, in keeping with Coface's risk appetite
- the internal control system regularly measures the comprehensiveness and effectiveness of mechanisms in place via the Level 2 control plan.

Managing and reducing operational risks relies on a Level 1 and Level 2 control plan, which covers all the Group's entities. All of the controls, the anomalies revealed and related action plans are managed within a single software program (ENABLON), which was rolled out to all Group entities.
The management of risks and controls is carried out at the level of each legal entity in order to ensure compliance with the requirements of regulators at "Solo" and "Group" level.

More details on the measurement of operational risks are included in the "Operational Risks" paragraph of Chapter 5.1.3 – Definition and measurement of risks of the 2018 registration document.

C.6 Other material risks

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

These types of risk are incorporated into the risk mapping but are not quantified in the standard SCR formula. Qualitative appraisal criteria are used to assess and define an appetite for such risks and their follow-up takes the form of a surveillance system.

C.6.1 Reputational risk

Reputational risk corresponds to the negative impact that an internal or external event may have on the reputation of *"La Compagnie"* or COFACE SA.
The Group has developed a mechanism to reduce this risk, in particular through a code of ethics and a code of conduct together with clear rules on internal and external communication.

C.6.2 Strategic risk

Strategic risk arises from the Group's businesses and activities worldwide. It may be defined as the risk impacting our earnings and our solvency due to changes in market conditions, poor strategic decisions or incorrect application of these decisions aimed at addressing changes in market conditions. Changes in market conditions may, for example, be connected to regulatory or prudential changes or to the intermediation model implemented within the Group.
The Group Strategy and Development Department manages the strategic planning process by working with the General Executive Committee. They meet on a regular basis to assess the plan's effectiveness and determine necessary changes, where applicable. The Board of Directors is responsible for the supervision of strategic risk, by adopting a strategic planning process and by determining, as applicable, any necessary modifications.

C.6.3 Emerging risks

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

C.7 Other information

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

C.7.1 Sensitivity to financial factors

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

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

The sensitivities of the SCR coverage ratio to rates, spread and equity factors are also followed up on a regular basis in the Capital Management Committee and presented to investors. The results communicated to the markets show the low sensitivity of the Solvency ratio to instantaneous market shocks as at December 31, 2018:

Central scenario	169%*
+ 100 basis points interest rates	164%
+ 100 basis points Spreads	165%
-25% shares	166%

*estimated ratio

C.7.2 Sensitivity to other risk factors

The sensitivity of the SCR to a fluctuation of +1% in premiums, +1% in the investment portfolio, or +10% in dividends is less than 2%.

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

C.7.3 Scenarios measuring the sensitivity to risks

Scenarios drawn up in the context of ORSA measure the evolution of the solvency of COFACE SA and *"La Compagnie"*, on the horizon of the strategic plan, in response to unfavourable events. Such events may correspond to a specific risk (such as political risk) or cover many risk factors in a combined stress shock.

For example, the scenario replicating the 2008 crisis on the Group's current portfolio stresses the market and underwriting risks in combination, by replicating the markets and loss deviations observed in 2008. In this same scenario, the impacts on counterparties rating, the portfolio's liquidity, the reinsurance structure, the loss of revenue and also the Group's expenses in particular, are also taken into account. The assessment produced at the time of the 2018 ORSA has made it possible to ensure that the solvency of COFACE SA and *"La Compagnie"* was not compromised by this scenario.

D Valuation for solvency purposes

D.1 Assets

D.1.1 Intangible assets

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

The value of intangible assets is therefore also zero for *"La Compagnie"*.

D.1.2 Investments

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

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

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

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

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

Change in investment portfolio COFACE SA *(in millions of euros)*	As of Dec. 31		
	2018	2017	Change
Property (other than for own use)	0,3	0,3	-
Equities	102,5	91,5	11,0
Equities - listed	90,1	*79,4*	*10,8*
Equities - unlisted	12,3	*12,1*	*0,2*
Bonds	1 776,5	1 785,0	-8,5
Government Bonds	963,8	*881,4*	*82,5*
Corporate Bonds	812,7	*903,6*	*-90,9*
Collective Investments Undertakings	737,5	749,5	-12,0
Property	226,2	*218,8*	*7,4*
Equities	75,3	*116,3*	*-41,0*
Bonds and Cash	436,0	*414,3*	*21,6*
Derivatives	2,7	219,8	-217,2
Deposits other than cash equivalents	72,5	86,2	-13,7
Other loans and mortgages	-	1,6	-1,6
Total investment portfolio	**2 691,9**	**2 933,9**	**-242,0**

The market value of COFACE SA's portfolio decreased €242 million over 2018 due to a decline in corporate debt exposure in favour of sovereign debt. This change was also due to a sharp drop in derivatives from 2017 to 2018.

Change in investment portfolio ***"La Compagnie"*** *(in millions of euros)*	As of Dec. 31		
	2018	2017	Change
Property (other than for own use)	0,3	0,3	-
Equities	85,3	91,5	-6,2
Equities - listed	73,0	*79,4*	-6,4
Equities - unlisted	12,3	*12,1*	0,2
Bonds	1 342,0	1 385,2	-43,2
Government Bonds	690,2	*618,6*	71,7
Corporate Bonds	651,7	*766,6*	-114,9
Collective Investments Undertakings	610,2	598,5	11,7
Property	187,3	184,3	3,0
Equities	57,5	76,7	-19,1
Bonds and Cash	365,3	337,5	27,8
Derivatives	2,2	218,3	-216,2
Deposits other than cash equivalents	16,7	25,6	-8,9
Other loans and mortgages	187,4	189,0	-1,6
Total actifs financiers	**2 244,1**	**2 508,4**	**-264,4**

D.1.3 Interests

Investments in unconsolidated companies were valued under the corrected equity method. This method is based on revalued net assets. The revalued net assets used were determined for each entity by adding up the corporate equity at the end of N-1 increased by the provisional result for financial year N produced by the Group Management Control Department.
In 2018, the change in participations value is mainly due to the sale of Cofacrédit shares for €16 million.

COFACE SA	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Holdings in related undertakings, including participations	88,1	115,4	- 27,2

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Holdings in related undertakings, including participations	221,2	261,7	- 40,5

D.1.4 Receivables

• *Receivables arising from insurance and reinsurance operations*

Receivables are valued at their face value. A provision for write-downs is raised in order to take into account the recovery difficulties that are likely to arise.
Accounts receivable for insurance and reinsurance are not subject to current value accounting due to the low impact (very short-term receivables).

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

COFACE SA	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Insurance and intermediaries receivables	265,7	251,3	14,4
Reinsurance receivables	25,9	38,0	- 12,1
Total insurance end reinsurance receivables	**291,5**	**289,3**	**2,3**

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Insurance and intermediaries receivables	217,4	206,7	10,7
Reinsurance receivables	29,4	43,8	- 14,4
Total insurance end reinsurance receivables	**246,7**	**250,5**	**- 3,8**

- ***Other receivables (excluding insurance)***

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

COFACE SA *(in millions of euros)*	**As of Dec. 31** 2018	2017	Change
Receivables (trade, not insurance)	658,5	650,4	8,1

"La Compagnie" *(in millions of euros)*	**As of Dec. 31** 2018	2017	Change
Receivables (trade, not insurance)	168,9	179,1	- 10,2

D.1.5Cash and cash equivalents

COFACE SA *(in millions of euros)*	**As of Dec. 31** 2018	2017	Change
Cash and cash equivalents	260,9	260,0	0,9

"La Compagnie" *(in millions of euros)*	**As of Dec. 31** 2018	2017	Change
Cash and cash equivalents	182,9	168,9	14,0

Optimising cash flow enabled COFACE SA and *"La Compagnie"* to keep this line item relatively stable in 2018.

D.1.6Other assets

- ***Goodwill***

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

- ***Deferred acquisition costs***

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

- ***Deferred tax assets***

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

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

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

- recording of employee-related commitments under the amended IAS 19 method
- cancellation of the claims equalisation reserve
- cancellation of intangible assets
- cancellation of deferred acquisition costs
- adjustment of subordinated debt to market value
- recording of best estimates and the risk margin
- the differences between the statutory balance sheet and tax balance sheet

As each restatement impacts the relevant entity, the corresponding deferred tax is calculated using the tax rate applicable in the entity’s country.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2018**	**2017**	**Change**
Deferred tax assets	75,7	86,2	- 10,4

The decrease in deferred tax assets is mainly due to the recognition of deferred taxes on certain deficits.

"La Compagnie"	**As of Dec. 31**		
(in millions of euros)	**2018**	**2017**	**Change**
Deferred tax assets	56,7	31,1	25,6

The increase in deferred tax assets in the solo financial statements is mainly due to the change in other temporary differences and the netting rule.

The timetable for deferred tax assets as at December 31, 2018 is as follows:

Deferred tax assets timetable COFACE SA *(en millions d'euros)*	At December 31, 2018 less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax assets	**30,2**	**16,7**	**28,8**	**75,7**

Unused tax losses for which no deferred tax asset is recognised in the balance sheet as at December 31, 2018 are €184 million over the Group's scope of consolidation.

The timetable for deferred tax assets as at December 31, 2018 in the solo accounts is as follows:

Deferred tax assets liabilities *"La Compagnie"* *(en millions d'euros)*	At December 31, 2018 less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax liabilities	**12,7**	**21,6**	**22,4**	**56,7**

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at December 31, 2018 totalled €95 million over the scope of consolidation of *"La Compagnie"*.

- ### *Property, plant and equipment for own use*

Buildings and land used in the business are valued at their fair value.
The buildings used in the business are the head offices of Coface Deutschland and Coface Italia. The head office of Coface Deutschland was acquired by finance lease (pursuant to the Standard IAS 17, an asset (building used in the business) is recorded to assets in return for a financial debt to liabilities).

COFACE SA *(in millions of euros)*	As of Dec. 31 2018	2017	Change
Property, plant & equipment held for own use	74,2	74,7	-0,4

"La Compagnie" *(in millions of euros)*	As of Dec. 31 2018	2017	Change
Property, plant & equipment held for own use	72,5	72,7	-0,2

D.2 Technical reserves

There are two types of technical reserves: claims provisions and premiums provisions, to which are added a separately calculated risk margin under Solvency II.
The best estimate for premiums provisions is assessed on an aggregated basis by applying the simplified method described in the technical specifications of April 2014 and based on the premiums provisions in the financial statements.
Regarding the best estimate for claims provisions, this is produced separately on the various products. The Chain Ladder, Bornhuetter-Ferguson and Loss Ratio actuarial methods were used on the basis of accounting triangles (premiums, expenses and settlements) in order to determine the best estimate for the technical reserves.
The risk margin is determined in accordance with the Solvency II standard as for the cost of liquidation of capital needs. It is calculated directly after reinsurance.
The technical reserves in the financial statements are valued with a quantile level of 90%, while it is the expectancy that is used in the prudential balance sheet. The methods for the assessment of technical reserves have not been significantly changed since the previous financial year.

The only significant business line for the Group or *"La Compagnie"* is the "Credit and surety insurance" line.
The aggregated results at the end of 2018 are given below, for best estimates and the margin for risk.

D.2.1Best estimates

Best estimate	**As of Dec. 31**		
(in millions of euros)	**2018**	**2017**	**Change**
COFACE SA	811	837	-26
"*La Compagnie*"	777	769	8

Reinsurance recoverables	**As of Dec. 31**		
(in millions of euros)	**2018**	**2017**	**Change**
COFACE SA	206	188	18
"*La Compagnie*"	336	330	6

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

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

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

D.2.2 Risk margin

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

Risk Margin	As of Dec. 31		
(in millions of euros)	2018	2017	Change
COFACE SA	97	115	0
"*La Compagnie*"	62	84	-22

D.3 Other liabilities

D.3.1Provisions other than technical reserves

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

Provisions for risks and charges excluding provisions for pensions and other benefits COFACE SA *(in millions of euros)*	As of Dec. 31		
	2018	2017	Change
Provision for litigation	3	6	-2
Provision for risk on subsidiaries	15	14	1
Provisions for restructuring	10	31	-20
Provision for taxes (excludind IS)	1	2	-1
Other risk provisions	1	3	-2
Total provisions other than technical provisions	**31**	**56**	**-24,86**

Provisions for risks and charges excluding provisions for pensions and other benefits ***"La Compagnie"*** *(in millions of euros)*	As of Dec. 31		
	2018	2017	Change
Provision for litigation	2	3	0
Provision for risk on subsidiaries	8	7	1
Provisions for restructuring	10	29	-19
Provision for taxes (excludind IS)	1	2	-1
Other risk provisions	4	5	-1
Total provisions other than technical provisions	**26**	**46**	**-20,62**

The change in provisions for liabilities and charges during 2018 primarily stemmed from a decrease in provisions for restructuring, including €7.9 million for a reversal of provisions for the Fit to Win strategic plan and €12.7 million for a reversal of provisions for vacant premises.

D.3.2Provisions for pensions and other benefits

The employees of COFACE SA in a number of countries are entitled to short-term benefits (such as paid leave), long-term benefits (such as long-service awards) and post-employment benefits (such as statutory retirement benefits).
Short-term benefits are recognised as liabilities in the accounts of the various COFACE SA companies that grant such benefits.

Other benefits (including long-term and post-employment benefits) are subject to different coverage and are classified as follows:

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

In accordance with IAS 19, COFACE SA records a provision in its balance sheet to cover its liability, regarding primarily:

- statutory retirement benefits and termination benefits;
- 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 actuarial value of future benefits, corresponding to the present value of all benefits to be paid. The measurement of this present value is essentially based on:
  - the known characteristics of the population concerned;
  - future benefit levels (statutory retirement benefits, 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 rate used to discount future benefits at the measurement date;
- the actuarial value of benefits related to service cost (including the impact of future salary increases), determined using the projected unit credit method, which spreads the actuarial value of benefits evenly over the expected average remaining working lives of the employees participating in the plan.

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

According to IAS 19, the plan's assets are recorded at their fair value reduced by the amount recorded to liabilities in respect of the defined benefits.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2018**	**2017**	**Change**
Pension benefit obligations	60	64	-4

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Pension benefit obligations	56	60	-4

D.3.3Deferred tax liabilities

The origin of the recognition of deferred tax liabilities and the amount and maturity date, as applicable, of the deductible temporary differences;

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

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

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

As each restatement impacts the relevant entity, the corresponding deferred tax is calculated using the tax rate applicable in the entity's country.

COFACE SA	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Deferred tax liabilities	199	182	17

Increases in Group deferred tax liabilities are mainly due to improvements in the loss ratio, which results in a reduction in the level of provisioning.

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Deferred tax liabilities	169	227	-58

Solo deferred tax liabilities declined mainly due to a decrease in unrealised gains on investments in 2018.

The timetable for deferred tax liabilities as at December 31, 2018 for the Group is as follows:

Deferred tax liabilities timetable	At December 31, 2018			
COFACE SA *(in millions of euros)*	less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax liabilities - 2018	114	8	77	199

The main component of deferred tax liabilities comprises the cancellation of the equalisation reserve.

The timetable for deferred tax liabilities as at December 31, 2018 in the solo accounts is as follows:

Deferred tax liabilities timetable "La Compagnie" (in millions of euros)	At December 31, 2018 less than 1 year	between 1 and 4 years	more than 5 years	TOTAL
Total deferred tax liabilities - 2018	64	14	91	168

The main item in deferred tax liabilities concerns the cancellation of technical reserves and the portion of Best Estimate provisions ceded to reinsurers.

D.3.4Financial debt owed to non-credit institutions

For the Group, this item corresponds to commercial papers issued by COFACE SA for the purpose of financing the factoring business. As at December 31, 2018, due to the business's continued growth, financing requirements were higher.

COFACE SA	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Debts owed to non-credit institutions	448	467	-19

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Debts owed to non-credit institutions	-	-	-

The solo scope of consolidation did not include COFACE SA, the holding company that issues the commercial paper. In addition, the debt was not recognised on the Group's balance sheet.

D.3.5Payables arising from insurance and reinsurance operations

Ceded deferred acquisition costs are cancelled on the same principle as for gross deferred acquisition costs. In accordance with the Solvency II principles, deferred acquisition costs are considered to be worthless in the prudential balance sheet and their value is therefore reduced to zero.
Ceded earned premiums not yet written are reclassified into ceded technical reserves. Future premiums include a proportion of expenses that are covered by such acquisition costs, and which are recognised in the calculation of technical reserves using a best estimate.

COFACE SA	As of Dec. 31		
(in millions of euros)	2018	2017	Change
Insurance & intermediaries payables	61	62	-1
Reinsurance payables	51	47	4
Total liabilities from insurance and resinsurance	**112**	**109**	**3**

Liabilities arising from the insurance and reinsurance transactions of *"La Compagnie"* rose due to an increase in liabilities stemming from reinsurance transactions in 2018.

"La Compagnie"	As of Dec. 31		
(in millions of euros)	**2018**	**2017**	**Change**
Insurance & intermediaries payables	56	59	-3
Reinsurance payables	40	5	35
Total liabilities from insurance and resinsurance	**96**	**64**	**32**

D.3.6Subordinated liabilities

Financial liabilities are recognised at fair value.

COFACE SA	As of Dec. 31		
(in millions of euros)	**2018**	**2017**	**Change**
Subordinated liabilities	**416**	**416**	**0**

"La Compagnie"	As of Dec. 31		
(in millions of euros)	**2018**	**2017**	**Change**
Subordinated liabilities	**344**	**343**	**1**

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

D.3.7 Other payables

The table below sets out the other payables of the Coface Group and *"La Compagnie"*:

COFACE SA	Au 31 décembre		
(in millions of euros)	2018	2017	Variation
Payables (trade, not insurance)	311	355	-44

"La Compagnie"	Au 31 décembre		
(in millions of euros)	2018	2017	Variation
Payables (trade, not insurance)	263	315	-52

For COFACE SA and *"La Compagnie"*, the decrease in other payables (excluding insurance) primarily stemmed from the decrease in the State line item - Corporate income tax for €41 million and €43 million, respectively.

D.4 Alternative valuation methods

COFACE SA and *"La Compagnie"* do not use other alternative valuation methods.

D.5 Other information

No other material information is to be made publicly available.

E Capital management

E.1 Own funds

E.1.1 Own funds management policy

In accordance with Directive 2009/138/EC, the Coface Group has a capital management policy which applies to the whole Group, including its main operational insurance company – *"La Compagnie"*. This policy is subject to approval from the Boards of Directors of COFACE SA and *"La Compagnie"* and is re-examined at least once a year.

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

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

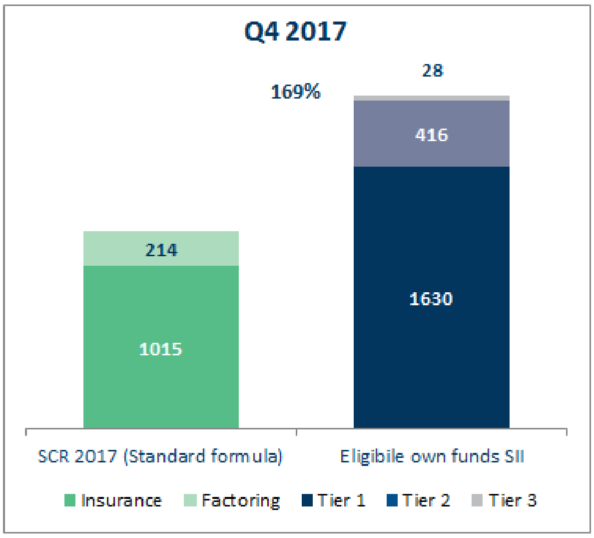
The capital management policy mainly deals with the following points:

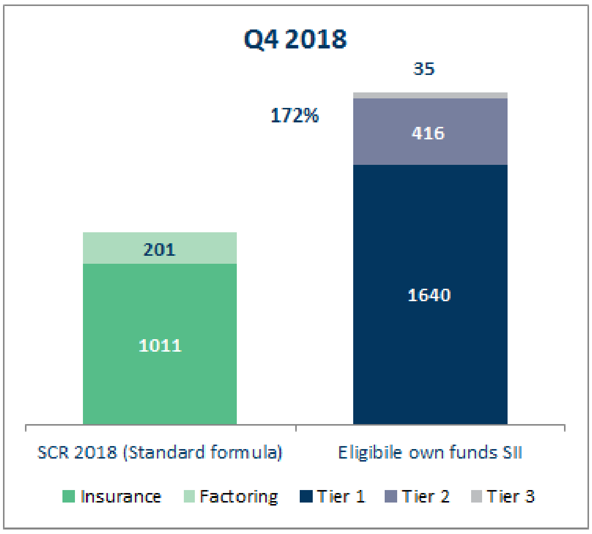
a) Risk of deterioration of the Group's solvency and non-compliance with the solvency capital requirement (SCR) or minimum capital requirement (MCR);
b) Risk of deterioration of solvency and non-compliance with the applicable prudential ratios by the Group's regulated subsidiaries (in particular for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

E.1.2 Structure and quality of own funds

- ### COFACE SA

In accordance with regulations, as at December 31, 2018, the Coface Group calculated its available own funds necessary for complying with two levels of capital requirements: minimum capital requirement and solvency capital requirement, SCR (see Chapter E.2.).
As at December 31, 2018, the Group meets the capital requirements, which amount to €1,213 million in respect of SCR, as represented in the following chart[8].





The own funds available to cover the SCR amounted to €2,091 million as at December 31, 2018. In accordance with the Solvency II Directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence. The breakdown is as follows:

- Tier 1: €1,640 million (78% of available own funds), corresponding to the net amount of assets in the Group's prudential balance sheet minus the amount of own funds classified in the other two categories
- Tier 2: €416 million (20% of available own funds), corresponding to the value of the subordinated debt where the eligibility to this category of own funds is justified by the application of article 308 ter (10) of Directive 2014/51/EU. A summary of the main characteristics of this subordinated debt is set out below:

[8] *As part of producing an estimate of the hedge rate at the end of 2018 communicated to the markets on February 11, 2019, a more conservative method of estimating capital requirements associated with the factoring business has been used. In fact, Coface has chosen to apply the "standard" approach to banking regulation in the presentation of these estimated results. The capital requirement of €1,238 million presented in this document was established by applying a method in line with that applied by Natixis, based on its financial rating system (the Internal Rating Based (IRB) method).*

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

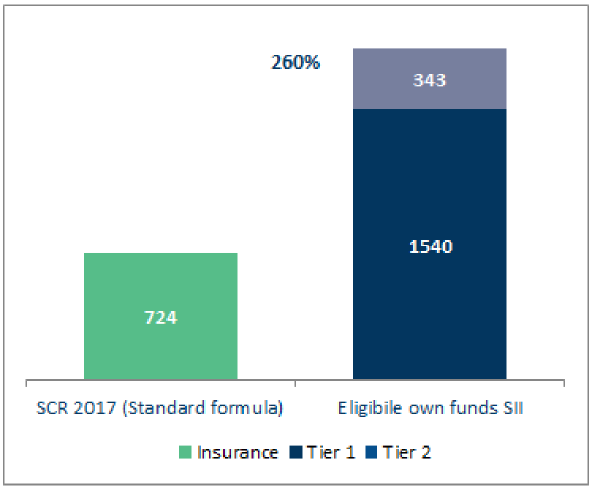
- Tier 3: €35 million (2% of available own funds), representing the proportion of Solvency II own funds made up of the sum of each tax entity's net deferred tax assets, after implementation of the eligibility test for those net deferred taxes at the local level

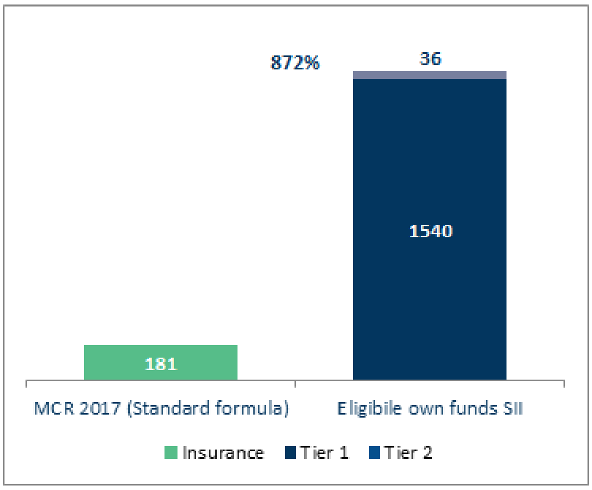
For more information on this section, please see the corresponding section in the QRT 23.01.

- ***"La Compagnie"***

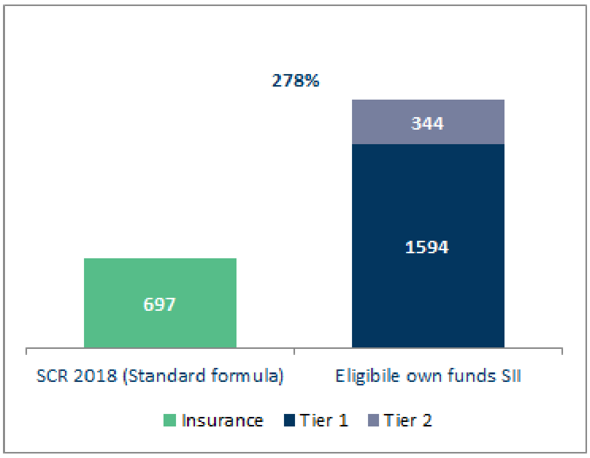
In accordance with regulations, as at December 31, 2017 and 2018, *"La Compagnie"* calculated its available own funds necessary to meet the requirements with two levels of capital requirements: the minimum capital requirement and the solvency capital requirement, SCR (see Chapter E.2.).

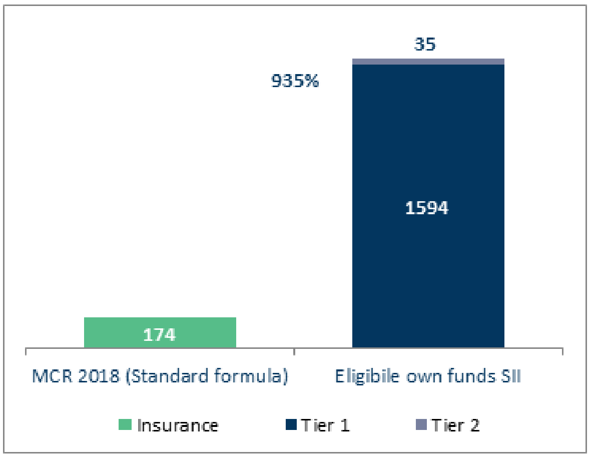
As at December 31, 2017:





As at December 31, 2018:





As at December 31, 2018, *"La Compagnie"* met the capital requirements, which amounted to €174 million for MCR and €697 million in respect of SCR, as represented in the above chart.

The own funds available for covering the MCR as at December 31, 2018 stood at €1,629 million. In accordance with the Solvency II Directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence.

As at December 31, 2018, the breakdown of own funds available for covering the MCR was as follows:

- Tier 1: €1,594 million (98% of available own funds), corresponding to the net amount of assets in the prudential balance sheet minus the amount of own funds classified in the other two categories.
- Tier 2: €35 million (2% of available own funds), which corresponds to the portion of the subordinated borrowing taken out by COFACE SA eligible to cover the MCR (i.e. 20% of €174 million). The total value of this subordinated loan is €344 million and its classification as "Tier 2" own funds is justified as transitional by article 308 ter (10) of Directive 2014/51/EU. The features of the subordinated loan correspond to those of the subordinated debt issued by COFACE SA (see table above).

The own funds available for the coverage of the SCR, as at December 31, 2018, amount to €1,938 million, made up as follows:

- Tier 1: €1,594 million (82% of available own funds), adjustment as indicated in the previous paragraph
- Tier 2: €344 million (18% of available own funds), corresponding to the total value of the subordinated loan indicated in the previous paragraph

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

For more information on this section, please see the corresponding section in the QRT 23.01.

E.1.3 Basic own funds

As at December 31, 2018, the own funds of COFACE SA and of the Coface Group's *"La Compagnie"* are exclusively made up of basic own funds, pursuant to Solvency II standard criteria.

E.1.4 Ancillary own funds

As at December 31, 2018, COFACE SA and *"La Compagnie"* do not have ancillary own funds

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E.1.5 Availability of own funds

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

- As soon as the surplus of an entity's own funds can be entirely represented by fungible and transferable own fund items, no adjustment of the Group's own funds is considered for this entity.
- Otherwise, the proportion of the surplus not represented by fungible and transferable items gives rise to an adjustment in the Group's own funds. As at December 31, 2018, the amount of this adjustment amounted to €62.3 million.

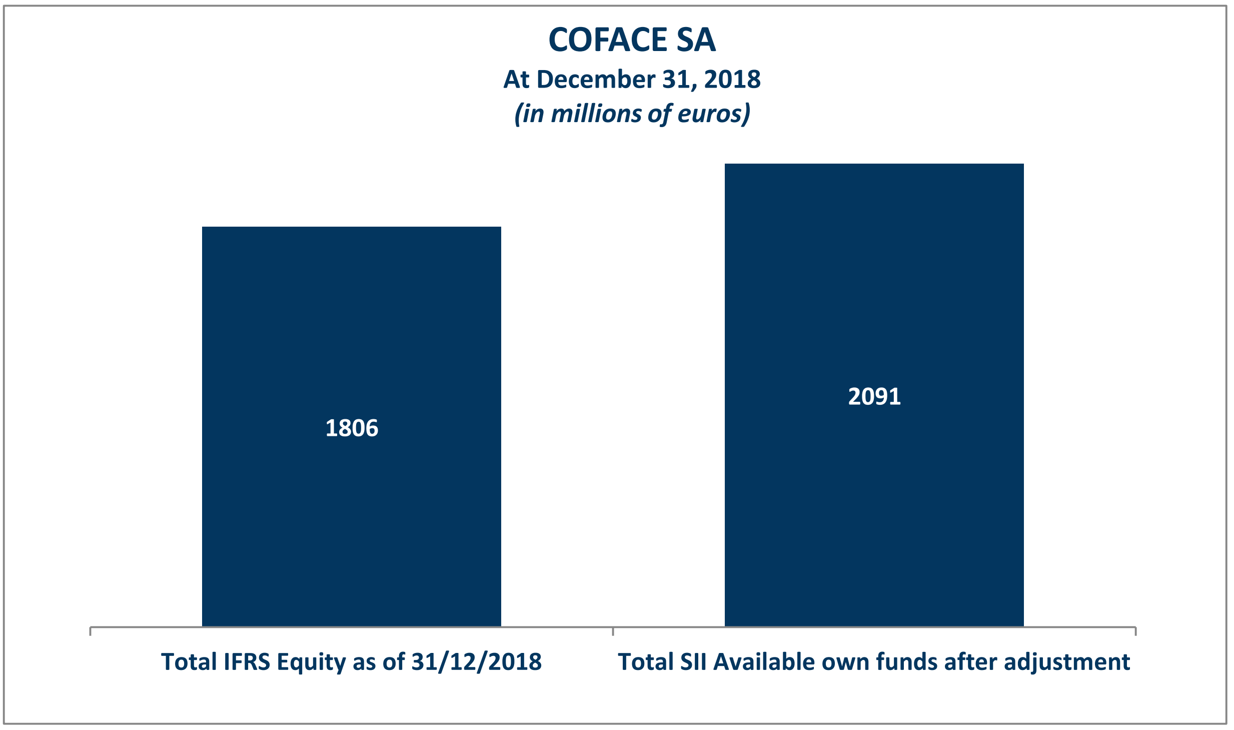
E.1.6 Absorption of losses by capital

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

E.1.7 Reconciliation reserve

- ***COFACE SA***

The following chart shows the main differences between the Group's own funds that are eligible to cover the solvency capital requirement as at December 31, 2018 and the consolidated own funds as shown in the Group's financial statements.



For more information on this section, please see the corresponding section in the QRT 23.01.
The Group's eligible Solvency II equity was €2,091 million as at December 31, 2018.
Eligible own funds as at December 31, 2018 included:

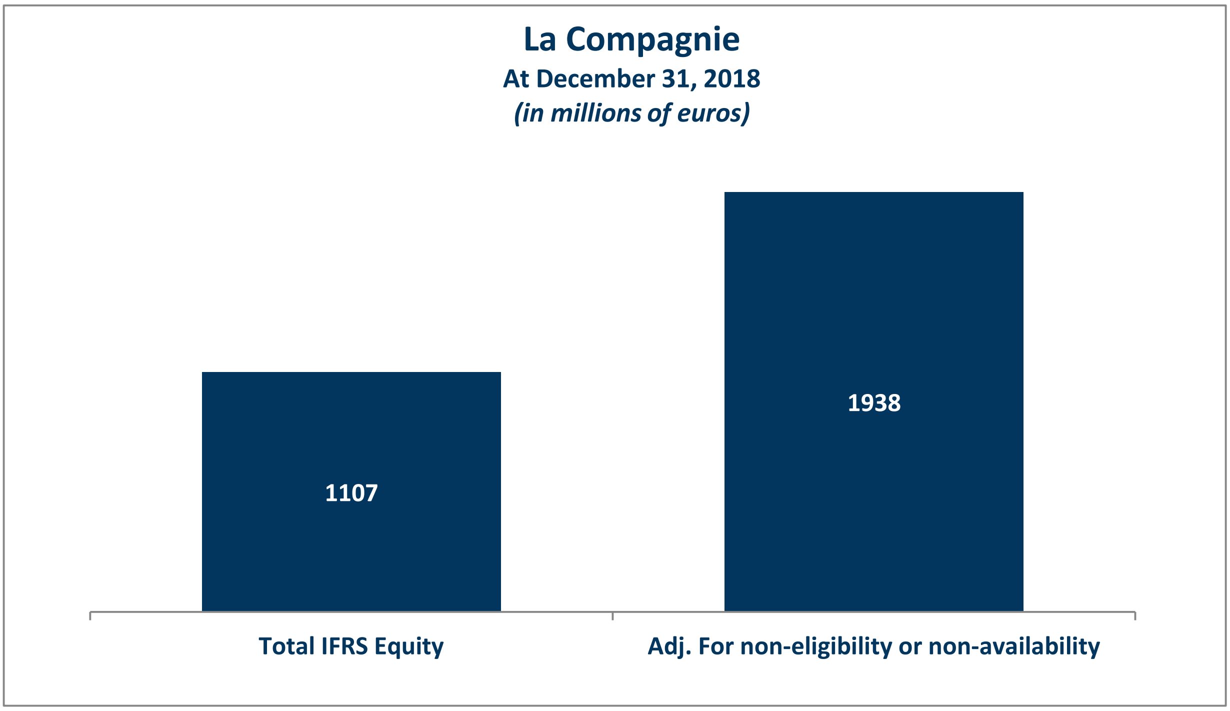
- Share capital of €308 million
- Issue premiums relating to share capital for €810 million
- A reconciliation reserve[9] of €580 million classified as Tier 1

[9] *The reconciliation reserve as presented in the statement (S.23.01.t - ex OF-B1Q) is defined as shareholders' equity excluding capital and premiums relating to capital, after deducting dividends to be paid.*

Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. The subordinated debt, issued in the form of bonds by COFACE SA in March 2014, rose to €416 million as at December 31, 2018 and is classified as Tier 2 by applying the "grandfathering" mechanisms set out in article 308 ter (10) of the Solvency II Directive.

COFACE SA plans to pay out €122.3 million in dividends in 2019 (in respect of financial year 2018).
Lastly, unavailable own funds were assessed at €62.3 million as at December 31, 2018.

- ***"La Compagnie"***



The amount of eligible Solvency II shareholders' equity was €1,938 million as at December 31, 2018.

Eligible own funds as at December 31, 2018 included:

- Share capital for €137.1 million
- Issue premiums relating to share capital for €627.4 million
- A reconciliation reserve[10] of €830 million classified as Tier 1

Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. Furthermore, a subordinated borrowing with COFACE SA for €344 million is classed as Tier 2:

- On March 27, 2014, COFACE SA issued subordinated debt, in the form of bonds, for a nominal amount of €380 million. These securities are irrevocably and unconditionally guaranteed on a subordinated basis by *"La Compagnie"*
- A joint surety was issued by *"La Compagnie"* on March 25, 2014, for €380 million, to investors in COFACE SA subordinated bonds and lasting until the liquidation of all liabilities to investors. This is a subordinated surety falling under off-balance sheet commitments. It is recognised in off-balance sheet commitments in the corporate financial statements of *"La Compagnie"* and is taken into account in the default type 1 SCR
- Concomitantly, COFACE SA granted an intra-group subordinated loan to *"La Compagnie"* maturing on March 26, 2024 (10 years) at an annual interest rate of 4.125% (payment due on each anniversary). The amount of subordinated debt amounts to €324 million in the statutory financial statements. This was €344 million in the Solvency II accounts due to discounting the debt.

Furthermore, *"La Compagnie"* plans to pay out €125 million in dividends in 2019 (in respect of financial year 2018).

E.1.8 Additional ratios

Not applicable to either the Coface Group or *"La Compagnie"*.

[10] The reconciliation reserve as presented in the statement (S.23.01.s - ex OF-B1Q) is defined as shareholders' equity excluding capital and premiums relating to capital, after deducting dividends to be paid.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Annual requirements

- ***Standards used***

The calculations[11] were made in line with the most recent specifications in effect (the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014) in the SAS IRM software, which enabled the Coface Group to generate the QRTs in XBRL format.

The risk-free rate curve used is the curve, without volatility adjustment, published by EIOPA applicable at the end of December 2018.

- ***SCR***

The Group SCR as at December 31, 2017 and 2018 breaks down as follows:

COFACE SA *(in millions of euros)*	As of Dec. 31 2018	2017
SCR Global (1)	**1 213**	**1 229**
Insurance SCR	1 011	1 015
Financial institution SCR	201	214
Own funds eligible (2)	**2 091**	**2 074**
Consolidated SII ratio (3) = (2)/(1)	**172%**	**169%**

The SCR of *"La Compagnie"* as at December 31, 2017 and 2018 breaks down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

"La Compagnie" *(in millions of euros)*	As of Dec. 31 2018	2017
SCR Global (1)	**697**	**724**
Insurance SCR	697	724
Financial institution SCR	-	-
Own funds eligible (2)	**1 938**	**1 884**
Consolidated SII ratio (3) = (2)/(1)	**278%**	**260%**
SII insurance ratio	278%	260%
MCR	**174**	**181**

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

E.2.2 Methods of calculation used

Calculation methodologies are the same for COFACE SA and *"La Compagnie"*.

- ### *Non-life SCR*

  - **Premium and reserve SCR**

Volumes of premiums and reserves have been defined in accordance with article 116 of the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014.

  - **Volume of reserves**

The volume of reserves used when calculating the own funds requirement is equal to the Best Estimate for reserves calculated in the balance sheet, from which the portion corresponding to the provision for profit-sharing is deducted. In fact, this item plays a counter-cyclical role, in the sense that a sudden increase in the loss rate will generally tend to reduce profit-sharing. As such, it does not appear to be cost effective to consider it to be part of a volume at risk in the event of a rise in the loss rate.

  - **Premium volumes**

The premium risk volume measurement for COFACE SA or for *"La Compagnie"* is provided using following formula (for an assessment date as at December 31, N):
Volume of premiums = Max (Earned premiums (N); Earned premiums (N+1)) + existing FP + future FP
The premiums used are net of policyholders' bonuses and rebates and net of reinsurance. The existing FP and future FP are calculated for each product line (Credit, Single Risk and Surety Bond) in line with the following definitions:

- Existing FP represents the expected actual value of premiums to be acquired by COFACE SA or *"La Compagnie"* after the coming 12 months for existing contracts
- Future FP represents the expected actual value of premiums to be acquired by COFACE SA or *"La Compagnie"* for contracts in which the date of initial recognition occurs within the coming 12months, excluding premiums to be acquired during the 12months that follow December 31,N

  - **Risk aggregation of premiums and reserves**

The standard variances used correspond to those of the credit sector, i.e.:
- 12% applied to the volume of premiums
- 19% applied to the volume of reserves

The overall standard variance to be used in the context of the premiums and reserves risk is then obtained by allowing for a 50% correlation between these two risks.
The final value of the premiums and reserves risk is then obtained directly by taking three times the value of the overall standard variance multiplied by the volume of overall risk (sum of the volumes of reserves and premiums) in accordance with article 115 of the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014.
Indeed, it should be recalled that:

- COFACE SA and *"La Compagnie"* only work on a single segment ("6. Credit insurance and proportional reinsurance"), and therefore there is no correlation with other segments to be taken into account
- Despite the wide geographical dispersion of the activities of COFACE SA and *"La Compagnie"*, the Credit business line cannot take account of the correction factor in respect of geographical diversification, so there is no calculation of "DIV" to be made

- **Natural disaster SCR**

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

- A peak risk corresponding to a plummet in the two largest portfolio exposures with a 10% loss rate, in accordance with regulations
- A risk of recession corresponding to a deterioration in the general economic climate and a "mass" loss ratio

Calculating Natural disaster SCR for credit and surety bond risks is described in article 134 of the Commission Delegated Regulation (EU) 2015/35 dated October 10, 2014.

- **Description of the external reinsurance programme**

The Coface Group's external reinsurance is intended to cover peak risk and the risk of recession. Peak risk is addressed by means of quota share treaties and two excess of loss treaties (by debtor and by country).
Risk of recession is addressed by quota share treaties and the stop-loss treaty against excessive deviation of the frequency loss.

- **Lapse risk**

In accordance with article 118 of the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014, COFACE SA measures winding up SCR at €9.8 million at the end of 2018 and €7 million for *"La Compagnie"*.

- **Aggregation of Non-life SCR**

The aggregation of these various risk modules is performed in accordance with article 114 of the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014 taking the various levels of correlation into account.
These calculations are also made gross of reinsurance so as to take into account the effect of mitigation of the risk relating to reinsurance in the type 1 default risk.

- ***Market SCR***

- **Organisation**

For financial assets, COFACE SA and *"La Compagnie"* use the PICIM platform managed by Amundi to supply SAS IRM. The service is intended to provide COFACE SA and *"La Compagnie"* with portfolio inventories enhanced with unitary SCR characteristics and calculations per instrument as at December 31, 2018. The PICIM portfolio represents over 97% of the investment portfolio excluding equity investments and operating property.
The files provided correspond to book inventories supplied by the asset servicing provider to COFACE SA and the "CACEIS" financial assets portfolio of *"La Compagnie"* and enriched by Amundi. Amundi supplies COFACE SA and *"La Compagnie"* with Equity, Interest (only on financial assets), Spread and Property SCRs on its scope of consolidation.
The Concentration, Change and Interest SCRs (excluding financial assets) were calculated directly by SAS IRM, as were the shocks to be applied on the equity investments held.

- **Classification of securities**

The CIC field used for the accounting classification of each security is populated by Amundi in the files provided to COFACE SA and *"La Compagnie"*.

- **Look-through of funds**

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

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

- **Equities SCR**

Regarding equities held in portfolio, COFACE SA decided not to use the "grandfathering equity" clause for 2018, as in 2017.

- **Property SCR**

The scope of consolidation on Property SCR consists of 24.7% operating property, 0.1% investment property and 75.2% supports for which the underlying assets are property assets.

- ***Default SCR***

The calculation of Default SCR was fine-tuned in 2017 to better assess counterparty risk, and is based on the provisions ceded to the Group's reinsurers at their Best Estimate value (market value) minus the amount of financial sureties (cash deposits, pledges of securities or letters of credit) provided by reinsurers for the Company's benefit.

- ***Simplifications used***

- **Capacity for absorption by deferred taxes**

For COFACE SA and *"La Compagnie"*, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) on the basis of the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2018 + Operational SCR_2018)*Tax rate_2018. Entities in a net deferred tax asset position have a zero SCR adjustment.
This adjustment does not take the notional deferred tax asset position into account for each entity.

- ***Problems and difficulties encountered***

Certain risk reduction mechanisms used by COFACE SA and *"La Compagnie"* cannot be taken into account in the standard formula, despite the fact that they represent a major challenge for the Company. This involves in particular:

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

E.2.3 Minimum capital requirement

The minimum capital requirement is calculated as follows:

$MCR = \max(MCR_{combined}; AMCR)$

or:

(a) $MCR_{combined}$ represents the combined minimum capital requirement;

(b) *AMCR* represents the absolute floor referred to in article 129(1)(d) of Directive 2009/138/EC and article 253 of this regulation.

The combined minimum capital requirement is calculated as follows:

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

or:

(a) MCR_{linear} represents the linear minimum capital requirement, calculated in accordance with articles 249 to 251;

(b) *SCR* represents the solvency capital requirement, calculated in accordance with Chapter V, or Chapter VI if the use of a full or partial internal model has been approved.

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

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

Details of the calculation of the minimum capital requirement ratio La Compagnie *(in millions of euros)*		**As of Dec. 31**	
		2018	**2017**
A	Technical provisions without risk margin for non-life insurance and reinsurance obligations after deducting amounts recoverable under reinsurance contracts	441,8	439,1
B	Net written premium	535,2	486,4
C	Solvency Capital Requirement - SCR	696,7	723,5
D=0,25*C	0,25*Solvency Capital requirement	174,2	180,9
E=0,45*C	0,45*Solvency Capital requirement	313,5	325,6
F	Risk factor relating to the technical provisions for the credit-insurance segment α	17,7%	17,7%
G	Risk factor for premiums issued for credit-insurance segment β	11,3%	11,3%
H=(A*F)+(B*G)	Non-life Minimum Capital Requiement	**138,7**	**132,7**
I=H	Linear Minimum Capital Requirement	138,7	132,7
J	Non-life AMCR level (absolute threshold)	2,2	2,2
K	**Combined MCR =min(max(I;0,25*C);0,45*C)**	**174,2**	**180,9**
Global MCR	MCR=max (K;J)	174,2	180,9

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

COFACE SA and *"La Compagnie"* do not use the equity risk sub-module based on duration.

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

COFACE SA and *"La Compagnie"* do not use any internal model to calculate their requirements in prudential own funds.

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

During the 2018 financial year, neither COFACE SA nor *"La Compagnie"* failed to comply with the minimum capital requirement or the solvency capital requirement.

E.6 Other information

No other material information is to be made publicly available.

F Appendices

F.1 Details of parent company-subsidiary relationships

Pays	Entité	Méthode de Consolidation	Pourcentages Contrôle 31/12/2018	Pourcentages Intérêt 31/12/2018	Pourcentages Contrôle 31/12/2017	Pourcentages Intérêt 31/12/2017
Europe du Nord						
Allemagne	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung) Isaac – Fulda – Allee 1 55124 Mainz	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Allemagne	Coface Finanz GMBH Isaac – Fulda – Allee 1 55124 Mainz	Globale	100,00%	100,00%	100,00%	100,00%
Allemagne	Coface Debitorenmanagement GMBH Isaac – Fulda – Allee 1 55124 Mainz	Globale	100,00%	100,00%	100,00%	100,00%
Allemagne	Coface Rating Holding GMBH Isaac – Fulda – Allee 1 55124 Mainz	Globale	100,00%	100,00%	100,00%	100,00%
Allemagne	Coface Rating GMBH Isaac – Fulda – Allee 1 55124 Mainz	Globale	100,00%	100,00%	100,00%	100,00%
Allemagne	Kisselberg KG c/o VR-LEASING Hauptstr. 131. 65760 Eschborn	Globale	100,00%	100,00%	100,00%	100,00%
Allemagne	Fct Vega (Fonds de titrisation) 41 rue Délizy 93500 Pantin	Globale	100,00%	100,00%	100,00%	100,00%
Pays Bas	Coface Nederland Services STADIONSTRAAT 20 4815 NG Breda	Globale	100,00%	100,00%	100,00%	100,00%
Pays-Bas	Coface Nederland Postbus 3377 4800 DJ Breda	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Danemark	Coface Danmark Jens Ravns Vej 11C 7100 Vejle	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Suède	Coface Sverige Kungsgatan 33 111 56 Stockholm	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	

Pays	Entité	Méthode de Consolidation	Pourcentages			
			Contrôle 31/12/2018	Intérêt 31/12/2018	Contrôle 31/12/2017	Intérêt 31/12/2017
Europe de l'Ouest						
France	COFACE SA 1 Place Costes et Bellonte 92 270 Bois-Colombes	Société Mère	100,00%	100,00%	100,00%	100,00%
France	Compagnie française d'assurance pour le commerce extérieur 1 Place Costes et Bellonte 92 270 Bois-Colombes	Globale	100,00%	100,00%	100,00%	100,00%
France	Cofacredit Tour D2 - 17 bis place des reflets 92988 Paris la Défense cedex	Non consolidé	-	-	36,00%	36,00%
France	Cofinpar 1 Place Costes et Bellonte 92 270 Bois-Colombes	Globale	100,00%	100,00%	100,00%	100,00%
France	Cogeri Place Costes et Bellonte 92 270 Bois-Colombes	Globale	100,00%	100,00%	100,00%	100,00%
France	Fimipar 1 Place Costes et Bellonte 92 270 Bois-Colombes	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 2 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 2 bis 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 bis 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 ter 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 3 quater 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 4 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
France	Fonds Colombes 4 bis 90, Boulevard Pasteur 75015 Paris	Globale	-	-	100,00%	100,00%
France	Fonds Colombes 5 bis 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	-	-
France	Fonds Colombes 6 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%

Pays	Entité	Méthode de Consolidation	Pourcentages			
			Contrôle 31/12/2018	Intérêt 31/12/2018	Contrôle 31/12/2017	Intérêt 31/12/2017
Europe de l'Ouest (Suite)						
Belgique	Coface Belgium Services 100 Boulevard du Souverain B-1170 Bruxelles (Watermael-Boitsfort)	Globale	100,00%	100,00%	100,00%	100,00%
Belgique	Coface Belgique 100, Boulevard du Souverain B-1170 Bruxelles (Watermael-Boitsfort)	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Luxembourg	Coface Luxembourg 2, Route d'Arlon L-8399 Windhof (Koerich) Luxembourg	-	-		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Suisse	Coface Suisse Rue Belle-Fontaine 18 1003 Lausanne	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Suisse	Coface Ré Rue Belle-Fontaine 18 1003 Lausanne	Globale	100,00%	100,00%	100,00%	100,00%
Suisse	Fonds Lausanne 2 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
Suisse	Fonds Lausanne 2 bis 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
Suisse	Fonds Lausanne 3 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
Suisse	Fonds Lausanne 3 bis 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	100,00%	100,00%
Suisse	Fonds Lausanne 6 90, Boulevard Pasteur 75015 Paris	Globale	100,00%	100,00%	-	-
Grande-Bretagne	Coface UK Holdings Egale 1, 80 St Albans Rd. Watford Hertfordshire. WD17 1RP	Globale	100,00%	100,00%	100,00%	100,00%
Grande-Bretagne	Coface UK Services Egale 1, 80 St Albans Rd. Watford Hertfordshire. WD17 1RP	Globale	100,00%	100,00%	100,00%	100,00%
Grande-Bretagne	Coface UK Egale 1, 80 St Albans Rd. Watford Hertfordshire. WD17 1RP	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Irlande	Coface Ireland Unit 5, Adelphi House. Upper George's Street Dun Laoghaire - Co Dublin	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	

Pays	Entité	Méthode de Consolidation	Pourcentages			
			Contrôle 31/12/2018	Intérêt 31/12/2018	Contrôle 31/12/2017	Intérêt 31/12/2017
Europe Centrale						
Autriche	Coface Austria Kreditversicherung Service GmbH Marxergasse 4c 1030 Vienna	Globale	100,00%	100,00%	100,00%	100,00%
Autriche	Coface Central Europe Holding AG Marxergasse 4c 1030 Vienna	Globale	100,00%	100,00%	100,00%	100,00%
Autriche	Compagnie francaise d´assurance pour le Commerce Exterieur SA Niederlassung Austria Marxergasse 4c 1030 Vienna	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Hongrie	Compagnie francaise d´assurance pour le commerce extérieur Hungarian Branch Office Váci út 45. H/7 1134 Budapest	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Pologne	Coface Poland Credit Management Services Sp. z.o.o. Al. Jerozolimskie 142 A, 02-305 Warszawa	Globale	100,00%	100,00%	100,00%	100,00%
Pologne	Coface Poland Factoring Sp. z.o.o. Al. Jerozolimskie 142 A, 02-305 Warszawa	Globale	100,00%	100,00%	100,00%	100,00%
Pologne	Compagnie francaise d'assurance pour le commerce exterieur Spółka Akcyjna Oddział w Polsce Al. Jerozolimskie 142 A, 02-305 Warszawa	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
République Tchèque	Compagnie francaise d'assurance pour le commerce exterieur organizační složka Česko I.P. Pavlova 5 120 00 Praha 2	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Roumanie	Coface Romania CMS Street Pipera number 42, Floor 6, Sector 2, Cladirea Globalworth Plaza (fosta Nusco Tower) 020112, Bucuresti	Globale	100,00%	100,00%	100,00%	100,00%
Roumanie	Compagnie francaise d'assurance pour le commerce exterieur S.A. Bois - Colombes – Sucursala Bucuresti Street Pipera number 42, Floor 6, Sector 2, Cladirea Globalworth Plaza (fosta Nusco Tower) 020112, Bucuresti	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Roumanie	Coface Technologie - Roumanie Street Pipera number 42, Floor 6, Sector 2, Cladirea Globalworth Plaza (fosta Nusco Tower) 020112, Bucuresti	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		-	-
Slovaquie	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného členského štátu Šoltésovej 14 811 08 Bratislava	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Lithuanie	Compagnie Francaise d'Assurance pour le Commerce Exterieur Lietuvos filialas A. Tumeno str. 4 01109 Vilnius	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Lettonie	Coface Latvia Insurance Berzaunes iela 11a LV-1039 Riga	-	-		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Bulgarie	Compagnie Francaise d'Assurance pour le Commerce Exterieur SA – Branch Bulgaria 42 Petar Parchevich Str. 1000 Sofia	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Russie	CJSC Coface Rus Insurance Company Panorama business center, 8, 2nd Brest Skaya str, 125047 Moscow	Globale	100,00%	100,00%	100,00%	100,00%

Pays	Entité	Méthode de Consolidation	Pourcentages			
			Contrôle 31/12/2018	Intérêt 31/12/2018	Contrôle 31/12/2017	Intérêt 31/12/2017
Méditerranée et Afrique						
Italie	Coface Italy (Succursale) Via Giovanni Spadolini 4 20141 Milan	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Italie	Coface ITALIA Via Giovanni Spadolini 4 20141 Milan	Globale	100,00%	100,00%	100,00%	100,00%
Israël	Coface ISRAEL 23 Bar Kochva st, Bnei Brak 5126002 PB 76	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Israël	Coface Holding Israel 11 Ben Gurion st, Bnei Brak 5126015 Bnei Brak	Globale	100,00%	100,00%	100,00%	100,00%
Israël	BDI – Coface (business data Israel) 11 Ben Gurion st, Bnei Brak 5126015 Bnei Brak	Globale	100,00%	100,00%	100,00%	100,00%
Afrique du Sud	Coface South Africa 3021 William Nicol Drive Block A 2021 Bryanston –Johannesburg	Globale	100,00%	100,00%	100,00%	100,00%
Afrique du Sud	Coface South Africa Services 3021 William Nicol Drive Block A 2021 Bryanston –Johannesburg	Globale	100,00%	100,00%	100,00%	100,00%
Espagne	Coface Servicios España, SL Calle Aravaca, 22 28040 Madrid	Globale	100,00%	100,00%	100,00%	100,00%
Espagne	Coface Iberica C/Aravaca 22 28040 Madrid	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Portugal	Coface Portugal Av. José Malhoa, 16B - 7º Piso, Fracção B.1 Edifício Europa 1070 - 159 Lisboa	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Turquie	Coface Sigorta Buyukdere Caddesi, Yapi Kredi Plaza, B-Blok Kat:6 Levent 34 330 Istanbul	Globale	100,00%	100,00%	100,00%	100,00%

Pays	Entité	Méthode de Consolidation	Pourcentages			
			Contrôle 31/12/2018	Intérêt 31/12/2018	Contrôle 31/12/2017	Intérêt 31/12/2017
Amérique du Nord						
Etats-Unis	Coface North America Holding Company 650 College road east, suite 2005, Princeton, NJ 08540 - USA	Globale	100,00%	100,00%	100,00%	100,00%
Etats-Unis	Coface North America 650 College road east, suite 2005, Princeton, NJ 08540 - USA	Globale	100,00%	100,00%	100,00%	100,00%
Etats-Unis	Coface Services North America 900 Chapel Street New Haven, CT 06510	Globale	100,00%	100,00%	100,00%	100,00%
Etats-Unis	Coface North America Insurance company 650 College road east, suite 2005, Princeton, NJ 08540 - USA	Globale	100,00%	100,00%	100,00%	100,00%
Canada	Coface Canada 251 Consumer Road Suite 910 Toronto - On M2J 1R3	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Amérique Latine						
Mexique	Coface Seguro De Credito Mexico SA de CV Av. Insurgentes Sur #1685 Piso 15, Col. Guadalupe Inn, Delegación: Alvaro Obregon - 01020 Mexico City, México	Globale	100,00%	100,00%	100,00%	100,00%
Mexique	Coface Holding America Latina SA de CV Av. Insurgentes Sur #1685 Piso 15, Col. Guadalupe Inn, Delegación: Alvaro Obregon - 01020 Mexico City, México	Globale	100,00%	100,00%	100,00%	100,00%
Brésil	Coface Do brasil Seguros de Credito SA 34, João Duran Alonso Square Brooklin Novo District Saõ Paulo 12 floor	Globale	100,00%	100,00%	100,00%	100,00%
Brésil	Seguradora Brasileira De Credito Interno SA (SBCE) Pça. João Duran Alonso, 34 - 12º Andar Brooklin Novo - Sao Paulo, CEP: 04571-070	Globale	75,82%	75,82%	75,82%	75,82%
Chili	Coface Chile SA Nueva Tajamar 555. Piso 17 Torre Costanera - Las Condes. Santiago	Globale	100,00%	100,00%	100,00%	100,00%
Chili	Coface Chile Nueva Tajamar 555. Piso 17 Torre Costanera - Las Condes. Santiago	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Argentine	Coface Argentina Olga Cossettini 263, Piso 3, (C1107CCE) C.A.B.A. Argentina	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Equateur	Coface Ecuador Irlanda E10-16 y República del Salvador Edificio Siglo XXI, PH	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Asie Pacifique						
Australie	Coface Australia LEVEL 11, 1 Market Street, Sydney NSW 2000, Australia	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Hong-Kong	Coface Hong Kong 29th Floor, No.169 Electric Road North Point, Hong Kong	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Japon	Coface Japon Atago Green Hills MORI Tower 38F, 2-5-1 Atago, Minato-ku - Tokyo 105-6238	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Singapour	Coface Singapour 16 Collyer Quay #15-00 Singapore 049318	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	
Taiwan	Coface Taiwan Room A5, 6F, N°16, Section 4, Nanjing East Road, Taipei 10553	-	Succursale de Compagnie française d'assurance pour le commerce exterieur		Succursale de Compagnie française d'assurance pour le commerce exterieur	

F.2 Quantitative reports

Public Disclosure QRTs are listed in euros.

S.02.01.02 – Group

S.02.01.02		
Balance sheet		
		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0,00
Deferred tax assets	**R0040**	75 620 458,66
Pension benefit surplus	**R0050**	.
Property, plant & equipement held for own use	**R0060**	74 240 512,02
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	2 780 022 560,43
Property (other than for own use)	**R0080**	288 000,00
Participations and related undertakings	**R0090**	88 114 830,36
Equities	**R0100**	102 483 476,20
Equities - listed	**R0110**	90 147 036,00
Equities - unlisted	**R0120**	12 336 440,20
Bonds	**R0130**	1 776 522 601,75
Government Bonds	**R0140**	963 837 695,48
Corporate Bonds	**R0150**	812 684 906,27
Structured notes	**R0160**	.
Collateralised securities	**R0170**	.
Collective Investments Undertakings	**R0180**	737 476 630,98
Derivatives	**R0190**	2 663 979,34
Deposits other than cash equivalents	**R0200**	72 473 041,80
Other investments	**R0210**	.
Assets held for index-linked and unit-linked contracts	**R0220**	.
Loans and mortgages	**R0230**	9 380,00
Loans on policies	**R0240**	.
Loans and mortgages to individuals	**R0250**	.
Other loans and mortgages	**R0260**	9 380,00
Reinsurance recoverables from:	**R0270**	205 880 661,46
Non-life and health similar to non-life	**R0280**	205 880 661,46
Non-life excluding health	**R0290**	205 880 661,46
Health similar to non-life	**R0300**	.
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	.
Health similar to life	**R0320**	.
Life excluding health and index-linked and unit-linked	**R0330**	.
Life index-linked and unit-linked	**R0340**	.
Deposits to cedants	**R0350**	7 777 225,00
Insurance and intermediaries receivables	**R0360**	265 680 039,64
Reinsurance receivables	**R0370**	25 860 907,81
Receivables (trade, not insurance)	**R0380**	658 478 554,61
Own shares (held directly)	**R0390**	.
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	.
Cash and cash equivalents	**R0410**	260 949 366,73
Any other assets, not elsewhere shown	**R0420**	.
Total assets	**R0500**	4 354 519 666,36

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	908 720 265,85
Technical provisions – non-life (excluding health)	R0520	908 720 265,85
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	811 252 890,28
Risk margin	R0550	97 467 375,57
Technical provisions - health (similar to non-life)	R0560	.
Technical provisions calculated as a whole	R0570	.
Best Estimate	R0580	.
Risk margin	R0590	.
Technical provisions - life (excluding index-linked and unit-linked)	R0600	.
Technical provisions - health (similar to life)	R0610	.
Technical provisions calculated as a whole	R0620	.
Best Estimate	R0630	.
Risk margin	R0640	.
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	.
Technical provisions calculated as a whole	R0660	.
Best Estimate	R0670	.
Risk margin	R0680	.
Technical provisions – index-linked and unit-linked	R0690	.
Technical provisions calculated as a whole	R0700	.
Best Estimate	R0710	.
Risk margin	R0720	.
Other technical provisions	R0730	
Contingent liabilities	R0740	.
Provisions other than technical provisions	R0750	30 712 281,25
Pension benefit obligations	R0760	60 444 249,33
Deposits from reinsurers	R0770	3 879 146,00
Deferred tax liabilities	R0780	198 735 629,57
Derivatives	R0790	2 248 714,00
Debts owed to credit institutions	R0800	0,13
Financial liabilities other than debts owed to credit institutions	R0810	448 357 378,00
Insurance & intermediaries payables	R0820	61 013 835,26
Reinsurance payables	R0830	51 151 399,12
Payables (trade, not insurance)	R0840	311 450 579,59
Subordinated liabilities	R0850	416 185 816,00
Subordinated liabilities not in BOF	R0860	.
Subordinated liabilities in BOF	R0870	416 185 816,00
Any other liabilities, not elsewhere shown	R0880	2 471 865,48
Total liabilities	R0900	2 495 371 159,58
Excess of assets over liabilities	R1000	1 859 148 506,78

S.02.01.02 – *"La Compagnie"*

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0,00
Deferred tax assets	R0040	56 681 960,47
Pension benefit surplus	R0050	-
Property, plant & equipement held for own use	R0060	72 471 767,71
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2 277 852 385,70
Property (other than for own use)	R0080	288 000,00
Participations and related undertakings	R0090	221 190 058,48
Equities	R0100	85 287 098,00
Equities - listed	R0110	72 950 658,00
Equities - unlisted	R0120	12 336 440,00
Bonds	R0130	1 341 996 662,57
Government Bonds	R0140	690 249 792,99
Corporate Bonds	R0150	651 746 869,58
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	610 209 157,66
Derivatives	R0190	2 186 206,34
Deposits other than cash equivalents	R0200	16 695 202,65
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	187 409 500,00
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	187 409 500,00
Reinsurance recoverables from:	R0270	335 515 083,32
Non-life and health similar to non-life	R0280	335 515 083,32
Non-life excluding health	R0290	335 515 083,32
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	9 070 772,00
Insurance and intermediaries receivables	R0360	217 351 684,17
Reinsurance receivables	R0370	29 394 873,35
Receivables (trade, not insurance)	R0380	168 908 472,24
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	182 865 720,85
Any other assets, not elsewhere shown	R0420	0,00
Total assets	R0500	3 537 522 219,81

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	842 156 329,53
Technical provisions – non-life (excluding health)	R0520	842 156 329,53
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	777 353 423,83
Risk margin	R0550	64 802 905,70
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	25 621 261,00
Pension benefit obligations	R0760	56 401 342,41
Deposits from reinsurers	R0770	18 240 221,07
Deferred tax liabilities	R0780	168 473 994,69
Derivatives	R0790	2 025 838,00
Debts owed to credit institutions	R0800	0,29
Financial liabilities other than debts owed to credit institutions	R0810	0,00
Insurance & intermediaries payables	R0820	55 950 652,13
Reinsurance payables	R0830	40 121 333,90
Payables (trade, not insurance)	R0840	262 670 447,53
Subordinated liabilities	R0850	343 900 910,00
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	343 900 910,00
Any other liabilities, not elsewhere shown	R0880	2 471 865,48
Total liabilities	R0900	1 818 034 196,03
Excess of assets over liabilities	R1000	1 719 488 023,78

S.05.01.02 – Group

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**									###########								1 083 404 221,43
Gross - Proportional reinsurance accepted	**R0120**									86 812 250,52								86 812 250,52
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**									327 143 334,18								327 143 334,18
Net	**R0200**									843 073 137,74								843 073 137,74
Premiums earned																		
Gross - Direct Business	**R0210**									###########								1 069 913 247,93
Gross - Proportional reinsurance accepted	**R0220**									86 063 558,13								86 063 558,13
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**									327 953 893,94								327 953 893,94
Net	**R0300**									828 022 912,09								828 022 912,09
Claims incurred																		
Gross - Direct Business	**R0310**									410 691 980,07								410 691 980,07
Gross - Proportional reinsurance accepted	**R0320**									50 374 840,14								50 374 840,14
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**									136 614 079,22								136 614 079,22
Net	**R0400**									324 452 740,99								324 452 740,99
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**																	593 829 850,77
Other expenses	**R1200**																	
Total expenses	**R1300**																	593 829 850,77

S.05.01.02 – *"La Compagnie"*

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**									908 859 736,21								908 859 736,21
Gross - Proportional reinsurance accepted	**R0120**									168 302 670,10								168 302 670,10
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**									535 253 093,80								535 253 093,80
Net	**R0200**									541 909 312,51								541 909 312,51
Premiums earned																		
Gross - Direct Business	**R0210**									897 917 661,51								897 917 661,51
Gross - Proportional reinsurance accepted	**R0220**									168 810 919,64								168 810 919,64
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**									537 808 848,79								537 808 848,79
Net	**R0300**									528 919 732,36								528 919 732,36
Claims incurred																		
Gross - Direct Business	**R0310**									374 482 515,21								374 482 515,21
Gross - Proportional reinsurance accepted	**R0320**									74 739 318,28								74 739 318,28
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**									212 580 026,62								212 580 026,62
Net	**R0400**									236 641 806,87								236 641 806,87
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**									308 579 090,01								308 579 090,01
Other expenses	**R1200**																	
Total expenses	**R1300**																	308 579 090,01

S.05.02.01 – Group

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	US	ES	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	167 986 838,00	178 744 129,00	155 334 540,00	87 791 760,96	82 556 490,00	45 619 861,34	718 033 619,30
Gross - Proportional reinsurance accepted	R0120	4 514 966,00						4 514 966,00
Gross - Non-proportional reinsurance accepted	R0130	307 356,00						307 356,00
Reinsurers' share	R0140	49 507 371,00	44 185 184,00	43 821 650,54	22 754 508,97	22 153 952,00	12 106 983,00	194 529 649,51
Net	R0200	123 301 789,00	134 558 945,00	111 512 889,46	65 037 251,99	60 402 538,00	33 512 878,34	528 326 291,79
Premiums earned								
Gross - Direct Business	R0210	166 471 864,00	176 550 569,00	155 792 633,00	88 641 379,61	82 454 900,00	43 145 431,80	713 056 777,41
Gross - Proportional reinsurance accepted	R0220	3 924 683,16						3 924 683,16
Gross - Non-proportional reinsurance accepted	R0230	278 449,16						278 449,16
Reinsurers' share	R0240	49 970 817,00	43 008 274,00	44 414 943,17	24 382 795,97	22 380 402,00	11 551 204,00	195 708 436,14
Net	R0300	120 704 179,32	133 542 295,00	111 377 689,83	64 258 583,64	60 074 498,00	31 594 227,80	521 551 473,59
Claims incurred								
Gross - Direct Business	R0310	45 588 362,00	85 470 559,00	65 605 065,00	38 641 975,13	34 515 429,00	23 353 890,31	293 175 280,44
Gross - Proportional reinsurance accepted	R0320	2 075 421,77						2 075 421,77
Gross - Non-proportional reinsurance accepted	R0330	0,00						0,00
Reinsurers' share	R0340	15 655 922,00	24 166 370,00	16 186 942,00	10 620 490,81	9 401 482,00	6 716 446,00	82 747 652,81
Net	R0400	32 007 861,77	61 304 189,00	49 418 123,00	28 021 484,32	25 113 947,00	16 637 444,31	212 503 049,40
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420	0,00						0,00
Gross - Non- proportional reinsurance accepted	R0430	0,00						0,00
Reinsurers'share	R0440							
Net	R0500	0,00						0,00
Expenses incurred	R0550	100 340 207,00	63 426 477,00	74 957 781,06	41 198 835,65	32 954 334,00	18 063 347,99	330 940 982,70
Other expenses	R1200							
Total expenses	R1300							330 940 982,70

S.05.02.01 – *"La Compagnie"*

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	ES	GB	NL	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	167 986 838,00	178 744 129,00	155 334 540,00	82 556 490,00	44 975 422,76	41 228 316,00	670 825 735,76
Gross - Proportional reinsurance accepted	R0120	4 514 966,00						4 514 966,00
Gross - Non-proportional reinsurance accepted	R0130	260 021,00						260 021,00
Reinsurers' share	R0140	2 807 599,00	2 120 805,00	89 871,00	109 015,00	3 385,00	3 288 368,00	8 419 043,00
Net	R0200	169 954 226,00	176 623 324,00	155 244 669,00	82 447 475,00	44 972 037,76	37 939 948,00	667 181 679,76
Premiums earned								
Gross - Direct Business	R0210	166 471 864,00	176 550 569,00	155 792 633,00	82 454 900,00	42 528 440,29	41 346 244,00	665 144 650,29
Gross - Proportional reinsurance accepted	R0220	3 924 683,16						3 924 683,16
Gross - Non-proportional reinsurance accepted	R0230	278 449,16						278 449,16
Reinsurers' share	R0240	3 280 280,00	3 510 375,00	106 225,00	121 265,00	3 259,00	2 751 289,00	9 772 693,00
Net	R0300	167 394 716,32	173 040 194,00	155 686 408,00	82 333 635,00	42 525 181,29	38 594 955,00	659 575 089,61
Claims incurred								
Gross - Direct Business	R0310	62 618 746,25	87 436 974,25	69 728 239,25	44 292 498,75	24 636 325,88	20 684 053,50	309 396 837,88
Gross - Proportional reinsurance accepted	R0320	2 075 421,77						2 075 421,77
Gross - Non-proportional reinsurance accepted	R0330	0,00						0,00
Reinsurers' share	R0340	2 888 883,00	386 265,00	5 346 126,00	80 658,00	694 089,00	34 367,00	9 430 388,00
Net	R0400	61 805 285,02	87 050 709,25	64 382 113,25	44 211 840,75	23 942 236,88	20 649 686,50	302 041 871,65
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420	0,00						0,00
Gross - Non- proportional reinsurance accepted	R0430	0,00						0,00
Reinsurers'share	R0440							
Net	R0500	0,00						0,00
Expenses incurred	R0550	67 799 532,00	85 107 703,00	79 916 245,00	34 868 775,00	17 347 187,58	17 785 531,00	302 824 973,58
Other expenses	R1200							
Total expenses	R1300							302 824 973,58

S.17.01.02 – *"La Compagnie"*

S.17.01.02

Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport	Fire and other damage to property	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial	Non-proportional health reinsurance	Non-proportional casualty	Non-proportional marine,	Non-proportional property	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060									30 676 612,02								30 676 612,02
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									8 333 964,34								8 333 964,34
Net Best Estimate of Premium Provisions	R0150									22 342 647,68								22 342 647,68
Claims provisions																		
Gross	R0160									746 676 811,93								746 676 811,93
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									327 181 119,06								327 181 119,06
Net Best Estimate of Claims Provisions	R0250									419 495 692,87								419 495 692,87
Total Best estimate - gross	R0260									777 353 423,95								777 353 423,95
Total Best estimate - net	R0270									441 838 340,55								441 838 340,55
Risk margin	R0280									64 802 905,48								64 802 905,48
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320									842 156 329,42								842 156 329,42
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330									335 515 083,40								335 515 083,40
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340									506 641 246,02								506 641 246,02

S.19.01.21 – *"La Compagnie"*

S.19.01.21
Non-life Insurance Claims Information

Accident year / Underwriting year | **Z0020** | Underwriting year [UWY]

Gross Claims Paid (non-cumulative)
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Prior	R0100								
N-14	R0110	61 932 880,00	173 093 990,00	45 968 700,00	14 626 630,00	4 303 140,00	6 516 780,00	1 040 080,00	24 950,00
N-13	R0120	71 567 970,00	187 416 050,00	50 453 250,00	9 870 470,00	3 614 180,00	939 680,00	-223 320,00	682 600,00
N-12	R0130	65 482 730,00	228 378 020,00	55 756 650,00	18 035 650,00	1 370 160,00	3 263 340,00	1 280 190,00	5 325 620,00
N-11	R0140	68 762 400,00	274 766 110,00	109 200 470,00	33 126 400,00	7 715 290,00	20 767 640,00	5 872 500,00	2 493 630,00
N-10	R0150	108 218 250,00	608 103 040,00	166 036 590,00	34 194 740,00	19 975 920,00	231 680,00	3 989 620,00	3 513 990,00
N-9	R0160	170 354 970,00	272 116 280,00	63 732 290,00	15 940 300,00	4 326 580,00	6 127 560,00	-141 270,00	1 469 190,00
N-8	R0170	52 895 220,00	207 126 650,00	64 418 480,00	9 321 050,00	6 376 300,00	3 537 610,00	8 663 740,00	9 431 680,00
N-7	R0180	64 112 350,00	372 201 250,00	94 794 260,00	28 705 220,00	28 473 670,00	-18 071 140,00	-12 467 520,00	-2 838 700,00
N-6	R0190	118 174 240,00	303 377 700,00	98 542 150,00	7 458 290,00	3 691 870,00	12 582 100,00	2 702 110,00	
N-5	R0200	80 166 970,00	282 772 700,00	66 770 070,00	30 686 420,00	3 182 750,00	-4 521 830,00		
N-4	R0210	84 670 470,00	306 531 960,00	135 529 170,00	31 588 290,00	2 551 810,00			
N-3	R0220	57 089 790,00	278 507 420,00	84 677 620,00	9 481 730,00				
N-2	R0230	70 148 560,00	243 641 670,00	92 697 170,00					
N-1	R0240	52 477 910,00	233 067 180,00						
N	R0250	63 861 550,00							

Year		8	9	10	11	12	13	14	15 & +
		C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100								1 038 070,00
N-14	R0110	1 349 720,00	1 325 420,00	247 710,00	-188 610,00	-2 354 150,00	-152 130,00	112 590,00	
N-13	R0120	-1 414 930,00	-595 720,00	-317 540,00	1 316 000,00	6 122 430,00	370 710,00		
N-12	R0130	847 500,00	303 270,00	564 570,00	-1 690 660,00	-793 450,00			
N-11	R0140	552 240,00	235 140,00	123 340,00	912 310,00				
N-10	R0150	-1 608 810,00	652 830,00	-2 021 410,00					
N-9	R0160	5 590 990,00	-1 073 890,00						
N-8	R0170	-3 248 300,00							

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	1 038 070,00	1 038 070,00
	R0110	112 590,00	307 847 700,00
	R0120	370 710,00	329 801 830,00
	R0130	-793 450,00	378 123 590,00
	R0140	912 310,00	524 527 470,00
	R0150	-2 021 410,00	941 286 440,00
	R0160	-1 073 890,00	538 443 000,00
	R0170	-3 248 300,00	358 522 430,00
	R0180	-2 838 700,00	554 909 390,00
	R0190	2 702 110,00	546 528 460,00
	R0200	-4 521 830,00	459 057 080,00
	R0210	2 551 810,00	560 871 700,00
	R0220	9 481 730,00	429 756 560,00
	R0230	92 697 170,00	406 487 400,00
	R0240	233 067 180,00	285 545 090,00
	R0250	63 861 550,00	63 861 550,00
Total	R0260	392 297 650,00	6 686 607 760,00

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																6 298 637,71
N-14	R0110														5 544 223,52	4 113 236,53	
N-13	R0120													3 170 296,54	3 482 762,42		
N-12	R0130												2 113 628,32	2 796 122,40			
N-11	R0140											-741 167,22	3 841 915,09				
N-10	R0150										5 520 601,12	7 809 473,45					
N-9	R0160									13 225 431,69	11 519 518,03						
N-8	R0170								876 543,30	4 898 626,13							
N-7	R0180							5 800 099,92	4 099 081,04								
N-6	R0190						38 286 002,00	46 884 377,77									
N-5	R0200					12 894 570,13	11 947 993,83										
N-4	R0210				39 997 800,37	706 591,96											
N-3	R0220			88 342 371,00	36 742 882,11												
N-2	R0230		201 409 820,85	86 689 158,56													
N-1	R0240	346 844 309,00	200 829 025,38														
N	R0250	317 951 282,48															

		Year end (discounted data)
		C0360
	R0100	6 318 966,18
	R0110	4 126 981,80
	R0120	3 493 264,27
	R0130	2 798 110,17
	R0140	3 851 353,98
	R0150	7 824 273,88
	R0160	11 564 698,54
	R0170	4 781 006,62
	R0180	3 718 976,37
	R0190	46 688 506,94
	R0200	11 772 307,46
	R0210	1 256 588,12
	R0220	36 415 086,14
	R0230	86 037 409,61
	R0240	199 819 510,81
	R0250	316 209 771,05
Total	R0260	746 676 811,93

S.23.01.22 – Group

S.23.01.22

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	307 798 522,00	307 798 522,00		.	
Non-available called but not paid in ordinary share capital at group level	R0020	0,00	0,00		0,00	
Share premium account related to ordinary share capital	R0030	810 419 792,00	810 419 792,00		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	.	.		.	
Subordinated mutual member accounts	R0050	.		.	.	.
Non-available subordinated mutual member accounts at group level	R0060	0,00		0,00	0,00	0,00
Surplus funds	R0070	.	.			
Non-available surplus funds at group level	R0080	.	.			
Preference shares	R0090	.		.	.	.
Non-available preference shares at group level	R0100	.		.	.	.
Share premium account related to preference shares	R0110	.		.	.	.
Non-available share premium account related to preference shares at group level	R0120	0,00		0,00	0,00	0,00
Reconciliation reserve	R0130	580 154 665,34	580 154 665,34			
Subordinated liabilities	R0140	416 185 816,00		.	416 185 816,00	.
Non-available subordinated liabilities at group level	R0150	0,00		0,00	0,00	0,00
An amount equal to the value of net deferred tax assets	R0160	38 140 450,82				38 140 450,82
The amount equal to the value of net deferred tax assets not available at the group level	R0170	3 256 565,59				3 256 565,59
Other items approved by supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
Non available own funds related to other own funds items approved by supervisory authority	R0190	0,00	0,00	0,00	0,00	0,00
Minority interests (if not reported as part of a specific own fund item)	R0200	302 161,54	302 161,54	.	.	.
Non-available minority interests at group level	R0210	0,00	0,00	0,00	0,00	0,00
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	201 254 722,00	201 254 722,00	.	.	
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	.	.	.	.	
Deductions for participations where there is non-availability of information (Article 229)	R0250	.	.	.	.	.
Deduction for participations included by using D&A when a combination of methods is used	R0260	.	.	.	.	.
Total of non-available own fund items	R0270	62 338 856,32	59 082 290,73			3 256 565,59
Total deductions	R0280	263 593 578,32	260 337 012,73	.	.	3 256 565,59

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	R0290	1 889 407 829,38	1 438 338 128,15	0,00	416 185 816,00	34 883 885,23
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	.			.	
Unpaid and uncalled preference shares callable on demand	R0320	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive **2009/138/EC**	R0350	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	.			.	
Supplementary members calls - other than under **first subparagraph** of Article 96(3) of the Directive **2009/138/EC**	R0370	.			.	.
Non available ancillary own funds at group level	R0380	.			.	.
Other ancillary own funds	R0390	.			.	.
Total ancillary own funds	R0400	.			.	.
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	R0410	.	.	.	.	
Institutions for occupational retirement provision	R0420	.	.	.	.	.
Non regulated entities carrying out financial activities	R0430	201 254 722,00	201 254 722,00	.	.	
Total own funds of other financial sectors	R0440	201 254 722,00	201 254 722,00	.	.	.
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	.	.	.	.	.
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	.	.	.	.	.
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1 889 407 829,38	1 438 338 128,15	0,00	416 185 816,00	34 883 885,23
Total available own funds to meet the minimum consolidated group SCR	R0530	1 854 523 944,15	1 438 338 128,15	0,00	416 185 816,00	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1 889 407 829,38	1 438 338 128,15	0,00	416 185 816,00	34 883 885,23
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	1 498 970 865,11	1 438 338 128,15	0,00	60 632 736,96	
Minimum consolidated Group SCR	R0610	303 163 684,82				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	4,94				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	2 090 662 551,38	1 639 592 850,15	0,00	416 185 816,00	34 883 885,23
Group SCR	R0680	1 212 654 739,29				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1,72				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	1 859 148 506,78	
Own shares (held directly and indirectly)	R0710	.	
Foreseeable dividends, distributions and charges	R0720	122 332 915,08	
Other basic own fund items	R0730	1 156 660 926,36	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0,00	
Other non available own funds	R0750	.	
Reconciliation reserve	R0760	580 154 665,34	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770		
Expected profits included in future premiums (EPIFP) - Non- life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790		

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S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	137 052 416,57	137 052 416,57			
Share premium account related to ordinary share capital	**R0030**	627 437 165,00	627 437 165,00			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	829 998 442,21	829 998 442,21			
Subordinated liabilities	**R0140**	343 900 910,00			343 900 910,00	
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	1 938 388 933,78	1 594 488 023,78		343 900 910,00	
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	1 938 388 933,78	1 594 488 023,78		343 900 910,00	
Total available own funds to meet the MCR	**R0510**	1 938 388 933,78	1 594 488 023,78		343 900 910,00	
Total eligible own funds to meet the SCR	**R0540**	1 938 388 933,78	1 594 488 023,78	0,00	343 900 910,00	0,00
Total eligible own funds to meet the MCR	**R0550**	1 629 323 581,80	1 594 488 023,78	0,00	34 835 558,02	
SCR	**R0580**	696 711 160,38				
MCR	**R0600**	174 177 790,10				
Ratio of Eligible own funds to SCR	**R0620**	2,78				
Ratio of Eligible own funds to MCR	**R0640**	9,35				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	1 719 488 023,78	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**	125 000 000,00	
Other basic own fund items	**R0730**	764 489 581,57	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0,00	
Reconciliation reserve	**R0760**	829 998 442,21	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**		

S.25.01.22 – Group

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	288 994 585,26		
Counterparty default risk	R0020	106 112 622,90		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	920 332 142,33		
Diversification	R0060	-225 592 407,83		
Intangible asset risk	R0070	0,00		
Basic Solvency Capital Requirement	R0100	1 089 846 942,66		

		C0100
Calculation of Solvency Capital Requirement		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0,00
Operational risk	R0130	34 679 304,18
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	-113 126 229,55
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	1 011 400 017,29
Capital add-ons already set	R0210	-
Solvency capital requirement for undertakings under consolidated method	R0220	1 212 654 739,29
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	R0420	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	0,00
Minimum consolidated group solvency capital requirement	R0470	303 163 684,82
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	201 254 722,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non–regulated entities carrying out financial activities	R0530	201 254 722,00
Capital requirement for non-controlled participation requirements	R0540	-
Capital requirement for residual undertakings	R0550	-
Overall SCR		
SCR for undertakings included via D and A	R0560	-
Solvency capital requirement	R0570	1 212 654 739,29

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	277 556 535,31		
Counterparty default risk	**R0020**	132 930 443,45		
Life underwriting risk	**R0030**	-	R0030-C0090	R0030-C0100
Health underwriting risk	**R0040**	-	R0040-C0090	R0040-C0100
Non-life underwriting risk	**R0050**	588 221 371,80	R0050-C0090	R0050-C0100
Diversification	**R0060**	-211 952 198,52		
Intangible asset risk	**R0070**	0,00		
Basic Solvency Capital Requirement	**R0100**	786 756 152,04		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	32 001 857,43
Loss-absorbing capacity of technical provisions	**R0140**	0,00
Loss-absorbing capacity of deferred taxes	**R0150**	-122 046 849,09
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	-
Solvency Capital Requirement excluding capital add-on	**R0200**	696 711 160,38
Capital add-on already set	**R0210**	-
Solvency capital requirement	**R0220**	696 711 160,38
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	-
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	-
Total amount of Notional Solvency Capital Requirement for ring fenced funds	**R0420**	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	0,00
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0,00

S.28.01.01 – *"La Compagnie"*

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	138 678 169,58

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expenses and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	441 838 340,55	535 157 374,36
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	-

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

Overall MCR calculation		C0070
Linear MCR	R0300	138 678 169,58
SCR	R0310	696 711 160,38
MCR cap	R0320	313 520 022,17
MCR floor	R0330	174 177 790,10
Combined MCR	R0340	174 177 790,10
Absolute floor of the MCR	R0350	2 200 000,00
Minimum Capital Requirement	R0400	174 177 790,10

S.32.01.21 – Group

S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	Country	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	[YES/NO]	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0010	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800HKUQBHEN7LHG17	GB	LEI	Coface UK Holdings Limited	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited Company	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800LK258I58TRLP18	GB	LEI	Coface UK Services Ltd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800VWFVJ3PDANBK42	IL	LEI	Coface Holding Israel	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Private limited company (Ltd.)	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800W324V1DP573Y92	IL	LEI	Business Data Information	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/253400TQL1PRQT3MR535	RU	LEI	Coface RUS Insurance Company	Non-Life undertakings	Closed Joint-Stock Company	Non-mutual	CBR Banque de Russie (Tsentralniy Bank Rossiiskoy Federatsii)	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/259400PH0142SLBJFF94	PL	LEI	Coface Poland CMS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sp z o.o.	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/259400ZFRKNWZW6V1196	PL	LEI	Coface Poland Factoring	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	Non-mutual		99,9952%	100,0000%	100,0000%		Significant	100,0000%	Included into scope of group supervision		Method 1: Adjusted equity method
LEI/315700PF7WLOIKBF9N10	RO	LEI	Coface Romania CMS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5299006D8U9HJM9FY889	DE	LEI	Coface Debitoren (ex-ADGC)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900CW8R9ZEIJNPH06	AT	LEI	Coface Services Austria	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Private Limited Company	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900F0GY4C443UEI96	DE	LEI	Coface Finanz (ex-AKCF)	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	BAFIN Bundesanstalt fur Finanzdienstleistungsaufsicht	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Adjusted equity method
LEI/529900HMUTQF2EKYEN39	DE	LEI	cofacerating.de GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900OUQBJGH5QC4B66	AT	LEI	Coface Central Europe Holding	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	AG	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation

LEI/529900UYKF95GQF4OK48	DE	LEI	Cofacerating-Holding GmbH	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900VLW25U8Q4MI292	ZA	LEI	Coface South Africa Services (ex-CUAL)	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	Private Company (LTD)	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900ZEEQUB7KU8UA23	ZA	LEI	Coface South Africa	Non-Life undertakings	Limited Company	Non-mutual	FSB Financial Services Board	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493000AP6VMDH674E08	US	LEI	Coface North America Holding Company	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493004XEO3BLC4SKV95	BR	LEI	Seguradora Brasileira C.E (SBCE)	Non-Life undertakings	SA	Non-mutual	SUSEP Superintendncia de Seguros Provados	75,8200%	100,0000%	75,8200%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5493007N150J79H7D539	CL	LEI	Coface Chile S.A. (Insurance)	Non-Life undertakings	SA	Non-mutual	SVS Superintendencia de Valores y Seguros de Chile	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300857WCY2W4VIX93	US	LEI	Coface North America, Inc. (MGU)	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AE9J7SZR49FT70	BE	LEI	Coface Belgium Services Holding (ex-RBB)	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300AH1830FZ5MTX33	US	LEI	Coface Services North America, Inc.	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300HBAICZQX96YF53	US	LEI	Coface North America Insurance Company	Non-Life undertakings	Corporation	Non-mutual	Commonwealth of Massachusetts NAIC	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300L2E9PESIFA5849	CH	LEI	Coface RE SA	Reinsurance undertakings	SA	Non-mutual	FINMA Eidgenossische Finanzmarktaufsicht	100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300R49CJGOAHFN339	BR	LEI	Coface Do brasil Seguros de Credito	Non-Life undertakings	SA	Non-mutual	SUSEP Superintendencia de Seguros Provados	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300U436DACQWABG42	MX	LEI	Coface Holding America Latina S.A	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA de CV	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/549300VKNSGSISZ5SJ15	MX	LEI	Coface Seguro de Credito Mexico	Non-Life undertakings	SA de CV	Non-mutual	CNSF Comision Nacional de Seguros y Fianzas	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/724500ONKFNDI2RBKA16	NL	LEI	Coface Nederland Services B.V.	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	Dutch B.V.	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/789000TSX8QMK0QATY75	TR	LEI	Coface Sigorta	Non-Life undertakings	SA	Non-mutual	Treasury	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/815600C3B3BA64DC7A18	IT	LEI	Coface Italia	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	Società a responsabilità limitat	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/95980046WUPXWLF53K62	ES	LEI	Coface Servicios Espana, SL	Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35	SL	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695000CSKX9IHH4M509	FR	LEI	Cofinpar	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500161CXOCK0NIW24	FR	LEI	Fimipar	Credit institutions, investment firms and financial institutions	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Adjusted equity method
LEI/96950025N07LTJYFSN57	FR	LEI	COFACE SA	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	99,9952%	100,0000%	99,9952%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/9695007AC8Q2X70BLL23	FR	LEI	Coface Europe (ex-Coface SA)	Non-Life undertakings	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
LEI/969500IBHXHF6T3PBH48	FR	LEI	Cogeri	Other	SAS	Non-mutual		99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Full consolidation
SC/DE9	DE	Specific code	FCT VEGA	Special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC	FCT	Non-mutual	AMF Autorite des marches financiers	99,9952%	100,0000%	100,0000%		Dominant	100,0000%	Included into scope of group supervision		Method 1: Adjusted equity method