UNIVERSAL REGISTRATION DOCUMENT

2021

INCLUDING THE ANNUAL FINANCIAL REPORT

coface

FOR TRADE

CONTENTS

IMPORTANT INFORMATION – The information contained in this document is a free translation of the French Universal Registration Document registered with the French Market Regulator (AMF) under the visa D.22-0244 and while efforts are made to provide an accurate translation, there may be material errors, omissions or inaccuracies in the reporting. In no way does Coface assume any responsibility for any investment or other decisions made based upon the information provided on this translation. The original language version of the document in French prevails over the translation.

AFR The elements of the Annual Financial Report are clearly identified in this content using pictograms.

The statements made regarding to the war in Ukraine in section 3.5 Post-closing events at December 31, 2021 are not part of the Annual Financial Report adopted on February 15, 2022.

OVERVIEW OF COFACE

UNIVERSAL REGISTRATION DOCUMENT 2021

INCLUDING THE ANNUAL FINANCIAL REPORT

This Document is a reproduction of the official version of the Universal Registration Document including the 2021 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on the websites of the Company and the AMF.

The Universal Registration Document was filed with the AMF on 6 April 2022. AMF is the competent authority in respect of Regulation (EU) 2017/1129, and the Document was filed without prior approval, in accordance with Article 9 of said regulation. The Universal Registration Document may be used for a public offer of securities or for the admission of securities to trading on a regulated market if it is supplemented by an offer notice and if applicable, a summary and all amendments made to the Universal Registration Document. The ensuing set of documents is approved by the AMF in accordance with (EU) 2017/1129.

This document has been prepared by the issuer and engages the liability of its signatories. It may be viewed on and downloaded from: https://www.coface.com/Investors/financial-results-and-reports

Message from

Xavier Durand

CEO of COFACE

"Throughout the Covid crisis, we have shown our resilience and our agility in responding to the unexpected. We are pursuing our strategic plan in line with our announced objectives."

Our ambition:

further strengthen Coface's resilience while delivering profitable growth, and become the reference in credit insurance.
At Coface, we believe in trade as a positive force for the world.

Our mission:

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

How did Coface perform in 2021?

In 2021, for the second year running, we operated in a complex and uncertain environment. The COVID 19 health crisis persisted in most countries around the world, along with successive lockdowns and the widespread shift to remote working. Government support measures were extended in many countries, including France, and this partially mitigated the impact of the crisis while also allowing for an economic rebound in some countries and sectors. As such, the number of corporate insolvencies remained very low throughout the year, leading to a record low loss experience.

In this atypical economic and health situation, and with intense competition in our markets, we have supported our clients through the gradual and mixed economic recovery. As a result, we achieved a very good operational and commercial performance. Our results reflect our careful risk management, combined with an active commercial underwriting policy and the rebound in our clients' activity that we have observed since the start of the year.

Now that Coface is halfway through its Build to Lead strategic plan, what is the current road map?

Looking ahead to 2023, our ambitions remain intact, and our determination has enabled us to maintain the goals set in our Build to Lead plan. Our strategy of establishing profitable, resilient growth over the long term is based on two pillars:

- positioning Coface as one of the market leader in trade credit insurance;
- developing our adjacent speciality services such as information services, factoring, bonding, debt collection and Single Risk insurance.

With the aim of consolidating our credit insurance leadership, we have stepped up our efforts to support the recovery of our clients' activity: our credit insurance exposure has returned to pre crisis levels. We have continued to invest while keeping costs under tight control. We have prioritised our strategic investments according to three key criteria: growth, digitalisation, and regulatory compliance. In addition, improving our clients' experience, and aiming for excellence in terms of operational efficiency and service quality, remains our priority.

With this in mind, we have set up a Group Operations Department, tasked with improving service quality via the digitalisation, industrialisation, and simplification of our operations. We intend to further reduce our response times, optimise productivity, and better meet the needs of all our clients, regardless of their size or sector of activity. This is a major part of our strategy, and is key to making Coface stand out amid our competitors.

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

The year I took office was not like any other year for Coface.

Since 2020, the company has had to adjust to a new environment and face the health, economic and social challenges arising from the Covid-19 pandemic.

In 2021, Coface confirmed its agility in all areas. We continued to protect our employees around the world by making remote working more widespread. We have also done our utmost to support our clients during the economic recovery, which was very strong in some places. For those still suffering in more exposed sectors, we continued to offer government credit insurance support programmes to help them cope with the unprecedented situation.

I would like to thank Coface's management and all of its teams for their exceptional flexibility and commitment in rising to these multiple challenges throughout the year. They continued to implement the strategic plan aimed at making Coface the benchmark in the credit insurance market, in difficult circumstances. The company developed new and innovative services, building on its long-standing expertise, and it delivered outstanding results in 2021.

The growth of information services, which enable Coface to create value from its extensive, high-quality databases, reflects our commitment to constantly improving the service we provide to our clients.

Our corporate purpose is to facilitate the growth of trade, and as such our primary responsibility is an economic one. But this economic responsibility is inseparable from our role in fostering environmental and social progress. We have taken significant steps in CSR, which is now an integral part of our strategy. We have already incorporated CSR considerations in our investment choices and must continue to include them in our risk underwriting activity. We must assume our position as a leader in credit insurance and promote a fair transition.

2021 was a year of transition for Coface with the departure of its long-time shareholder and the establishment of a Board of Directors with a majority of independent members. I am extremely confident in the company's ability to successfully write the next chapter in its history.

Also with the aim of improving client service, we have further strengthened our tools. Notable examples include the rollout of a new, more powerful, single debt collection solution in more than 45 countries, and the launch of a project to install shared client relationship management software covering all client segments across the group.

We rounded out our credit insurance offer with the launch of GlobaLiner. This new service facilitates multinational companies' growth with faster contract issuance and enhanced verifications of local insurance policies. GlobaLiner incorporates a global library of contractual clauses covering around one hundred languages and regulatory environments.

In our fast-growing adjacent speciality services, we implemented new solutions for our clients, such as ICON – our platform focused on the marketing and digitalisation of our information services –and application programming interfaces (APIs) that provide unique access to our information services around the world. We also launched new activities in countries with strong growth potential, such as bonding in Romania, and we also relaunched our factoring business in Germany.

Quarter after quarter, we are consistently reaching new milestones and moving closer to the goals of our Build to Lead strategic plan, confirming the relevance of our strategy, our resilience, and our agility when responding to the unexpected.

Coface SA's governance structure changed in 2021 – how is it organised now?

Our highlights of the year include the arrival of a new shareholder in February. Arch Capital acquired 29.5% of Coface's share capital from Natixis, and is now represented on our Board with four directors. Arch Capital is a renowned insurance and risk management company, and has expressed its full support for our management team and our strategic plan.

For the first time in its history, Coface SA's Board of Directors now has a majority of independent directors, who account for six out of the ten members of the Board, which is chaired by Bernardo Sanchez Incera.

Coface has also stepped up its CSR initiatives: What convictions are behind your commitments?

As a responsible company and economic actor, our role goes beyond our contribution to the economy and extends to a number of areas in which we are expected to make a positive impact. Our corporate social responsibility (CSR) policy is central to our strategic plan.

This policy is built on four pillars – our roles as an economic actor, an employer, a stakeholder in terms of global environmental issues, and an organisation. Throughout the year, we stepped up our efforts to make Coface more responsible as a company, as a participant in global trade, and as an employer.

We improved the rating of our investment policy, while extending the scope of rated investments. Our country risk assessment methodology now incorporates environmental risk. We have built a tool to make a preliminary measurement of the environmental impact of our credit insurance exposure.

We increased our workplace diversity and inclusion initiatives. And because value creation stems from our teams' engagement, we implemented pulse surveys that allows us to better assess employee engagement and well-being. The results of these surveys will help us implement better-targeted, faster actions in our current environment, in which remote working has become the norm.

We also measure our carbon footprint, in particular Scope 3 emissions produced by our suppliers and clients. This will enable us to build a realistic roadmap to reduce our carbon footprint, in line with the aims of the Paris Agreement.

2021 key figures

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

FINANCIAL PERFORMANCE

€1,568M
TURNOVER

64.6%
NET ANNUAL COMBINED RATIO

€223.8M
NET INCOME (GROUP SHARE)

12.2%
ANNUALISED ROATE [1]

196%
SOLVENCY RATIO [2]

RATING AGENCY

Moody's Investors Service	A2	stable outlook
Fitch Ratings	AA-	stable outlook
AM Best A Excellent	A	stable outlook

NON-FINANCIAL PERFORMANCE[3]

4,538
EMPLOYEES IN 57 COUNTRIES

54%
OF WOMEN IN THE GROUP AS A WHOLE

34%
OF WOMEN IN THE MANAGER POPULATION

C
OVERALL ESG RATING OF PORTFOLIO

98 Teq/M€ invested
CARBON EMISSIONS FROM THE PORTFOLIO

(1) Return on average tangible equity.

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

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

Shareholders' Corner (1)

SHARE FACT SHEET

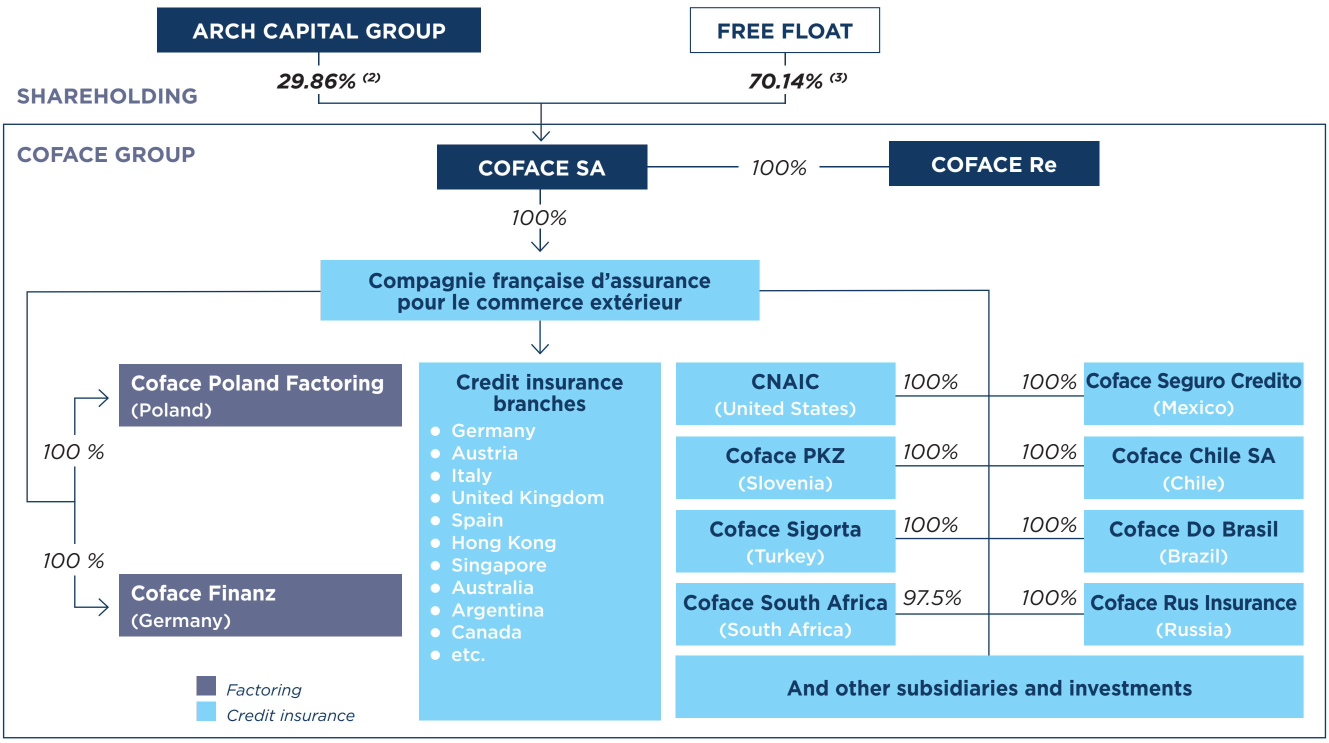
TRADING	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
ISIN CODE	FR0010667147
REUTERS CODE	COFA.PA
BLOOMBERG CODE	COFA FP
STOCK MARKET INDICES	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150
NUMBER OF SHARES	150,179,792
MARKET CAPITALISATION	€1,881,752,794 *

** share price at 31 December 2021: €12.53*

FINANCIAL CALENDAR

15 February 2022	after market close	FY-2021 results
28 April 2022	after market close	Q1- 2022 Results
17 May 2022		2021 Annual General Shareholders' Meeting
20 May 2022		Ex-dividend date
24 May 2022		Payment of dividend
28 July 2022	after market close	H1-2022 results
27 October 2022	after market close	9M-2022 results

SIMPLIFIED ORGANISATION CHART



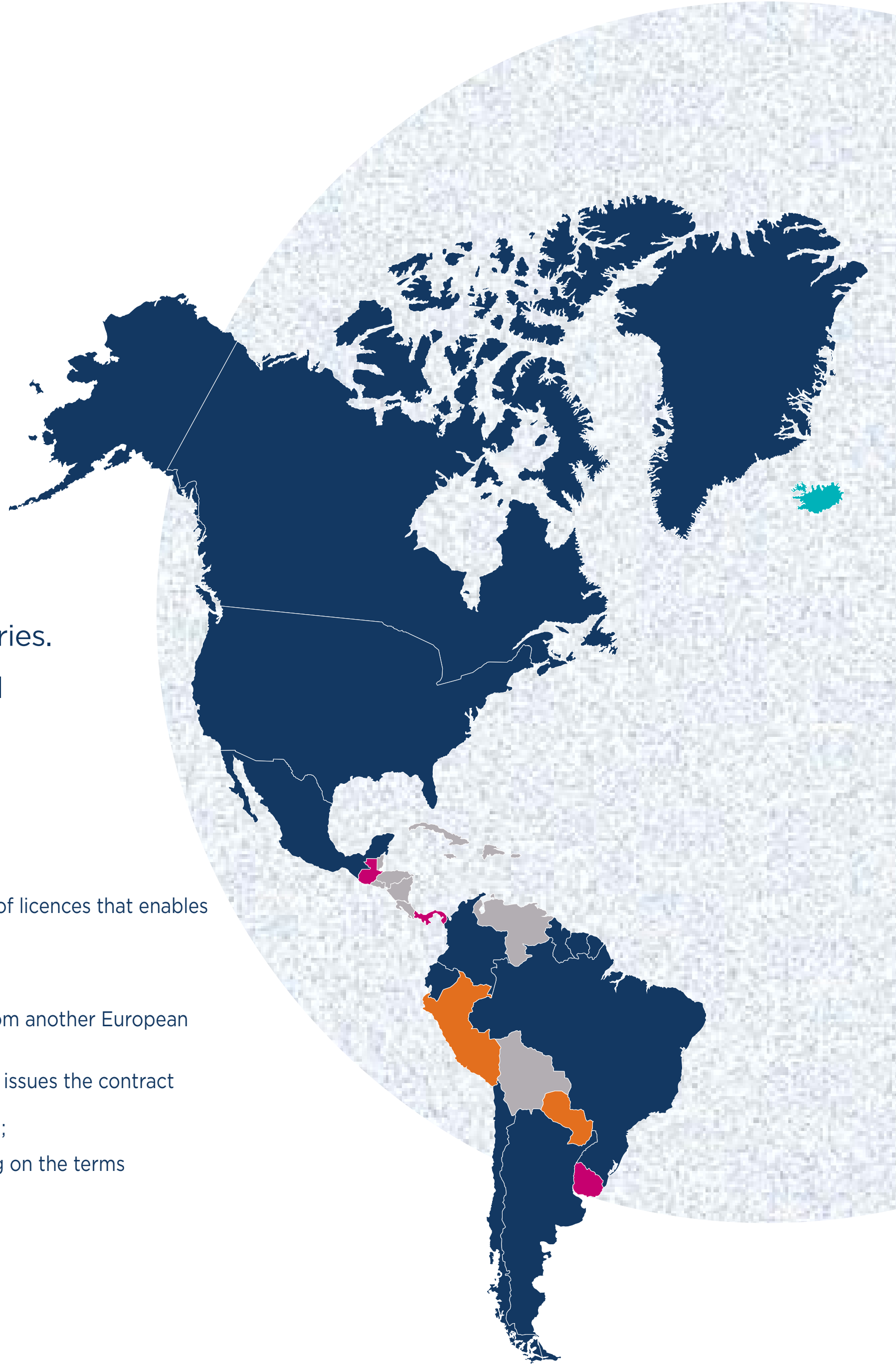
(1) All regulated information is available on the website: ***https://www.coface.com/Investors***

(2) See paragraph 1.1 "History of the Group".

(3) See paragraph 7.1.3 "Own shares and the acquisition of treasury shares by the Company".

Locations

Global reach, local proximity



Coface is present either **directly**, or indirectly through its **partners**, in **100 countries**, providing support for customers in more than **200** countries.

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

DIRECTLY:

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

INDIRECTLY, THE GROUP USES:

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

A LEADING INTERNATIONAL NETWORK

NORTH AMERICA
- Canada
- U.S.A.

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

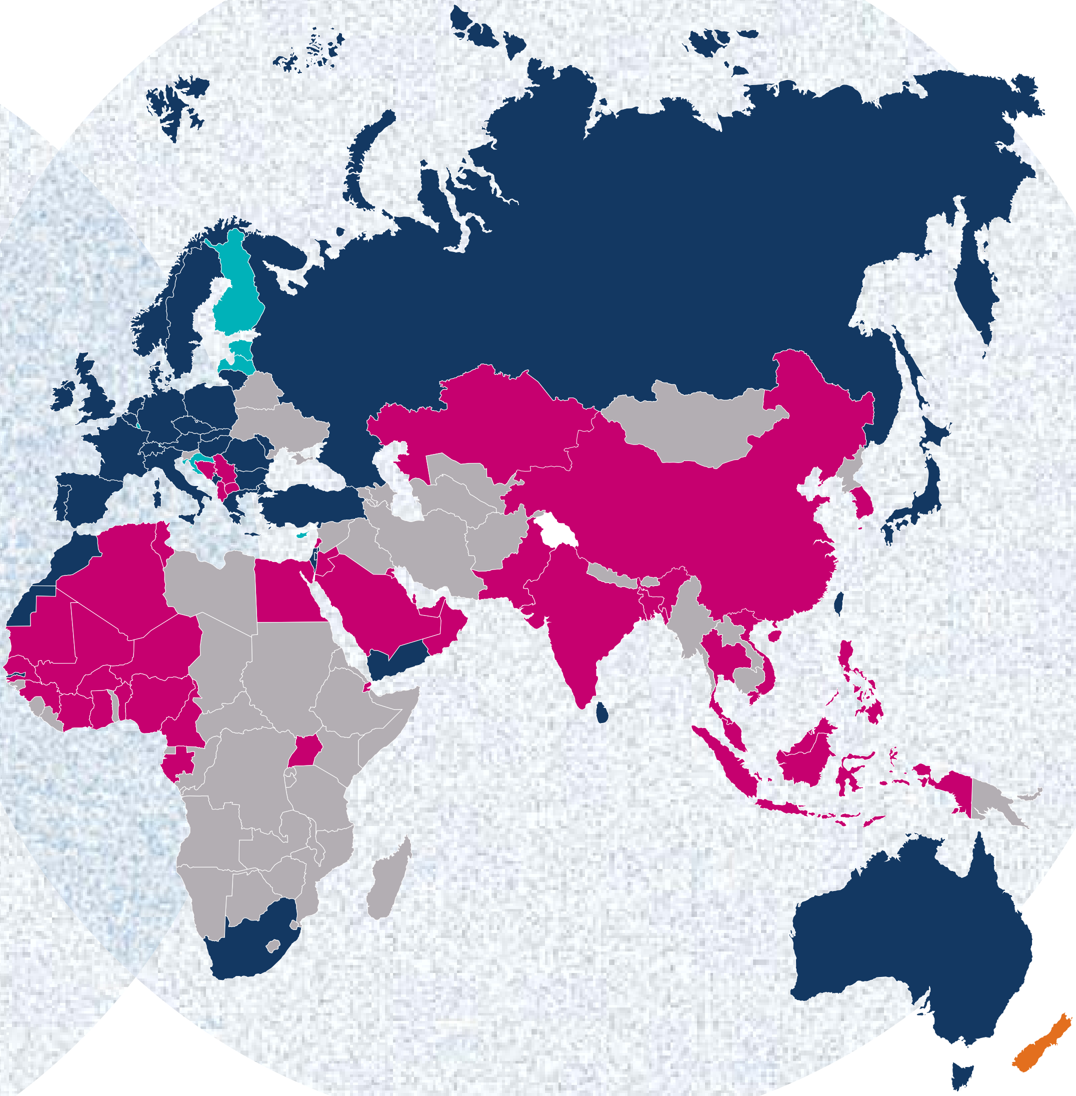
WESTERN EUROPE
- Belgium
- France
- Iceland
- Ireland
- Liechtenstein
- Luxembourg
- Switzerland
- UK

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

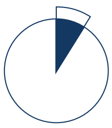
CENTRAL EUROPE
- Austria
- Bosnie
- Bulgaria
- Croatia
- Czech Rep.
- Estonia
- Hungary
- Kazakhstan
- Latvia
- Lithuania
- Macedonia
- Montenegro
- Poland
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia

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

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

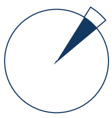


NORTH AMERICA



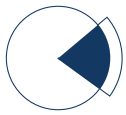
€137.5M
i.e. **9%** of total turnover*
202 employees

LATIN AMERICA



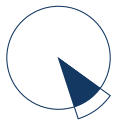
€73.3M
i.e. **5%** of total turnover*
443 employees

NORTHERN EUROPE



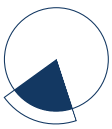
€331.5M
i.e. **21%** of total turnover*
676employees

CENTRAL EUROPE



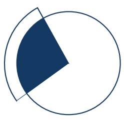
€156.3M
i.e. **10%** of total turnover*
947 employees

WESTERN EUROPE



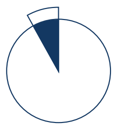
€316.7M
i.e. **20%** of total turnover*
979 employees**

MEDITERRANEAN & AFRICA



€429.4M
i.e. **27%** of total turnover*
844 employees

ASIA-PACIFIC



€123,2M
i.e. **8%** of total turnover*
447 employees

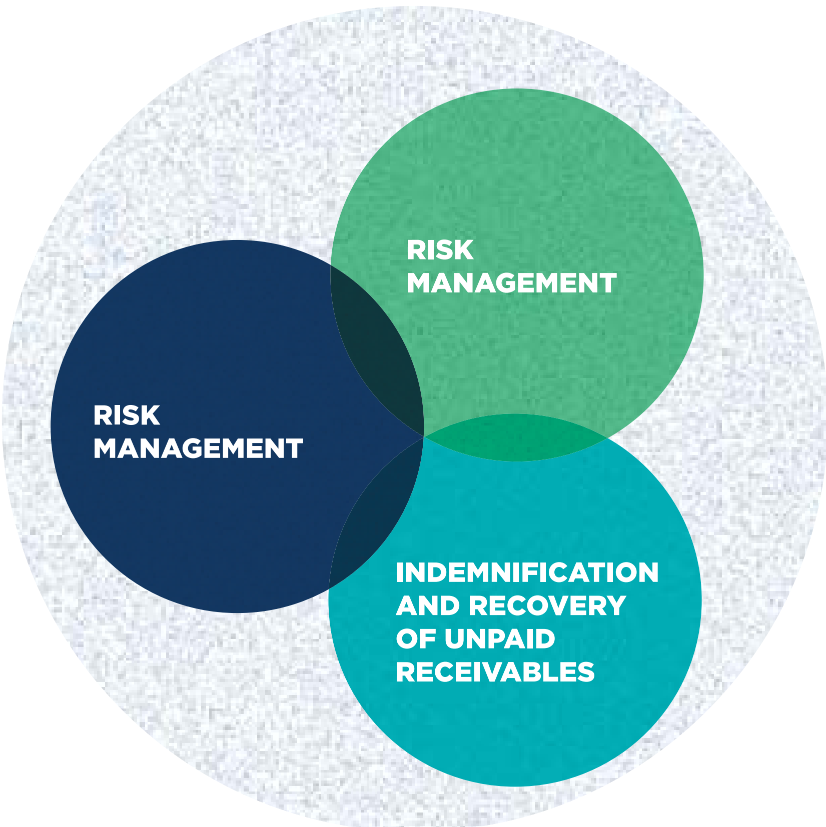
** Year ended December 31, 2021.*

One mission: to support companies in their commercial exchanges

MULTIPLE EXPERTISES, ONE PURPOSE: FOR TRADE

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

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



340
UNDERWRITERS LOCATED IN 44 COUNTRIES

10,000
DAILY RISK DECISIONS

226
STAFF SPECIALISED IN DEBT COLLECTION

185
STAFF IN CHARGE OF YOUR INDEMNIFICATION

+200
COUNTRIES COVERED

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

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

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

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

Coface offers its clients solutions tailored to their needs:

Credit insurance 89.3%*

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

Factoring 4.1%*

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

Surety bonds 3.4%*

Coface issues surety bonds on behalf of companies in Germany, Austria, Italy, and France, e.g. contract surety bonds or environmental surety bonds to customs and tax authorities or regulated professions.

Information & services 3.2%*

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

... AT THE CLOSEST TO OUR CLIENTS.

3 types of clients

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

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

**% of consolidated turnover*

Strategy

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

coface
FOR TRADE

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

A CONVICTION
that trade is a driver for creating value

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

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

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

A COMPANY DRIVEN BY 4 ESSENTIAL VALUES:

Client Focus

- **Client satisfaction** first. Offers, service levels & flexibility
- **Connected to the market** macro-eco, competition moves
- **Strong, durable relationships** with brokers & partners

Expertise

- **FUNCTIONAL** Underwriting, risk, sales, systems, process
- **INDUSTRY** Geographies, industry sectors
- **LEADERSHIP** People management

Collaboration

- **Cross-functional**
- **Cross-markets**
- **Transparency**

Courage & accountability

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

Launched in 2020, the ***BUILD TO LEAD*** strategic plan aims to strengthen and extend the cultural and business transformation undertaken by Coface with the ambition of being recognized as a reference in credit insurance. This 2020-2023 plan is based on 2 pillars and 6 initiatives.

BUILD TO LEAD

Be more profitable and resilient over the long-term

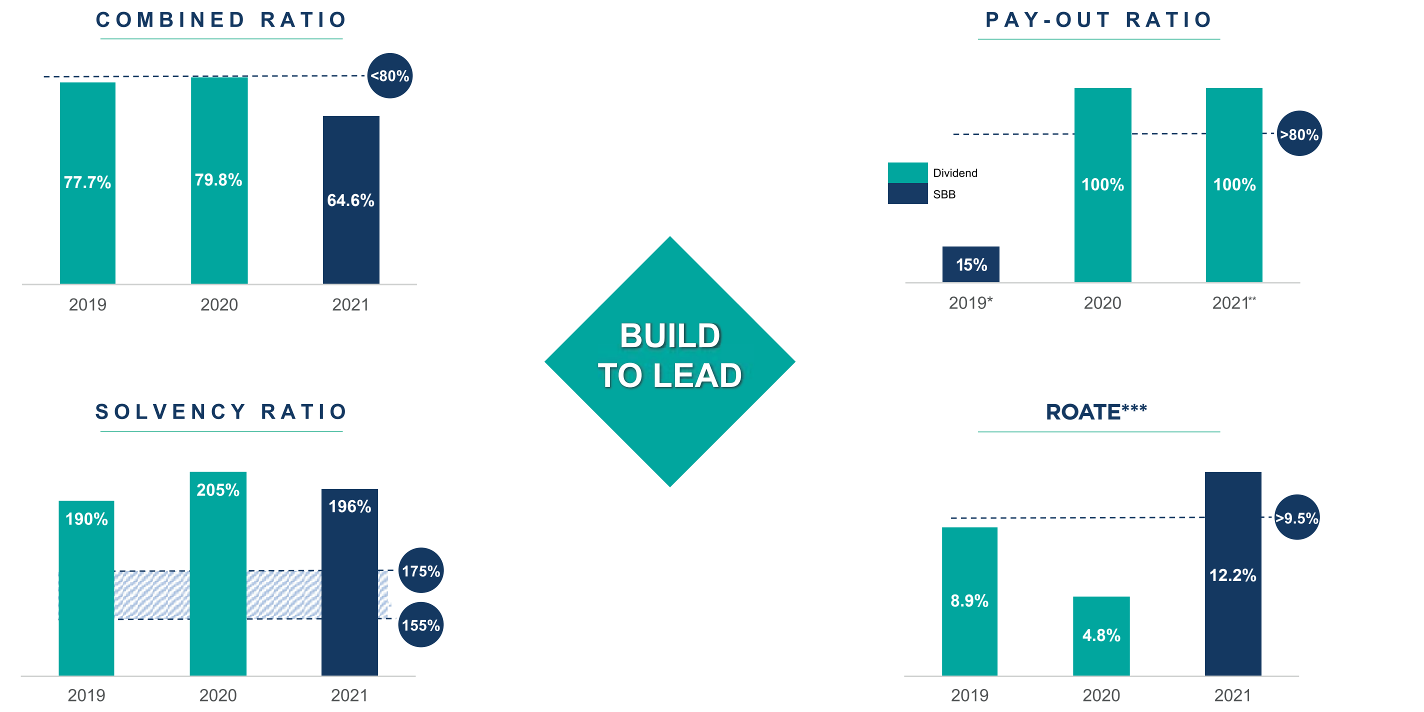
01 BUILD TRADE CREDIT INSURANCE LEADERSHIP

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

02 GROW SELECT SPECIALTIES

- FACTORING
- SINGLE RISKAND BONDING
- INFORMATION AND SERVICES

FINANCIAL OBJECTIVES THROUGH THE CYCLE UPDATE AS OF DECEMBER 31, 2021



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

** The proposed distribution is subject to approval by the general shareholders meeting on 17 May 2022.

***RoATE = Average return on equity

Strategy

CSR: embedding strategy and

	RESPONSIBLE INSURER	RESPONSIBLE EMPLOYER
ACTIONS TAKEN	Improved ESG rating of investment portfolio from C- to C Built and tested internal tool to assess environmental impact of debtor portfolio Integrated 3 ESG indicators into Risk Appetite Statement	Diversity & Inclusion: ✓ 84/100 in the Group Gender Index (+3 pts vs 2020) ✓ Signed "*Autre cercle*" charter Increased employee engagement (+24 pts) Drove employee development (mentoring, mobility, ...)
NEXT STEPS	Further improve investment portfolio ESG rating Integrate environmental impact into commercial policy Upgrade procurement policy	Formalise D&I policy and launch thematic Employee Resource Groups Digitize on boarding program and strengthen functional Academies Promote equal opportunities in the regions
TARGET	20% reduction of investment portfolio emissions by 2025	40% women in top 200 manager by 2030

setting targets

RESPONSIBLE ENTERPRISE

- Launched full carbon footprint assessment (direct and indirect emissions)
- Reduced Coface carbon footprint:
  - Introduction of hybrid and electric cars in the car fleet
  - Travel policy
  - Flex office, etc.

- Develop reduction plan to achieve Net Zero
- Define responsible IT ambition and roadmap

3g reduction in average CO_2e for the French car fleet in 2022

DRIVING THE CULTURE

- Appointed Senior group CSR Manager
- Drove engagement through internal communication
- Supported grass root employee-driven initiative Green to Lead

- Full CSR governance revamping in progress
- Joining public initiative (e.g. Principles for Responsible Insurance)

All employees trained in 2022

Our value creation model*

OUR RESOURCES AND ASSETS

SOCIAL, ENVIRONMENT AND GOVERNANCE

- **4,538** employees
- **74** represented in the group
- **54%** of women across the Group
- A CSR strategy integrated into the Build to Lead strategic plan including 3 pillars
  - A responsible insurer
  - A responsible employer
  - A responsible enterprise (environment)

And based on a pillar called "Driving the culture"

ORGANISATION

- +75 years of experience in a niche, concentrated (top 3 = 61% market share) and global market
- **57** countries of direct presence (100 countries via partners)
- **50,000** clients companies
- A database of 130 million companies
- Direct and multi-channel distribution through multiple partners and distributors

FINANCIAL RESOURCES

- Ratings: **AA-** with Fitch; **A2** with Moody's et **A** with AM Best – stable outlook
- **€2,141.5m** of equity
- A solid and robust financial structure
- More than 20 reinsurers with an average rating of A+ to AA-

OUR DNA AND PERFORMANCE DRIVERS

OUR PURPOSE

Coface *For Trade*: a deep commitment to trade

- **OUR VISION AND AMBITION:** helping build stronger businesses, we contribute to the smooth-running of the economy. We believe in business as a force for good in the world,
- **OUR MISSION:** to protect companies against unpaid bills / contribute to the smooth running and development of businesses all over the world

OUR STRATEGY

BUILD TO LEAD (2020-2023)

a strategic plan based on 2 pillars:

- Build trade credit insurance leadership
- Grow select speciality businesses

Financial objectives through the cycle

- Combined ratio at 80%,
- RoATE at 9.5%,
- Pay-out ratio at least 80%,
- Solvency ratio 155%/175% target range.

OUR VALUE

Client focus

Expertise

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

** The distribution proposal will be submitted to the Annual General Shareholders' Meeting to be held on 17 May 2022

OUR OFFER

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

CREDIT INSURANCE

- Anticipate and resolve payment arrears from a customer

FACTORING

- Financing the trade receivables
- Optimising cash flow

SURETY BONDS

- Reassuring business partners
- Access to new markets

BUSINESS INFORMATION

- Collecting relevant and up-to-date information on buyers

OUR KNOW-HOW IS BASED ON 4 PILLARS

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

- Collaboration
- Courage and Accountability

OUR CREATION OF SHARED VALUE

FOR OUR EMPLOYEES

- 41% of women in the manager population
- A target of 40% of women in Senior Management by 2030
- Gender equality index at Group level: 84/100 (vs. 81/100 in 2020)

FOR OUR CLIENTS

- Appointment of a Chief Operating Officer to pursue and accelerate Coface's transformation in terms of service quality and operational efficiency
- €588bn of TCI exposure on 2.5 million companies (+21% vs 2020)

FOR OUR SHAREHOLDERS

- €1,568m in turnover
- €223.8m net income (group share)
- €1.50 dividend** per share (100% pay-out ratio)
- 196%*** Solvency ratio

FOR THE ENVIRONMENT AND SOCIETY

- Carbon footprint assessment including scope 3 in progress
- Progressive introduction of gasoline, hybrid or 100% electric vehicles in the car fleet
- Investment portfolio
  - Reduction of the portfolio's carbon footprint by 20% by 2025 (based on the year 2020),
  - Limit the weight of F-rated assets to less than 3%.

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

Solid governance for an agile group

COMPOSITION OF THE BOARD OF DIRECTORS

AS AT 31 DECEMBER 2021

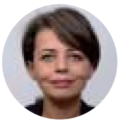
Bernardo Sanchez Incera
Chairman of the Board of Directors
Independent

Independent directors

Éric Hémar

P

Isabelle Laforgue



Nathalie Lomon

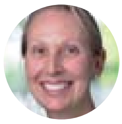
P

Sharon MacBeath

Olivier Zarrouati

P

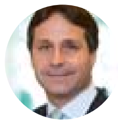
Directors representing Arch



Janice Englesbe

Chris Hovey

David Gansberg



Nicolas Papadopoulo

60% Independance rate

54 years average age

99% attendance rate

10 board directors

40% women directors

Audit and Accounts Committee *Risk Committee* *Nominations and Compensation Committee* P *Chairman*

Board committees in 2021

Audit and Accounts Committee

2
independent members out of 3, including the Chairman

5
Meetings

87%
attendance rate

Risk Committee

2
independent member out of 3, including the Chairman

5
Meetings

100%
attendance rate

Nominations and Compensation Committee

3
independent members out of 4, including the Chairman

2
Meetings

100%
attendance rate

COMPOSITION OF THE GROUP MANAGEMENT BOARD (GMB) [(1)] AS OF JANUARY 1, 2022

GENERAL MANAGEMENT

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

OTHER COMMITTEES CHAIRED BY GENERAL MANAGEMENT

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

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

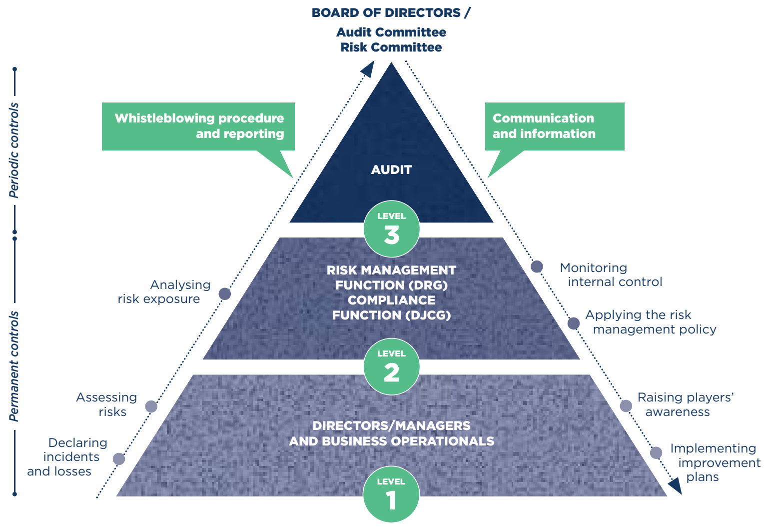
(1) With regard to the functions of the members of the Group Management Board, reference is made to Chapter 1 in the paragraph "1.6 Organisation of the Group".

Our risk management

AN ORGANISATION FOR EFFECTIVE RISK MANAGEMENT

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

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



SUMMARIES OF THE MAIN RISKS

The risk mapping covers **the 5 main categories of risks** to which Coface is exposed and covers all internal and external risk factors, integrating financial and extra-financial issues. It has was established on the basis of the annual review of these risks by Coface's management and the Board of Directors. It is based on a qualitative risk analysis that aims to evaluate, for each risk factor, its probability of occurrence and its potential impact. Only the major risk factors are listed in the table below.

RISK CATEGORIES	MAIN RISK FACTORS	PROBABILITY OF OCCURRENCE	IMPACT	CHANGE IN THESE RISKS BETWEEN 2020 AND 2021
Credit risk	Risk related to the management of the Group's exposure in its insurance business	High	High	→
	Risk of debtor insolvency	High	High	→
	Risk related to technical provisions	High	High	→
Financial risk	Interest rate risk	High	Medium	↑
	Equity risk	Medium	Medium	→
	Real estate risk	Medium	Medium	→
	Liquidity risk	Medium	Medium	↓
	Foreign exchange risk	Medium	Medium	→
Strategic risk	Risks related to market conditions	High	Medium	→
	Risks related to changes in the regulations governing the Group's activities	Medium	Medium	↓
	Risk of deviating from the strategic plan	Medium	Medium	↓
	Reputational risk	Medium	Medium	→
Reinsurance risk	Residual reinsurance risk	Medium	Medium	→
Operational and compliance risk	Risks related to information systems and cybersecurity	High	High	→
	Model risk	Medium	Medium	→
	Compliance risk	High	High	→

Low Medium High

+75 YEARS
OF EXPERIENCE

1 OF THE 3
GLOBAL KEY PLAYERS

15%
MARKET SHARE

GROUP POSITIONING
& ORGANISATION

1

PRESENTATION OF THE COFACE GROUP

1.1 HISTORY OF THE GROUP

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

1.1.1 Creation and changes to shareholding structure

1946

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

1994

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

2000

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

2002

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

2006

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

2009 and 2010

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

2014

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

2018

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

2019

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

2020

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

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

2021

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

Its average market capitalisation in 2021 was €1,569,276,960.

2022

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

1.1.2 International growth

1992

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

1993

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

1996

The Group acquired an interest in Allgemeine Kredit, a German company providing domestic and export credit insurance solutions.

1997

The Group took an equity interest in Österreichische Kreditversicherung, the leading Austrian credit insurer.

2002

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

2014

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

2019

With the aim of achieving growth in new high-potential markets, Coface finalised the acquisition of PKZ, the leading provider of credit insurance in Slovenia, and created the Coface entity in Greece. In this way, Coface extended its business and strengthened its presence in key geographic regions For Trade.

2020

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

1.1.3 Strategy

2002

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

2011-2013

In 2011, as part of the refocusing of its activities on its core business – credit insurance – the Group launched the Strong Commitment strategic plan and took around 80 far-reaching measures to clarify and optimise its business model around credit insurance. The implementation of this plan addressed three essential concerns: (i) focusing on the fundamental elements of credit insurance, its core business, (ii) laying the groundwork for a sustainable and profitable growth model, and (iii) implementing a structured, flexible and innovation-oriented form of governance.

2015

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

2016-2019

In the first half of 2016, the Group was faced with declining profitability. To address this volatile environment, it produced a three-year strategic plan called Fit to Win, with a twofold ambition: becoming the most agile global credit insurer, and moving towards a more efficient capital model.

The strategic plan was completed successfully in 2019. Coface exceeded all the objectives set in the Fit to Win plan. The decline in the combined ratio to 77.7% for the 2019 financial year (better than the target of 83% through the cycle) was a perfect illustration of this.

In three years, turnover increased by 9% at constant FX and perimeter, to reach €1,481 million in 2019. Net income amounted to €146.7 million, with an annualised return on average tangible equity (RoATE) of 8.9% (9.1% excluding non-recurring items).

Coface improved its capital efficiency, obtaining approval of its partial internal model by the regulator, the ACPR.

In three years, €48 million in savings were achieved, surpassing the objective set in the strategic plan.

2020-2023

The year 2020 marked a decisive step in Coface's development with the launch of the Build to Lead strategic plan. Built on two pillars, this plan aims to strengthen the Group's leadership in the credit insurance market by placing its clients and partners at the heart of its strategy while creating growth opportunities, particularly by developing adjacent activities that complement Coface's historical credit insurance business: information services, surety bonds, Single Risk coverage and factoring (see Section 1.5 "The Group's strategy" for more information).

2020 was also marked by the global health crisis caused by Covid-19. The measures taken to counter the health crisis led to a sharp decline in global economic activity, although the intervention of governments and central banks limited the extent of the crisis. In this context, Coface fully cooperated with governments to keep credit insurance available to companies and it signed agreements to this effect with several governments. Its teams worked hard to continue to support clients and help them navigate this uncertain environment.

In 2021, Coface achieved an excellent operating performance in what remained an atypical environment. The expected increase in the number of post-crisis bankruptcies did not materialise. In addition, Coface supported the rebound in the economy with a significant increase in its exposures. Finally, the Group continued to implement its strategic plan by investing in operating efficiency, quality of services, technological resources and sales efficiency. These investments are bearing fruit as evidenced by the resilience of its core credit insurance business and growth in adjacent businesses such as information services and factoring.

1.2 PRESENTATION OF THE CREDIT INSURANCE MARKET AND THE COMPETITIVE ENVIRONMENT

1.2.1 Credit insurance market

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

The Group's principal activity concerns short term credit insurance (defined by risks of no more than 12 months), which is a market representing around €8 billion of premiums. The Group is also active in the medium term credit insurance market through its Single Risk offer. This is a global market which is often syndicated, with a value of some €1.8 billion of premiums. In 2021, the Single Risk business represented approximately 1.1% of the Group's consolidated turnover.

The Group believes that the credit insurance sector has significant growth potential. The credit insurance penetration rate in the total volume of trade receivables worldwide remains very low, estimated at between 5% and 7%, which means that there is a genuine opportunity for conquering new markets. However, growth in the sector remains modest, at around 3%, and typically fluctuates between 0% (2016) and 5% (2005-2009, 2019) when driven by the global economy [(1)]. In 2020, however, the market contracted by more than 5% due to the economic crisis caused by Covid-19.

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

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

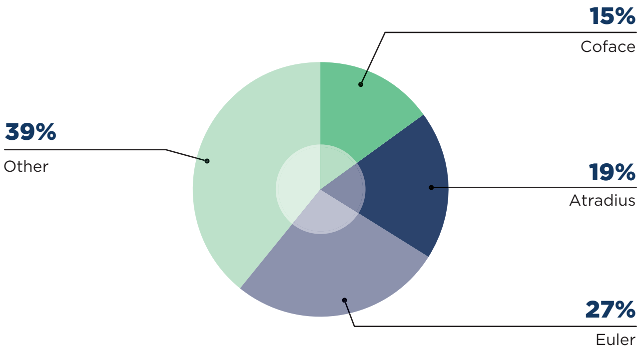
(1) The ICISA database only contains data on ICISA partners (participants and countries) and does not represent the entire credit insurance market.

1.2.2 Competitive environment of the Coface Group

The global credit insurance market comprises three types of participants: global insurers, national or regional players and niche players.

There are three global insurers: Coface, Euler-Hermes (a Belgian subsidiary of the Allianz group, which is itself listed on the Frankfurt stock exchange) and Atradius (a Dutch company belonging to Grupo Catalana Occidente, which is itself listed on the Madrid Stock Exchange). In 2020, these three insurers accounted for around 61% of the global market (1).

/ **CREDIT INSURANCE MARKET SHARE – 2020**



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

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

1.3 PRINCIPAL ACTIVITIES

The Group's activities are mainly focused on credit insurance, which represented 89.3% of turnover in 2021. This entails providing businesses with solutions to protect them against the risk of client debtor insolvency in both their domestic and export markets.

The Group is also present in the factoring market, in Germany and in Poland, and in the surety bond market. In some countries, mainly in Central Europe and Israel, the Group has historically sold business information and debt collection products. In 2020, the Group decided to modernise its information offering to develop new markets. The new ICON sales portal has been launched and the activity has entered the acceleration phase, in line with the Group's strategic plan.

The Group generates its consolidated turnover of €1,568 million with approximately 50,000 (2) clients. Average annual income per client is less than €30,000 and is generated in very diversified business sectors and geographic regions.

The Group does not consider itself to be dependent on any particular policyholders; thus, for the financial year ended December 31, 2021, the largest policyholder represented less than 1.1% of its consolidated turnover.

(1) *Global market shares are calculated on the basis of gross short term credit insurance premiums, including markets under state monopoly, in 2019. Sources: i) Official market sources, often at the behest of regulators, and sometimes published by a consolidating organisation (for example, Latino Insurance in Latin America. ii) Published consolidated financial statements, when they show the share of gross credit insurance premiums. iii) ICISA data (www.icisa.org), consolidated and published by the association upon declaration by its members. iv) Group estimates, as a last resort.*

(2) *Companies with at least one active contract with Coface in our various business lines.*

The following table shows the contribution of these activities to the Group's consolidated turnover at December 31 for the 2019-2021 period:

/ CONSOLIDATED TURNOVER BY BUSINESS LINE

(in thousands of euros and as a% of the Group total)	See also Section	DEC. 31, 2021 *(in thousands of euros)*	DEC. 31, 2021 *(as a%)*	DEC. 31, 2020 *(in thousands of euros)*	DEC. 31, 2020 *(as a%)*	DEC. 31, 2019 *(in thousands of euros)*	DEC. 31, 2019 *(as a%)*
Gross earned premiums – Credit		1,242,767	79.3%	1,132,876	78.1%	1,164,752	78.6%
Gross earned premiums – Single Risk		15,839	1.0%	21,141	1.5%	21,193	1.4%
Gross earned premiums – Credit-insurance		**1,258,606**	**80.3%**	**1,154,017**	**79.5%**	**1,185,945**	**80.1%**
Fee and commission income [(1)]		**140,691**	**9.9%**	**143,985**	**9.9%**	**140,114**	**9.5%**
Other related benefits and services [(2)]		**156**	**0.0%**	**102**	**0.0%**	**94**	**0.0%**
Turnover from credit-insurance	**1.3.1**	**1,399,453**	**89.3%**	**1,298,104**	**89.5%**	**1,326,153**	**89.5%**
Gross earned premiums – Surety bonds	**1.3.3**	**54,031**	**3.4%**	**50,317**	**3.5%**	**49,652**	**3.4%**
Financing fees		26,409	1.7%	26,995	1.9%	35,226	2.4%
Factoring fees		39,712	2.5%	32,758	2.3%	30,304	2.0%
Other		-(1,720)	(0.1)%	(1,302)	(0.1%)	(1,424)	(0.1%)
Net income from banking activities (factoring)	**1.3.2**	**64,400**	**4.1%**	**58,450**	**4.0%**	**64,106**	**4.3%**
Business information and other services		42,266	2.7%	34,523	2.4%	31,108	2.1%
Receivables management		7,708	0.5%	9,469	0.7%	10,069	0.7%
Turnover from information and other services	**1.3.4**	**49,974**	**3.2%**	**43,992**	**3.0%**	**41,177**	**2.8%**
CONSOLIDATED TURNOVER	**NOTE 22**	**1,567,858**	**100.0%**	**1,450,864**	**100.0%**	**1,481,088**	**100.0%**

To ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. A detailed explanation is provided in the notes to the consolidated financial statements.

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

1.3.1 Credit insurance and related services

Key figures

For the financial year ended December 31, 2021, credit insurance products and related services generated turnover of €1,399 million, or 89.3% of the Group's consolidated turnover.

The following table shows the contribution of this business line to the Group's consolidated turnover during the 2019-2021 period (in thousands of euros and as a percentage of the Group's total).

Share of consolidated turnover Credit insurance *(in thousands of euros and as a% of the Group total)*	See also Section	DEC. 31, 2021 *(in thousands of euros)*	DEC. 31, 2021 *(as a%)*	DEC. 31, 2020 *(in thousands of euros)*	DEC. 31, 2020 *(as a%)*	DEC. 31, 2019 *(in thousands of euros)*	DEC. 31, 2019 *(as a%)*
Gross earned premiums – Credit		1,242,767	79.3%	1,132,876	78.1%	1,164,752	78.6%
Gross earned premiums – Single Risk		15,839	1.0%	21,141	1.5%	21,193	1.4%
Gross earned premiums – Credit insurance		**1,258,606**	**80.3%**	**1,154,017**	**79.5%**	**1,185,945**	**80.1%**
Fee and commission income [(1)]		**140,691**	**9.9%**	**143,985**	**9.9%**	**140,114**	**9.5%**
Other related benefits and services [(2)]		**156**	**0.0%**	**102**	**0.0%**	**94**	**0.0%**
TURNOVER FROM CREDIT INSURANCE	**NOTE 22**	**1,399,453**	**89.3%**	**1,298,104**	**89.5%**	**1,326,153**	**89.5%**

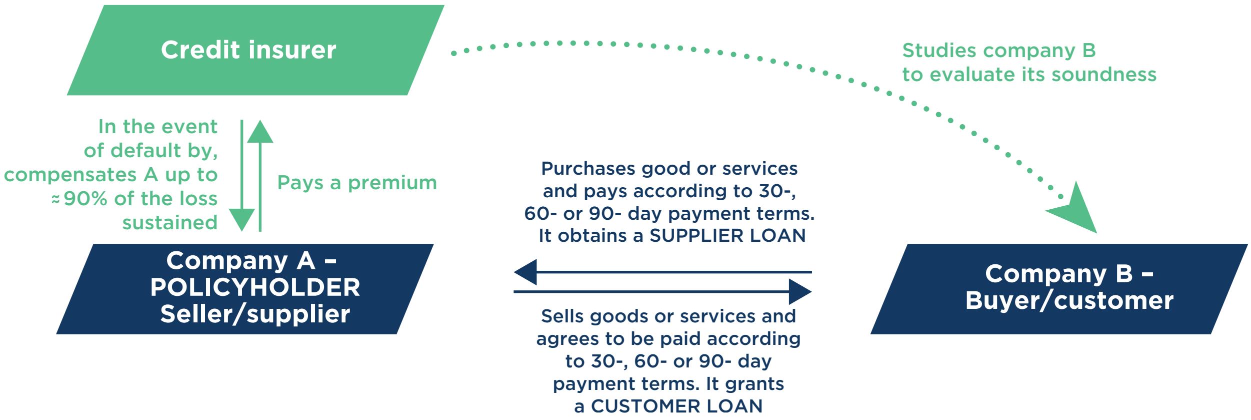
To ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. See detailed explanation in the notes to the consolidated financial statements under "Accounting principles and policies".

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

Description

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

The following diagram illustrates the credit insurance mechanism.



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

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

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

Within the context of these policies, the Group authorises each new debtor that is presented by the policyholder, and through the credit limit granted, establishes the maximum amount of risks it is prepared to accept for this debtor. It may reduce or cancel its credit insurance coverage at any time, sometimes subject to prior notice, for the future deliveries of goods or services by the policyholder to the debtor concerned, in order to reduce payment default risk. This reduction or cancellation allows the policyholder to be warned of if the Group's concerns with regard to that debtor's soundness increase. In certain offerings, the Group may give its policyholders more or less autonomy, depending on their expertise, in setting credit limits for receivables not exceeding an amount as established in their credit insurance policy.

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

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

Detailed offer

The Group, directly present through subsidiaries or branch offices over a geographical area representing nearly 97% of world gross domestic product, relies on an international network of local partners, and markets its credit insurance solutions and supplementary services in 100 countries, thus having a presence and geographic footprint on all continents. It is one of three global players in the credit insurance market.

The Group's primary credit insurance products

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

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

PRODUCT	DESCRIPTION
TradeLiner	This is a flexible offering aimed at addressing the specific requirements and needs of each policyholder with a range of options and adaptable general terms and conditions. It is currently the central solution in the Group's product platform. TradeLiner is gradually replacing local offerings as it is rolled out in the various markets and as historical portfolios migrate to this new offering.
EasyLiner	EasyLiner is a range of contracts intended for small and medium enterprises (SMEs), which are often unfamiliar with the mechanisms and benefits of credit insurance solutions. This offering can be distributed online, under a custom brand if necessary, in the context of commercial partnership agreements.
GlobaLiner	GlobaLiner is a policy sold by the multi local structure Coface Global Solutions (CGS), which was launched in October 2021. It is dedicated to the management of large international policyholders. This offering relies on a global organisation which offers multinational companies services as well as management and control tools tailored to their specific requirements (geographic fragmentation, multi-currency risks, consolidation of buyers' credits, aggregates, etc.). The GlobaLiner offering enables its large international policyholders to benefit from standardised and flexible management of their various policies around the world.
CofaNet and other online services	CofaNet is the central internet portal that enables Coface's policyholders to manage their contracts. This multilingual portal is supplemented by a range of added-value services: ● *Coface Dashboard*: a tool providing client risk analyses and reports; ● *CofaMove*: a mobile app available on app stores, which includes the key features of *CofaNet*; ● CofaServe: Coface's API offer for policyholders, bringing credit insurance services to the heart of the client's information system.
Medium term insurance (Single Risk)	The Single Risk offering provides coverage for commercial and political risks in connection with operations that are time-specific, complex, for a high amount (generally greater than €5 million) and for which the credit term is between 12 months and seven years. It covers policyholders against a risk linked to a particular investment or market, as opposed to credit insurance products, which cover policyholders against payment default risks for their entire revenue (whole turnover policies).

Pricing of credit insurance offers

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

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

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

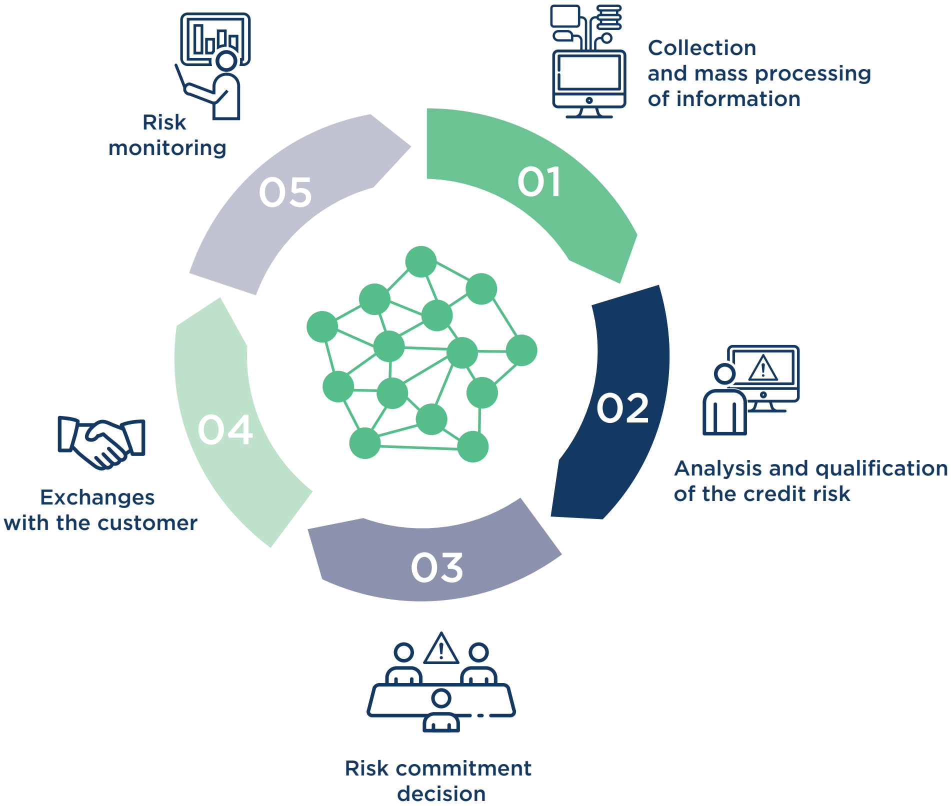
Debtor solvency information at the core of the Group's business

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

Information is key to every stage of the Group's risk monitoring process, and is compiled within its ATLAS database (see Section 1.7.2 "Group applications and tools"). It is first collected, specifically from some 100 information providers, for initial administrative processing. It is then analysed by the team of 340 credit analysts for the purpose of evaluating debtors according to the "debtor risk assessment" (or DRA) scale which is common to the Group as a whole. The risk underwriters rely on the DRA to decide on the amount of risk to be underwritten for each policyholder. This analysis phase is also based on various tools and methods, including machine learning algorithms.

Lastly, this information, which is collected, enhanced, analysed and used by the Group, is updated regularly to allow tracking of debtor risks. Moreover, all of the Group's businesses rely on EASY, its unique debtor identification database, which facilitates communication between the Group and its partners and clients (see Section 1.7.2 "Group applications and tools").

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

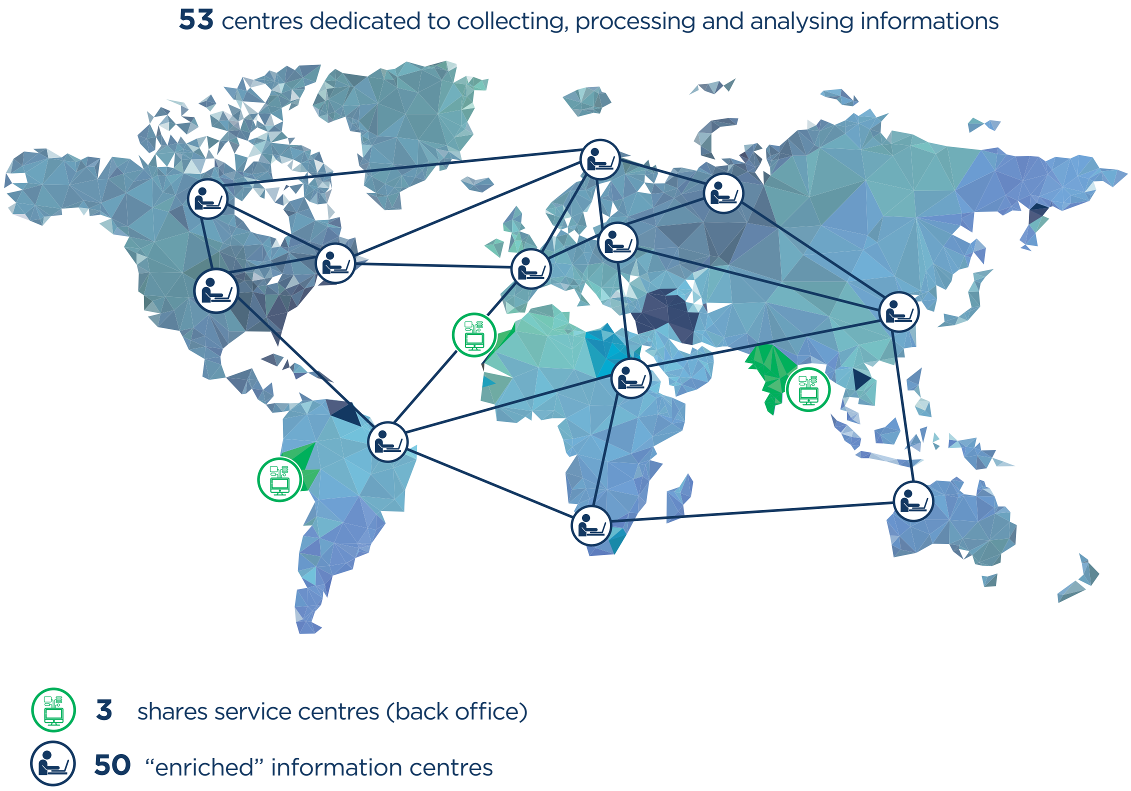


The collection, use and preservation of reliable, updated and secure information constitutes a major issue for the Group, in order to:

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

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

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



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

A harmonised risk underwriting process

The Group has established a harmonised process for all of its risk underwriters located in 45 countries, to strengthen and support the management of risks attached to its various businesses. The risk underwriting decision is, by default, made by the risk underwriter of the debtor's country, who is best placed to know the local economic environment. Where applicable, a second risk underwriter is able to adjust this initial decision upward or downward, because they are best qualified to determine the policyholder's business or strategic position. This organisation allows for proximity with both the debtor and policyholder, including for major export transactions. In all, approximately 10,000 risk underwriting decisions are made each day.

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

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

Risk underwriters:

- work in real time and as a network, thanks to the ATLAS risk centralisation system, a risk underwriting and management IT tool used by all Group entities (see Section 1.8.2 "Group applications and tools");
- have no sales objective for the Group's products and services, and their compensation is in no way linked to their commercial success. This is to ensure an impartial application of the Group's policies in terms of risk management;
- have underwriting authorities (up to €10 million) according to their expertise, seniority and skills. For coverage beyond €10 million, they are required to abide by a double-signature procedure for decisions up to €40 million at the regional level. Decisions relating to coverage greater than €40 million and particularly sensitive cases are validated by the Group Risk Underwriting Department.

The new generation of risk underwriting decision-making engines used since 2019 has increased the instant response rate to 66%. This increase in the portion of coverage decisions made *via* these engines frees up time for complex decisions, monitoring of the risk portfolio or the management of a large-scale crisis such as that caused by the Covid-19 pandemic in 2020.

Enhanced commercial underwriting

Commercial underwriting involves determining pricing components (premium, bonus and penalty rates), technical parameters (maximum credit term, cash outflow limits) and the appropriate clauses to match a policyholder's needs and risk profile. Commercial underwriting focuses on the contract, whilst risk underwriting deals with coverage of the buyers of the entity to be insured. The scope of coverage depends on the validated clauses. The two activities are therefore complementary. For this reason, the Group has an Underwriting Department that oversees commercial underwriting, risk underwriting, claims & collections and recovery.

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

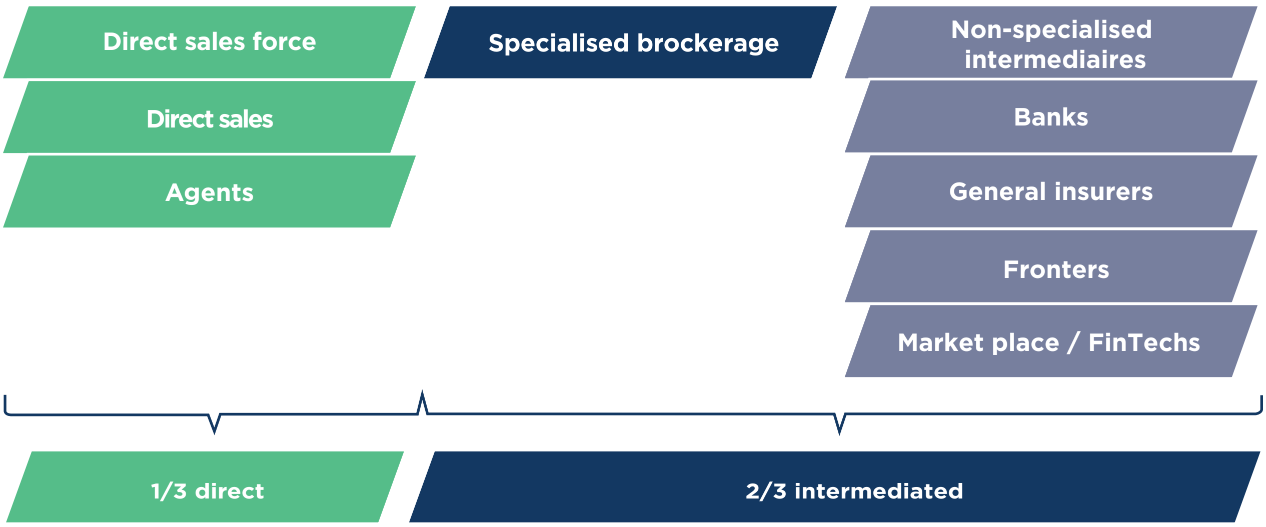
This comprehensive operational monitoring of the business lines that together form the risk management system enables us to optimise the support we provide our clients by being more selective in the quality of debtors used as collateral, verifying the profitability of the underwritten businesses, and ensuring that technical expertise is better shared among the Group's underwriting centres.

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

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

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

To market its credit insurance products and complementary services, the Group uses several distribution channels, the breakdown of which changes according to local markets. Specialised brokerage is largely dominant on the international scale, although in certain markets direct sales forces are historically more common. The following diagram illustrates the multi-channel distribution model for the Group's service offerings (the breakdown between direct and intermediated distribution is expressed as a portion of the total premiums collected).



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

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

Marketplaces and fintechs have been a new experimental distribution channel in recent years, requiring an appropriate underwriting policy and connection *via* APIs.

1.3.2 Factoring

Key figures

For the financial year ended December 31, 2021, factoring turnover totalled €64 million, or 4.1% of the Group's consolidated turnover.

Share of consolidated turnover Factoring *(in thousands of euros and as a% of the Group total)*	**See also Section**	**DEC. 31, 2021** *(in thousands of euros)*	*(as a%)*	**DEC. 31, 2020** *(in thousands of euros)*	*(as a%)*	**DEC. 31, 2019** *(in thousands of euros)*	*(as a%)*
Financing fees		26,409	1.7%	26,995	1.9%	35,226	2.4%
Factoring fees		39,712	2.5%	32,758	2.3%	30,304	2.0%
Other		(1,720)	(0.1%)	(1,302)	(0.1%)	(1,424)	(0.1%)
TURNOVER FROM THE FACTORING BUSINESS	**NOTE 22**	**64,400**	**4.1%**	**58,450**	**4.0%**	**64,106**	**4.3%**

To ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. See detailed explanation in the notes to the consolidated financial statements under "Accounting principles and policies".

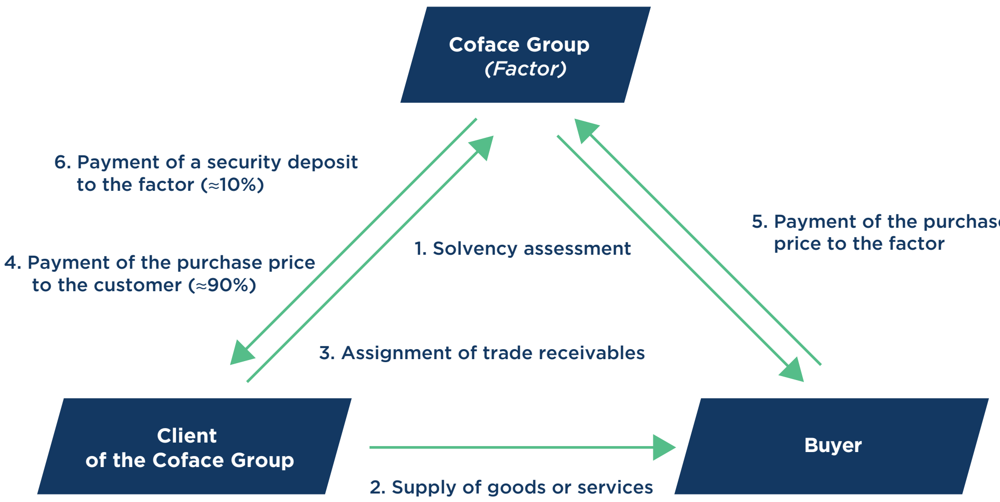
Description

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

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

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

The following diagram illustrates the factoring mechanism:



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

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

- factoring with recourse: a factoring product with recourse on the client in case of payment default;
- full factoring without recourse: a product combining factoring and credit insurance services. In the event of a claim, the client is covered by credit insurance for its unpaid invoices;
- in-house factoring with or without recourse: the client manages the relationship with its buyer, particularly in the case of a payment default, allowing it to preserve its business relationship;

- reverse factoring: the Group's client in this case is the buyer, who offers advance payment to its supplier through the factoring company;
- maturity factoring: a service derived from full factoring, for which financing only occurs at the invoice due date (late payment protection).

Detailed offer

The Group is active in the German and Polish markets.

In Germany, the factoring market was stable against the end of 2020, with €275 billion in factored receivables.

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

In Poland, the factoring market expanded by 3% in 2020, with more than €60 billion in factoring revenue in the fourth quarter (PLN 290 billion).

The Polish factoring market is led by the following eight players, which share approximately 60% of the market (according to estimates by the Coface Group and the association of Polish factors): Pekao Faktoring, BNP Paribas Factoring, ING Commercial Finance, Santander Factoring, mFaktoring, Bank Millennium, and Coface Poland Factoring, which has a market share of around 6%.

However, in 2021 these two markets recorded a drop in volumes financed due to the fallout from the health crisis that began in 2020.

1.3.3 Surety bonds

Key figures

For the financial year ended December 31, 2021, surety bonds generated turnover of €54 million, representing 3.4% of the Group's consolidated turnover, primarily in Italy.

Share of consolidated turnover Surety bonds *(in thousands of euros and as a% of the Group total)*	**See also Section**	**DEC. 31, 2021** *(in thousands of euros)*	*(as a%)*	**DEC. 31, 2020** *(in thousands of euros)*	*(as a%)*	**DEC. 31, 2019** *(in thousands of euros)*	*(as a%)*
GROSS EARNED PREMIUMS – SURETY BONDS	**NOTE 22**	**54,031**	**3.4%**	**50,317**	**3.5%**	**49,652**	**3.4%**

To ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. See detailed explanation in the notes to the consolidated financial statements under "Accounting principles and policies".

Description

In addition to its primary credit insurance business, and relying on its debtor risk management capabilities, the Group offers surety bond solutions in certain countries (mainly in France, Italy, Germany, Austria and Romania) to address the specific needs of companies in certain markets.

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

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

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

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

Detailed offer

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

The Group estimates that this market represents between €10 billion and €15 billion in turnover, or more than the credit insurance market. Although the market is largely dominated by banks, insurers are also active at a secondary level, representing around €6 billion in turnover, notably because, for regulatory reasons, they do not have access to certain national markets (this is the case in India and in several countries in the Middle East and North Africa). According to the Coface Group's estimates, the world's largest market, the United States, represents approximately half of the global surety bond market. In Europe, Italy is by far the leading market, and in Asia, South Korea has the highest percentage of turnover from surety bonds issued.

1.3.4 Business information and other services

Key figures

As of December 31, 2021, this business line generated consolidated turnover of €50 million.

Share of consolidated turnover Business information and other services *(in thousands of euros and as a% of the Group total)*	**See also Section**	**DEC. 31, 2021** *(in thousands of euros)*	**DEC. 31, 2021** *(as a%)*	**DEC. 31, 2020** *(in thousands of euros)*	**DEC. 31, 2020** *(as a%)*	**DEC. 31, 2019** *(in thousands of euros)*	**DEC. 31, 2019** *(as a%)*
Business information and other services		42,266	2.7%	34,523	2.4%	31,108	2.1%
Receivables management		7,708	0.5%	9,469	0.7%	10,069	0.7%
TURNOVER FROM INFORMATION AND OTHER SERVICES	**NOTE 22**	**49,974**	**3.2%**	**43,992**	**3.0%**	**41,177**	**2.8%**

To ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. See detailed explanation in the notes to the consolidated financial statements under "Accounting principles and policies".

Description

Coface has a single high added value database. This database draws on its recognised expertise in credit risk, including its analysis of companies' financial statements and in-depth knowledge of their payment behaviour, its economic research and forecasting models, and its use of data science to exploit the wealth of its data. Coface's teams use this infrastructure to make more than 10,000 credit decisions on a daily basis, helping its policyholders choose their business partners.

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

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

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

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

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

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

The objective is to enable companies and financial institutions to manage their risk strategy more effectively as part of their business activity. Better control of client risk helps make their supply chain more secure to enable more efficient development.

Detailed offer

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

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

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

Full report

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

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

Snapshot report

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

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

Debtor risk assessment (DRA)

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

Credit Opinions

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

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

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

Other products are also available:

Portfolio Insights and Selectio

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

Economic Insights

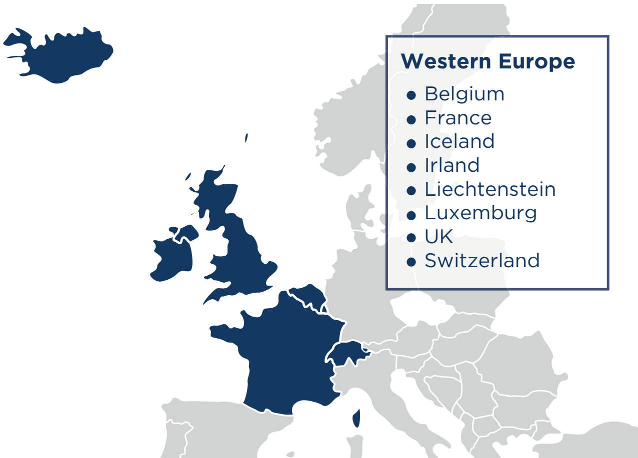
Coface also provides its expertise in economic assessment to help its clients make the right strategic and operational decisions by anticipating the various risks affecting economies and sectors at the global level thanks to Economic Insights. This interactive platform enables risk monitoring in more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

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

Thanks to its leading international presence, the Group organises its business lines around seven geographic regions in which it sells its products: Western Europe, Northern Europe, Central Europe, Mediterranean & Africa, North America, Latin America and Asia-Pacific (comments on regional results can be found in Section 3.3 "Comments on the results as at December 31, 2021").

Group activities in the Western Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group currently employs approximately 979 people in the Western Europe region, where it generated turnover of €316.7 million, or 20.2% of its total turnover for the financial year ended December 31, 2021.

Classification of countries and offering

In Western Europe, the impact on the economy lessened with each wave of the pandemic owing to government support measures for businesses.

The Group's activities in Western Europe are quite heavily oriented towards the sale of credit insurance policies. However, there are also certain local features, for example in France, where the Group also sells information products, surety bonds and Single Risk policies.

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

Marketing and strategy

In 2021, the region continued to develop its information offering. It also continued to improve the client experience in Credit Insurance. Coface launched ICON, the new information platform providing access to its information network and risk analysis.

(1) Headcount figures cover employees on permanent or fixed term contracts, excluding those who had permanently left the Company.

Group activities in the Northern Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group currently employs approximately 676 people in the Northern Europe region, where it generated turnover of €331.5 million, or 21.1% of its consolidated turnover for the financial year ended December 31, 2021.

Classification of countries and offering

The countries where the Group operates in this region are mature credit insurance markets. There is strong pricing pressure due to intense competition and the low company insolvency rate. The effects of the pandemic led to low client activity in 2020, followed by a rebound in 2021. Insolvency rates are still low due to government support measures. The Group mainly sells credit insurance services. In Germany, it also offers surety bonds, Single Risk coverage, business information and debt collection services. In addition, Coface also offers factoring solutions for domestic and international clients outside Germany.

Marketing and strategy

The Group's offering in this region is marketed through a combination of direct sales by its own sales teams and sales through its partners (brokers and banks).

The Group continues to invest in this region, with a focus on profitable growth. The reorganisation of the sales teams on the German market was finalised in 2021. A customer relations centre has been set up to handle approximately 90% of customer requests. In Germany, Northern Europe's primary market, the central offerings were enhanced to best meet client needs. New service offerings, particularly commercial information products and services, are a cornerstone of Coface's growth in this market. The factoring strategy, which was upgraded to provide M&A financing solutions as well as cross-border factoring, demonstrated its effectiveness with sustainable growth in 2021. The creation of the "Nordics" platform strengthened the Group's footprint in the region while promoting its growth in the Nordic market. While the mainstays were Denmark and Sweden until 2019, the acquisition of Norwegian credit insurer GIEK Kredittforsikring in 2020 – now part of the Group – significantly expanded Coface's footprint in the region with additional turnover of €12 million in 2021. There is also considerable potential in Finland with the recruitment of new talent to strengthen the local teams.

Although historically characterised by a broker-centred distribution model, the Group is successfully pursuing its multi-distribution business model in the Dutch market. The new information offering which has been rolled out has also enhanced the range of services offered to clients. Marketing activities have been ramped up, making the brand more visible across the Netherlands.

Group activities in the Central Eastern Europe region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group currently employs approximately 947 people in the Central Eastern Europe region, where it generated turnover of €156.3 million (with the largest contributions coming from Austria, Poland, Romania and Russia), representing 10.0% of its total turnover for the financial year ended December 31, 2021.

Classification of countries and offering

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

Most Central and Eastern European countries have adapted well to the new Covid-19 environment. In 2021, with the rollout of vaccinations, countries eased restrictions and reopened economies to mitigate the negative impact of Covid-19. However, to lower the high inflation caused by strong demand for goods and demand for high wages in the labour market, some central banks have already begun to raise interest rates. In addition, some countries have decided to end government support programmes. Corporate bankruptcies have mostly been historically low, but the number of bankruptcies is expected to increase gradually to return to pre-crisis levels.

Marketing and strategy

The Group has the most extensive network in Central Eastern Europe and the largest local footprint, offering services in 15 countries, directly or indirectly.

The Group's strategy in this region is built on the cornerstone of supporting the development of distribution, and growing while keeping risks under control.

As these emerging markets are stable in terms of credit insurance, the Group's strategy is to achieve sound growth while controlling risk. The strategy also involves diversifying the service offering, mainly through the systematic cross-selling of information services to policyholders. The Group successfully integrated PKZ, a company it acquired in 2019, which now operates under the Coface PKZ brand in Slovenia. With this strategic acquisition, the Group strengthened its position on the Adriatic market, and clients now benefit from the full strength of the Group.

Group activities in the Mediterranean & Africa region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group currently employs approximately 944 people in the Mediterranean & Africa region, where it generated turnover of €429.4 million, or 27.4% of its turnover for the financial year ended December 31, 2021.

Classification of countries and offering

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

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

In 2020, the Group launched its business information offering in Italy and Spain. In Israel, Coface BDI is the leader in the information market.

While insolvency rates remained low in mature markets, notably thanks to government support measures, specific monitoring was organised to ensure that buyer risk assessments took into account the economic impacts of Covid-19.

1

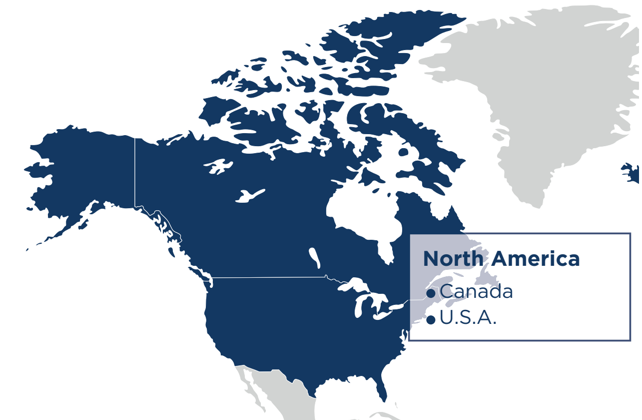
Marketing and strategy

According to the size and the configuration of markets in the region, the Group combines (i) sales through partners such as brokers, agents or banks and (ii) direct sales. It uses these two distribution channels in Italy, Spain, Turkey, the Gulf countries, Israel, South Africa and Morocco. In West African countries, the Group promotes credit insurance through partners (insurers, banks), to whom it supplies credit insurance contracts and back office services. The Group has competent qualified teams in Dubai and the Western and Central Africa region to establish agreements with local fronters and provide solutions in countries such as Senegal, Tunisia, Côte d'Ivoire, the Gulf countries and Saudi Arabia.

In the three mature credit insurance markets of Italy, Spain and Portugal, the Group reported further substantial production and an exceptionally high level of client loyalty, while gradually adapting its premium rates to the actual risk situation. This performance is the result of the sales strategy, which is based on a multi-channel distribution approach, in particular *via* agents, and a detailed segmentation of clients. Since 2016, the Group has specifically developed partnerships with banks, general insurers and professional associations.

Group activities in the North America region

/ AVAILABILITY OF THE GROUP'S OFFERING



Key figures

The Group currently employs approximately 202 people in the North America region, where it generated turnover of €137.5 million, or 8.8% of its total turnover for the financial year ended December 31, 2021.

Classification of countries and offering

The Group directly issues credit insurance policies in the United States and in Canada, two markets it considers under-penetrated in terms of credit insurance due to low product awareness. It primarily sells credit insurance services, along with debtor information and debt collection services provided by partners for its policyholders or other clients. The Group also offers Single Risk coverage on a limited scale.

During the Covid crisis, the Group remained very close to its clients and partners with regular remote contact in the form of virtual meetings, economic webinars and written communications. The Group stepped up its interaction to share its expertise on economic conditions and credit risk, which were constantly evolving. The increased frequency of these communications helped clients manage not only their credit risk but also their relationships with their own clients and allowed them to make better-informed business decisions.

Marketing and strategy

The Group has completed the reorganisation of its distribution channels with a focus on being close to its clients. The in-sourcing of the sales force was finalised with a focus on efficiency. The Broker Connect team established strong relationships with key brokers, including a specialized financial institutions team to support banking partners In the same vein, the Coface Global Solutions team serving large multinationals was strengthened.

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

Group activities in the Latin America region

/ AVAILABILITY OF THE GROUP'S OFFERING

Key figures

The Group currently employs approximately 443 people in the Latin America region, where it generated turnover of €73.3 million, or 4.7% of its total turnover for the financial year ended December 31, 2021.

Classification of countries and offering

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

Latin American companies had very low activity levels during the pandemic in 2020 before seeing a rebound in 2021. Inflation hit new highs in the region in 2021 but is expected to fall in 2022.

In terms of credit insurance, countries in this region are considered high-risk markets. Credit insurance policies are sold in approximately ten countries, the main ones being Argentina, Brazil, Chile, Colombia, Ecuador and Mexico in direct credit insurance, and other countries in which contracts are signed through partners.

The Group has dedicated enhanced information management teams in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico and Peru (where one of the Group's three shared information management service centres is based – see Section 1.3.1. "Credit insurance and related services").

Marketing and strategy

Given the classification of this region's countries, the Group's strategy entails stabilising high-risk areas and focusing on developing the most profitable segments in specific countries.

The sales approach is based on highly targeted prospecting, by market and sector, with pricing and conditions adjusted to real risk profiles.

Group activities in the Asia-Pacific region

/ **AVAILABILITY OF THE GROUP'S OFFERING**

Asia-Pacific
- Australia
- Bangladesh
- Brunei
- China
- South Korea
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- New-Zeland
- Pakistan
- Philippines
- Singapore
- Taïwan
- Thailand
- Vietnam

Key figures

The Group currently employs approximately 447 people in the Asia-Pacific region, where it generated turnover of €123.2 million, or 7.9% of its total turnover for the financial year ended December 31, 2021.

Classification of countries and offering

The Group has a direct presence in 13 countries: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

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

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

Marketing and strategy

In Asia-Pacific, the Group distributes its products directly and through partnerships with insurers (fronters). The Group has branches with direct insurance licences in Australia, Hong Kong, Japan, Singapore and Taiwan, and has the largest partner network in the region, with 33 partners. Lastly, consistent with the Group's multi-channel strategy, the region has its own direct sales teams and also uses specialised brokers and banking partners to sell its offering.

The Group also has two specialist teams in the region – 'Japanese Solutions' and 'China Desk' – which provide international Japanese and Chinese companies with a single point of access to its services. In 2021, the Group also strengthened its organisation around the business information offering for non-insured segments.

1.5 GROUP STRATEGY

The Build to Lead – 2023 strategic plan launched in 2020 consolidated the successes of Fit to Win by reinforcing Coface's expertise, synergies and agility. It aims to assert Coface's leadership in credit insurance by placing the client at the centre of the Coface strategy, while creating growth opportunities in adjacent activities offering significant synergies.

The Covid-19 health crisis and the resulting economic disruption confirm the importance of the ambitions of resilience, responsiveness in client service, and agility that are set out in the Build to Lead plan. These ambitions are upheld, while the priorities have been adjusted to take account of changes in the economic environment.

1.5.1 Ambitions and objectives of the Build to Lead strategic plan

The Build to Lead strategic plan aims to create the conditions for profitable and resilient long term growth for Coface. To do this, it relies on two guiding principles:

- strengthening the Group's leadership in the credit insurance market by placing its clients and partners at the heart of its strategy; and
- creating growth opportunities, in particular by developing adjacent activities that complement Coface's long-standing credit insurance business, for example information services, surety bonds, Single Risk coverage and factoring.

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

As part of this plan, the Group is committed to four objectives throughout the cycle:

- return on average tangible equity (RoATE) of 9.5% throughout the cycle;
- a combined ratio of 80% throughout the cycle;
- a solvency ratio between 155% and 175%;
- a payout target of more than 80% of net income.

1.5.2 Strengthening Coface's leadership in credit insurance

For Coface, being a leader is not a matter of size but of being the best in its field: the best in anticipating and managing risk and the best in delivering effective solutions for its clients, meeting their needs as closely as possible.

This ambition has three priorities:

Continue to improve, simplify and digitalise the operating model

The Group is continuing to improve its operating model in order to free up time and energy to better meet client requirements, to stand apart for the quality of its service and to indirectly reduce its costs.

Improving quality of service and exceeding our clients' expectations

The Group is implementing service quality programmes to put the client at the centre of its actions. It is instilling a client-oriented mindset and practices drawing on exemplary managers, training and incentives.

Simplifying products, operating processes and IT infrastructure

With its X-Liner product range (GlobaLiner, TradeLiner, EasyLiner and TopLiner), Coface offers simple, standardised and scalable solutions. It aims to deliver these products to all its clients over the period covered by the Build to Lead strategic plan. Similarly, the Group is continuing to simplify and modernise its IT infrastructure and practices to improve efficiency and agility. It intends to improve its connectivity with its clients by developing application programming interfaces (APIs).

Putting innovation at the heart of our operations

Coface continues to innovate and is investing in data and technology to manage its risks, boost sales and improve operational efficiency.

Stand apart with its expertise in risk management and business information

Investing in risk management and information

This will increase the Group's resilience and reduce risk volatility. This expertise lies at the heart of Coface's value proposition and is a differentiating factor on the market.

Exploring the opportunities offered by new technologies

The digital revolution is significantly increasing the available sources of information and processing capacities. The Group is actively exploring the opportunities offered by new technologies to build sustainable leadership.

Aligning risk management and profitability through the partial internal model

The partial internal model rolled out in 2021 allows for a dynamic allocation of capital based on anticipated losses for each exposure. This more detailed risk management approach also allows us to better match the prices of our coverage with the corresponding risks.

Create value through profitable growth

Coface wants to continue achieve profitable growth by differentiating its approach by region and by client segment.

Tailoring the approach to specific markets

In "mature" markets, which have a high credit insurance penetration rate and strong competition, Coface is investing to maximise its client retention rates, improve the operational efficiency of its sales forces and coordinate its network of distribution partners. In developed but 'under-penetrated' economies in terms of credit insurance, such as the United States or Japan, Coface aims to increase opportunities for contact with clients and prospects by adapting its offering and extending its distribution to different market segments. In "volatile risk" markets, the Group establishes a long term presence so it can seize profitable growth opportunities. To do this, Coface is reinforcing its knowledge of the local economic fabric, developing its local underwriting expertise and building long term relationships with local partners.

Segmenting the offering and marketing by type of client

Coface adjusts its offering to the type of client: key accounts (CGS), mid-market companies, SMEs and financial institutions. The GlobaLiner offering for international groups provides standardised and scalable management of various policies around the world. The TradeLiner offer for mid-market companies offers a standardised and scalable structure that meets the specific characteristics of different markets. The EasyLiner offer for the SME segment includes easy-to-use digital client journeys and can be sold by partners, particularly banks. The financial institutions segment is expanding particularly strongly, backed by dedicated sales and underwriting teams. Coface is expanding in this segment by strengthening relations with target financial institutions.

Strategic partnerships and external growth

Coface's global network is a major asset both in terms of risk management and in serving its clients abroad. Coface has continued its geographical expansion by stepping up its direct presence through acquisitions (Slovenia, Norway) and *via* partners.

The Group continues to seek out and develop strategic partnerships that allow it to diversify its client portfolio and strengthen its presence in regions where it sees growth potential and where it does not hold an operating licence.

1.5.3 Developing specialised adjacent activities that complement trade credit insurance

Coface wants to expand in adjacent activities that offer synergies with its trade credit insurance business and in which the Group has solid experience. This strategy aims to build up a portfolio of growth opportunities besides credit insurance and to diversify its risks. Coface has set aside capacity to finance this growth, possibly through external acquisitions.

Continue the recovery of factoring

The Group offers factoring solutions in Germany and Poland. Coface has begun to restore growth to its business by expanding in high-potential and high-yield niches (particularly in international factoring and among investment funds).

Grow the surety bond and Single Risk activities

Coface has established a client base in surety bonds and Single Risk coverage by leveraging its underwriting expertise and distribution capabilities. The Group plans to develop these activities in existing regions and enter new markets where it has existing strengths. A Group-wide department was created to accelerate growth and boost profitability.

Develop services, particularly through information services

Coface wants to draw on its strengths to develop a range of services offering synergies with credit insurance and with low capital requirements, such as information about companies and the collection of unpaid receivables.

To do this, Coface intends to leverage the significant amount of data generated by its credit insurance business. Its constantly updated real time database covering 200 countries (600 people dedicated to collecting and entering data from external and internal sources) and our solid experience in data analysis and processing form the foundation of our information services. Coface is investing in a comprehensive platform including access to data, a range of products focused on credit risk in the broad sense, systems for processing and delivering the offering, and dedicated sales teams. It is managing this expansion internally on high potential markets but does not rule out targeted acquisitions or partnerships.

In addition, the Group is continuing to deploy its debt collection business by drawing on its near global collection capabilities and the expertise acquired in credit insurance.

1.5.4 A dynamic capital management model

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

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

At the same time, the Group has demonstrated its ability to issue instruments that make its balance sheet more efficient (subordinated debt, share buyback programme) and it is pursuing an active strategy in terms of available reinsurance options. Based on the partial internal model and stress tests performed during the own risk and solvency assessment (ORSA), the Group has established a comfort scale which was approved by its Board of Directors as part of the Build to Lead plan. This comfort scale aims to maintain a solvency ratio above 100% in the event of a crisis equivalent to that of 2008-2009, and takes into account the flexibility needed for its growth requirements.

A target coverage level of 165% with a comfort zone of between 155% and 175% is compatible with these targets over the period of the strategic plan.

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

Coface comfort scale

Coface has also announced a policy of pay-out ratio equal to or higher than 80% of net income, provided that its solvency remains in the target zone.

Coface was able to demonstrate its agility and resilience throughout 2021 in an uncertain economic environment. Strengthened by its corporate culture and a solid balance sheet, Coface is confidently continuing with the execution of its Build to Lead strategic plan, which is more relevant than ever.

1.6 GROUP ORGANISATION

The Group's organisation includes seven regions and functional departments. The Group's seven regions are headed by a regional director with direct authority over the country directors. Each region is an autonomous profit centre that manages its own business and oversees its development according to its specific market conditions.

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

The organisational structure is based on:

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

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

The organisational chart below shows the executive organisation of Coface at December 31, 2021 [(1)]:

1.6.1 Strategy and Development Department

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

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

(1) *From January 1, 2022, Carine Pichon, previously Chief Financial and Risk Officer of Coface Group, replaced Antonio Marchitelli, appointed Group Head of Global Specialities, as Chief Executive Officer Western Europe region (WER).*

1.6.2 Underwriting Department

Led by Cyrille Charbonnel, this department includes Commercial Underwriting, Claims & Collections and Recovery, Risk Underwriting, Risk Portfolio Management, and Special Risk Underwriting:

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

the Underwriting Department is supplemented by two offices responsible for monitoring specific risks: Single and Political Risk, and business conducted with financial institutions.

1.6.3 Commercial Department

Led by Nicolas Garcia, this department is tasked with structuring, organising and coordinating the Group's commercial activity. Its responsibilities extend to distribution networks, both *via* brokers and direct, and the client portfolio in our three segments: major international accounts (CGS), mid-market (segments A, B and C) and financial institutions. This department includes:

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

Global Solutions, devoted to international key accounts, which handles strategy, the coordination and management of sales teams and quality of service in this segment.

1.6.4 Audit Department

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

1.6.5 Finance and Risk Department

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

It is responsible for:

a) accounting and taxation;

b) the publication of regulatory statements;

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

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

e) asset management, Group funding and purchasing.

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

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

1.6.6 General Secretariat

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

- the Legal function, which advises all Group entities. It is responsible for all legal aspects of the Company's life and activity, with the exception of tax and employment law issues. The Legal Department, with the support of its network of correspondents in the Group's various regions, is in charge of the legal and regulatory watch, the compliance of insurance policies and of all products sold by the Company, and contracts with suppliers. It advises the departments in charge of compensation and participates in partnerships and acquisitions. The General Secretary is secretary of the Board of Directors of COFACE SA;
- the compliance function, which ensures the Group observes all the rules governing its activities in France and abroad; it sets rules governing the Company's activities in terms of international sanctions, anti-money laundering, anti-corruption and personal data protection; it ensures compliance with the rules that govern the issuing of licences held by Group entities; it is responsible for the dissemination of these rules and their understanding by all employees and for the organisation of operational controls; it is also responsible for level two compliance controls throughout the Group;
- Human Resources, which is in charge of providing change management support to general management and all employees. It manages human resources procedures and policies, and implements initiatives for talent and skills development, compensation and performance management;
- Communications, which defines and implements the Group's internal and external communications strategy, both in France and abroad. For internal communications, the teams contribute to change management and to furthering employees' understanding of the Group's strategy. For external communications, the teams are responsible for developing the Group's brand awareness and protecting its reputation. It carries out this task in liaison with general management.

The General Secretariat is in charge of organising and promoting the Group's corporate social responsibility (CSR) policy. It acts with the support of other functions that are highly involved in this area, such as the Group Human Resources Department and the Group Compliance Department, and in coordination with the other departments involved in discussions on climate and environmental issues, such as the Finance Department or the Commercial Underwriting Department.

1.6.7 Business Technologies

Led by Keyvan Shamsa, this department has four units:

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

1.6.8 Operations

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

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

1.7 INFORMATION SYSTEMS AND PROCESSES

1.7.1 General introduction

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

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

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

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

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

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

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

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

1.7.2 Group applications and tools

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

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

1.8 THE GROUP'S REGULATORY ENVIRONMENT

The Group is governed by specific regulations in each of the countries in which it operates its insurance or factoring activities, either directly, or through branches, subsidiaries or partnerships.

1.8.1 Credit insurance activities

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

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

As an insurance company, Compagnie française d'assurance pour le commerce extérieur is subject to the provisions of the French Insurance Code and European Union regulations, in particular Solvency II. Compagnie française d'assurance pour le commerce extérieur and its branches in the European Union are placed under the control of the ACPR, the French Prudential Supervision and Resolution Authority, an independent administrative authority tasked with ensuring, in particular, that insurance companies are always capable of meeting their commitments to their policyholders, by the application of appropriate internal policies and a sufficient level of equity capital. In this respect, Level Two controls have been put in place since 2008. They primarily concern regulatory licences and authorisations, compliance with the regulations relating to the protection of personal data, the establishment of specific procedures to guarantee data confidentiality, rules of governance, compliance with anti-money laundering legislation, and "Know Your Customer" obligations assumed by insurance companies, along with the effectiveness of the reporting procedures.

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

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

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

Prudential regime for insurance companies

The prudential regime for insurance companies, which applies to the Company as an insurance group as defined in Article L.356-1 5 of the French Insurance Code, comprises two aspects which govern their operation: a financial component on the one hand, and an accounting component on the other. The companies of the Group operating outside of the European Union are likewise subject to a prudential regime.

Financial aspect of the prudential regime for insurance companies

The regulations derived (i) from Directive No. 2009/138/EC of the European Parliament and of the Council of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance, transposed by ordinance and decree into the French Insurance Code in April and May 2015, and (ii) from its implementing texts, including the delegated regulations of the European Commission ("the Commission"), notably delegated Regulation (EU) 2015/35 supplementing the aforementioned directive, came into force on January 1, 2016 (together "Solvency II").

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

In this context, Solvency II lays down the rules relating to the valuation of assets and liabilities, technical provisions, equity, solvency capital requirement, minimum capital requirement and the investment rules to be applied by insurance companies.

In this regard, with the exception of Coface PKZ Zavarovalnica d. d., a Slovenian subsidiary acquired by the Company in 2019, the insurance entities located on EU territory are branches of the Company, thus allowing all the assets of these entities to be centralised, leaving only the minimum cash required for operational requirements at local level. In other countries, regardless of the legal status of the entity concerned, it must comply with local regulations. To that end, the entities hold their asset portfolios and their cash locally in order to meet the asset-liability and solvency requirements set by local regulators.

Accounting aspect of the prudential regime for insurance companies

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

The Group's consolidated financial statements are prepared in application of IFRS rules including IFRS 4, phase 1. This standard requires that the references used for insurance contracts as defined by IFRS be a recognised set of accounting guidelines. The Group has thus adopted the French principles to show the accounting of the insurance contracts. The provision for equalisation is not accepted under IFRS, and was thus eliminated in the IFRS financial statements. Furthermore, the Group must apply IFRS 4, paragraph 14, and specifically proceed to conduct liability adequacy tests.

IFRS 4, which specifically deals with insurance contracts, is being revised and will be replaced by IFRS 17, which was scheduled to come into force on January 1, 2021 and has been deferred to January 1, 2023. For this reason and in order to avoid a competitive imbalance between insurance companies that belong to a financial conglomerate and others, IFRS 9, concerning financial instruments negotiated on spot or derivative markets, which came into force in 2018, will not be applicable to insurance holdings until January 1, 2023.

Regulations applicable to credit insurance policies signed by the Group

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

1.8.2 Factoring activities in Germany and Poland

Factoring is regulated as a financial service (and not as a banking activity) by the German banking law *(Kreditwesengesetz)* and is defined as the ongoing transfer of receivables based on a master agreement with a third-party institution, with or without recourse against the ceding company. As a financial service *(Finanzdienstleistung)*, as defined in German banking law, the factoring business is regulated and subject to oversight by the German financial regulation authority, BaFin *(Bundesanstalt für Finanzdienstleistungsaufsicht)*, which notably requires authorisation to conduct such activities.

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

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

NEW
BOARD OF DIRECTORS
FOLLOWING THE ACQUISITION OF A STAKE BY ARCH CAPITAL GROUP

10
MEMBERS

60%
INDEPENDENT DIRECTORS

99%
AVERAGE ATTENDANCE RATE AT BOARD MEETINGS

2

CORPORATE GOVERNANCE

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

2.1.1 Details of the members of the Board of Directors for financial year 2021[(1)]

On February 10, 2021, Natixis and Arch Capital Group announced the completion of the sale of Natixis' 29.5% holding in Coface's capital to Arch Capital Group. In accordance with the announcements made in February 2020, the directors representing Natixis resigned during the Board meeting held on February 10, 2021, which co-opted five new directors. The Board appointed Bernardo Sanchez Incera as its Chairman. The Board of COFACE SA is now made up of 10 directors, including four appointed by Arch Capital and a majority of six independent directors, including the Chairman. The Board confirmed Bernardo Sanchez Incera in his duties on May 18, 2021.

For more information on this change in governance, see Chapter 2 of the 2020 Universal Registration Document (Sections 2.1.14, 2.1.15, 2.1.16).

The information presented in the table below relates to the period after this change. For information purposes, the Board of Directors and the three Board committees in their previous composition met once in 2021, with a 100% attendance rate for each meeting.

	PERSONAL INFORMATION				EXPERIENCE	POSITION ON THE BOARD OF DIRECTORS			
NAME	AGE	GENDER	NATIONALITY	NUMBER OF SHARES	NUMBER OF OFFICES HELD IN LISTED COMPANIES [(1)]	INDEPENDENT	START OF TERM/ END OF TERM	ATTENDANCE RATE [(2)]	BOARD COMMITTEES/ ATTENDANCE RATE [(3)]
Bernardo Sanchez Incera Co-opted on Feb. 10, 2021	61	♂	Spanish	1,000	-	√	Feb. 10, 2021 2024 AGM	100%	NCC 100%
Janice Englesbe Co-opted on Feb. 10, 2021	53	♀	American	1,000	-		Feb. 10, 2021 2024 AGM	100%	RC 100%
David Gansberg Co-opted on Jul. 28, 2021	49	♂	American	1,000	-		Jul. 28, 2021 2024 AGM	100%	AAC 100%
Éric Hémar	58	♂	French	892	1	√	Jul. 1, 2014 2021 AGM	100%	AAC (Ch.) 80%
Chris Hovey Co-opted on Feb. 10, 2021	55	♂	American	1,000	-		Feb. 10, 2021 2024 AGM	100%	-
Isabelle Laforgue	41	♀	French	1,000	-	√	Jul. 27, 2017 2024 AGM	100%	AAC – 100% RC – 100%
Benoît Lapointe de Vaudreuil Co-opted on Feb. 10, 2021 Resigned on Jul. 27, 2021	52	♂	French	-	-		Feb. 10, 2021 2024 AGM	100%	-
Nathalie Lomon	50	♀	French	900	-	√	Jul. 27, 2017 2024 AGM	100%	RC (Ch.) 100%
Sharon MacBeath	53	♀	British	500	-	√	Jul. 1, 2014 2021 AGM	100%	NCC 100%
Nicolas Papadopoulo Co-opted on Feb. 10, 2021	59	♂	French	12,800	-		Feb. 10, 2021 2024 AGM	78%	AAC – 50% [(6)] NCC – 100%
Olivier Zarrouati	63	♂	French	500	-	√	Jul. 1, 2014 2021 AGM	100%	NCC (Ch.) 100%
AVERAGE [(4)]	**54**	**40%[(5)]**	**50%**			**60%**		**99%**	

For the purposes of their corporate offices, the members of the Board of Directors are domiciled at the head office of the Company.

(1) With the exception of the office held within the Company.
(2) Average attendance rate for Board meetings in the strict sense, not taking into account the three strategic seminars held in the third and fourth quarters of 2021.
(3) AAC: Audit and Accounts Committee – RC: Risk Committee – NCC: Nominations and Compensation Committee – Ch.: Chairman
(4) Average on December 31, 2021.
(5) Percentage of women on December 31, 2021
(6) Nicolas Papadopoulo was replaced by David Gansberg on the Audit and Accounts Committee following his co-opting on July 28, 2021.

♀ *Female*

♂ *Male*

(1) The information presented in the table is as of December 31, 2021.

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

The Board of Directors has ten members. Information relating to the members of the Board of Directors and notably their principal offices outside the Coface Group are described in the section below [(1)].

Bernardo SANCHEZ INCERA

SPANISH NATIONAL

AGE: 61

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT NOMINATIONS AND COMPENSATION COMMITTEE MEETINGS: 100%

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

Chairman of the Board of Directors
Independent director

Since February 10, 2021

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

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

During the past five years and which are no longer held

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

Janice ENGLESBE

AMERICAN NATIONAL

AGE: 53

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

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

Director

Since February 10, 2021

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Chief Risk Officer, Arch Capital Group Ltd. [(2)]

During the past five years and which are no longer held

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

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

David GANSBERG

AMERICAN NATIONAL

AGE: 49

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 100%

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

Director
Co-opted on July 28, 2021

Since July 28, 2021

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Chief Executive Officer of Global Mortgage Group, Arch Capital Group, Ltd. (1)
- Treasurer, Greensboro Chamber of Commerce

During the past five years and which are no longer held

- Chairman and Chief Executive Officer, Arch Mortgage Insurance Company

Éric HÉMAR

FRENCH NATIONAL

AGE: 58

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 80%

EXPIRATION DATE OF THE TERM OF OFFICE: **Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2021**

Independent director

Since July 1, 2014

CURRICULUM VITAE

Éric Hémar, a former ENA student, began his career at the Cour des Comptes before joining the Ministry of Equipment, Transportation and Tourism in 1993, where he served as Technical Adviser to Minister Bernard Bosson. In 1995, he joined the Sceta group, and then Geodis as General Secretary. He left Geodis Logistics in March 2001 to create the ID Logistics group. Éric Hémar has been Chairman and Chief Executive Officer of the ID Logistics group since 2010.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Chairman & Chief Executive Officer of ID Logistics group (1)
- Chairman of ID Logistics US INC, ID LOGS UK
- Chief Executive Officer, ID Assets (Taiwan), ID Logistics Hungary, ID Logistics US
- Chairman: ID Logistics, ID Logistics France, ID Logistics France 3, ID Logistics Océan Indien, Ficopar, Les Parcs du Lubéron Holding, IDL Bucharest
- Chairman of the Board of Directors: ID Logistics (Nanjing) Business Consultation, ID Logistics Nanjing, ID Logistics Taiwan
- Director: ID Logistics China Holding Hong Kong, ID Logistics Nanjing, ID Logistics Taiwan, ID Logistics (Nanjing) Business Consultation, ID Logistics Group, ID Logistics Belgium, IDE Entreprise (Taiwan)
- Member of the Supervisory Board: Dislogic, ID Logistics Polska
- Permanent representative of Les Parcs du Lubéron Holding, Chairman of SAS Les Parcs du Lubéron 1
- Permanent Representative of ID Logistics, Chairman of SAS ID Logistics France 4
- Permanent representative of ID Projets on the Board of Directors of Froid Combi
- Permanent Representative of COMETE, Chief Executive Officer of IMMOD, FINANCIERE ID, LOGISTICS II, LOGISTICS V
- Manager: FC Logistique R&D, ID Logistics Maroc, ID Logistics Training

During the past five years and which are no longer held

- Chief Executive Officer: IDL Logistics (Mauritius) IDL Supply Chain South Africa, IDL Fresh South Africa
- Director: ID Logistics, ID Logistics La Réunion, ID Logistics (Mauritius), ID Logistics Switzerland SA
- Chairman: Timler ID Logistics Mayotte
- Chairman of the Board of Directors: France Paquets

(1) Listed company.

Chris HOVEY

AMERICAN NATIONAL

AGE: 55

ATTENDANCE RATE AT BOARD MEETINGS: 100%

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

Director

Since February 10, 2021

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

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

During the past five years and which are no longer held

- N/A

Isabelle LAFORGUE

FRENCH NATIONAL

AGE: 41

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

ATTENDANCE RATE AT AUDIT AND ACCOUNTS COMMITTEE MEETINGS: 100%

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

Independent director

Since July 27, 2017

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Head of Digital, Transformation and Innovation, AstraZeneca France
- Executive VP Finance & Operation, Owkin

During the past five years and which are no longer held

- Chief Transformation Officer, Econocom [1]
- Deputy CEO for France, Econocom [1]

(1) *Listed company.*

Benoît LAPOINTE DE VAUDREUIL

FRENCH NATIONAL

AGE: 51

ATTENDANCE RATE AT BOARD MEETINGS:
100%

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

Director
Resigned on July 27, 2021

Since February 10, 2021

CURRICULUM VITAE

Benoît Lapointe de Vaudreuil is a lawyer and a member of the Paris and Quebec Bars. He exercises insurance law in Paris. He is the Chairman of BLV Avocats, a law firm he founded in Paris in 2019, and is "Of Counsel" for PwC Société d'Avocats in Paris. He previously worked at the Optimum Group for nearly 20 years, notably as CEO of the Optimum Group's French companies (life insurance, asset management). He holds an LLB in law from the Université de Montréal, a postgraduate degree in private law from the University of Paris I (Panthéon-Sorbonne) and an MBA from HEC Montréal. Benoît Lapointe de Vaudreuil also holds a degree from the Institut de Droit Comparé of University of Paris II (Panthéon-Assas) and is a director on the Boards of Directors of Canadian and French companies.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Lawyer, BLV Avocats
- Director, FMA GROUP SAS (France)
- Director, OPTIMUM GESTION FINANCIERE SA (France)
- Director, NORBEC SAS (France)
- Director, OPTIMUM CARAIBES SAS (France)
- Director, OPTIMUM FONCIER INC (Canada)

During the past five years and which are no longer held

- Director, OPTIMUM VIE SA (France)
- Director, OPTFRANC SAS (France)
- Director, OPTIMUM FINANCIERE EUROPE SAS (France)
- Director, OPTIMUM RE INC. (Canada)
- Director, GESTION OPTIMUM INC. (Canada)

Nathalie LOMON

FRENCH NATIONAL

AGE: 50

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 100%

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

Independent director

Since July 27, 2017

CURRICULUM VITAE

Nathalie Lomon has been Senior Executive VP and Chief Financial Officer at SEB Group since September 2019. She is also a member of the Executive Committee and the General Management Committee.

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Senior Executive VP and Chief Financial Officer, SEB Group [1]
- Chief Executive Officer, SEB Internationale SAS
- Chief Executive Officer, Immobilière Groupe SEB SAS
- Member of the Supervisory Board, WMF Group GmbH
- Director and member of the Audit Committee, ZHEJIANG SUPOR Co. Ltd.
- Director representing the founding members of the SEB Group Endowment Fund
- Chief Executive Officer, Groupe SEB Ré
- Director, SEB Professional North America
- Director, EI RE ACQUISITION LLC
- Director, WILBUR CURTIS CO. INC.

During the past five years and which are no longer held

- EVP Finance, Legal & Governance, Ingenico group SA [1]
- Director, Ingenico Holdings Asia Limited (HK)
- Director, Fujian Landi Commercial Equipment Co., Ltd.
- Manager, Ingenico e-Commerce Solutions BVBA/SPRL (BE)
- Director, Ingenico Financial Solutions NV/SA (BE)
- Director, Ingenico do Brasil Ltda.
- Director, Ingenico Holdings Asia II Limited (HK)
- Director, Stichting Beheer Derdengelden Ingenico Financial Solutions (IFS Fondation)
- Chairman of the Supervisory Board and member of the Audit Committee, Global Collect Services B.V.
- Director, Fixed & Mobile Pte. Ltd.
- Director, Fixed & Mobile Holdings Pte. Ltd.
- Director, Ingenico Corp.
- Chairman, Ingenico Business Support S.A.S.
- Chairman, Ingenico 5 S.A.S.
- Director, Bambora Top Holding AB
- Director, Ingenico International (Singapore) Pte. Ltd.
- Director, Ingenico Japan Co. Ltd.
- Director, Ingenico Inc. (Oct. 13, 2015 – Dec. 31, 2017)
- Director, GCS Holding BV (Jan. 25, 2016 – Oct. 25, 2017)
- Director, Ingenico México, S.A. de C.V. (June 3, 2015 – Oct. 24, 2017)
- Director, Ingenico (Latin America) Inc. (June 8, 2015 – May 19, 2017)

(1) Listed company.

Sharon MacBEATH

BRITISH NATIONAL

AGE: 53

ATTENDANCE RATE AT BOARD MEETINGS: 100%

ATTENDANCE RATE AT NOMINATIONS AND COMPENSATION COMMITTEE MEETINGS: 100%

EXPIRATION DATE OF THE TERM OF OFFICE: Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2021

Independent director

Since July 1, 2014

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Group HR Director, Hermès International (1) since June 17, 2019

During the past five years and which are no longer held

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

Nicolas PAPADOPOULO

FRENCH NATIONAL

AGE: 59

ATTENDANCE RATE AT BOARD MEETINGS: 78%

ATTENDANCE RATE AT RISK COMMITTEE MEETINGS: 50% (he was replaced by David Gansberg following his co-opting on July 28, 2021)

ATTENDANCE RATE AT NOMINATIONS AND COMPENSATION COMMITTEE MEETINGS: 100%

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

Director

Since February 10, 2021

CURRICULUM VITAE

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

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Chairman and Underwriting and Claims Director of Arch Capital Group Ltd. (1)
- Director, Greysbridge Holdings Ltd.
- Director, Somers Re Ltd. (formerly Watford Re Ltd.)
- Director, Somers Group Holdings Ltd. (formerly Watford Holdings Ltd.)
- Director, Premia Holdings Ltd.

During the past five years and which are no longer held

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

(1) Listed company.

Olivier ZARROUATI

FRENCH NATIONAL

AGE: 63

ATTENDANCE RATE AT BOARD MEETINGS:
100%

ATTENDANCE RATE AT NOMINATIONS AND COMPENSATION COMMITTEE MEETINGS:
100%

EXPIRATION DATE OF THE TERM OF OFFICE:
Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2021

Independent director

Since July 1, 2014

CURRICULUM VITAE

Olivier Zarrouati is a former student of the École Polytechnique and an engineering graduate of the École nationale supérieure de l'aéronautique (SUPAERO) and of Harvard's Kennedy School in Cambridge, USA. After beginning his career as an engineer in the armaments sector, he held the positions of engineer and Head of Major Projects at the CNES (Centre national d'études spatiales) from 1982 to 1988, and then at Matra Marconi Space from 1989 to 1994. He joined Intertechnique, which was purchased by Zodiac in 1999, as Head of External Development and Subsidiary Control. He subsequently performed various functions within the Zodiac Aerospace group, in particular as Chief Executive Officer (CEO) of the Aerosafety Systems segment and as CEO of aeronautical businesses. From 2007 to 2017, he was Chairman of the Board and Director of the Executive Committee of the Zodiac Aerospace group. He has also been Chairman of the Fondation Institut Supérieur de l'Aéronautique et de l'Espace SUPAERO since 2011. In 2017, he founded his own company, Thélème.

PRINCIPAL OFFICES AND DUTIES OUTSIDE COFACE GROUP

During financial year 2021

- Chairman of Thélème SASU

DURING THE PAST FIVE YEARS AND WHICH ARE NO LONGER HELD

- Chairman: Zodiac Aerotechnics, GEAD
- Director: Icore GmbH (Germany), HeathTechna (United States) and Chairman of the Board and member of the Executive Committee of Zodiac Aerospace [(1)]
- Chairman: Zodiac Engineering, Sicma Aero Seat Services (United States), Zodiac US Corporation (United States), Fondation ISAE-SUPAERO
- Director: Air Cruisers Company LLC (United States), Avox Systems Inc. (United States), C&D Aerospace Canada Co. (Canada), C&D Zodiac Inc. (United States), Esco (United States) formerly Engineering Arresting Systems (United States), Zodiac Interconnect UK Ltd (formerly Icore) (United Kingdom), Mag Aerospace Industries Inc. (United States), Zodiac Parachutes Industries of Southern Africa Pty (South Africa), Zodiac Aerospace UK Ltd (United Kingdom), Zodiac Seats France, Monogram Train LLC (United States), Sicma Aero Seat Services (United States)
- Member of the GIFAS Board
- Member of GEAD

(1) *Listed company.*

2.1.3 Operation of the Board of Directors

The Board of Directors has established Internal Rules which can be consulted on the website at *http://www.coface.com/Group/Our-organisation*, in the Board of Directors tab.

Convening notice of the Board of Directors

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

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

Board meetings are held either at the registered office or any other location indicated in the convening notice. From March 2020, Board of Directors' meetings were mainly held by video-conferencing or telecommunications because of the Covid-19 pandemic. The convening notice is in the form of a simple letter or e-mail sent to the Board members within a reasonable period of time before the scheduled date of the meeting. It is sent out by the Board Secretary.

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

An Emergency is defined as an exceptional situation (i) marked by the existence of a brief period of time, imposed by a third party on penalty of being time-barred, and for which a failure to comply could result in harm to the Company or one of its subsidiaries or (ii) which requires a quick response from the Company that is incompatible with the application of the Board of Directors' usual time frame for a convening notice.

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

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

Conduct of the Board of Directors' meetings

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

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

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

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

Informing the Board of Directors

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

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

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

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

- Information at the initiative of the Board of Directors.

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

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

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

2.1.4 Activities of the Board of Directors in 2021

The Board of Directors held ten meetings in a standard Board format, including a meeting on December 10, 2021 without the presence of management. It also held three strategic seminars devoted to a more in-depth review of the themes of the Company's strategic plan presented in February 2020.

The average attendance rate was 99% [(1)].

The main subjects reviewed by the Board of Directors in 2021 were:

The Company's financial position, cash and exposure	• Approval of the 2020 annual financial statements (parent company and consolidated statements) • Review of quarterly and half-yearly financial statements Approval of the 2022 budget
Internal control/Risks	• Solvency II: approval of all written policies as drafted or revised in 2021 • Regulatory reports: ORSA, RSR, SFCR, actuarial reports and anti-money laundering report • Risk appetite • Review of the Solvency II comfort scale
Corporate governance	• Convening of a Combined Shareholders' Meeting on May 12, 2021 • Self-assessment of the Board's work • Review of the internal charter on related party agreements • Review of related party agreements entered into in previous years • Change in governance • Amendment of the Directors' ethics charter: increase in the number of shares held by directors • Appointment of a new Chairman of the Board of Directors • Appointment of Board Committee members • Appointments of an executive manager and a Head of key function • Renewal of the directorship and confirmation of the term of office of Chairman of the Board of Directors • Composition of committees • Co-opting of a Director – Appointment to the Audit Committee • Assessment of the independence of directors
Compensation	• Compensation policy for the Chief Executive Officer, Chairman and Directors for 2021 • Compensation paid to the Chief Executive Officer for financial year 2020 • Approval of the 2021 Long-Term Incentive Plan
Financial operations	• Annual authorisation to issue guarantees as part of the factoring business • Liquidity programme
Corporate strategy	• Update on the Information Services activity
Corporate Social Responsibility	• Presentation of actions taken as part of the CSR plan • CSR risk mapping and creation of a CSR risk appetite indicator

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

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

- Number of directors

  The number must reflect the size of the Company and the aforementioned diversity. In 2021, there were ten directors.

(1) *Taking into account the three strategic committee meetings, the average attendance rate was 95%.*

- Seniority and age of directors

  The Company complies with regulations on the terms of directorships and strives to have a wide range of ages represented on its Board. In 2021, the average age of directors was 54.

- Proportion of independent and non-independent members

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

- International diversity

  The Company takes into account international diversity and at December 31, 2021, 50% of directors were non-French nationals.

- Gender equality

  In 2021, the proportion of women on the Board was 40%.

- Skills and expertise

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

2.1.6 Assessment of the Board's work in financial year 2021

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

Every three years, COFACE uses an independent external firm to assess the work of its Board and specialised committees. It conducts an internal assessment in each of the other years. For the 2020 financial year, the Board of Directors was due to instruct an independent firm to perform the assessment but considering the changes in governance expected in 2021, it decided it would be more appropriate to postpone the independent review until the end of 2021.

The 2021 assessment was conducted with the assistance of Adaltys. It focused on the following themes:

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

Each director, as well as the Chairman of the Board of Directors and the Chief Executive Officer answered the questionnaire in an individual interview.

The results of the interviews were included in a detailed assessment report, a summary of which was presented to the Board of Directors on February 15, 2022.

The report shows that the directors have a very positive view of the Board. They believe that it performs well and that its discussions are constructive and useful. They are also satisfied with the organisation of the Board.

Several directors felt that the Board's performance had improved since the last assessment and had not been impacted by the health crisis.

Directors would like to implement a specific document archiving tool. Some would like to receive more information about the Group's competitors, financial communications, digital strategy and its specific activity in different countries. They would also like to see more room for debate on these issues, as well as on human resources and CSR topics.

The Board of Directors also wish to have a more extensive knowledge of the members of the management, particularly the regional directors.

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

Pursuant to the AFEP-MEDEF Code, the Board of Directors must review the status of independent directors every year. As such, during the meeting of December 10, 2021, the Board was asked to examine the situation of the six (6) directors who are not members of ARCH Group with regard to the criteria set out in the Code. For each director concerned, this assessment is based on the independence criteria set out in the AFEP-MEDEF Code and the analysis of the High Committee on Corporate Governance (HCGE) included in the Guide to Applying the AFEP-MEDEF Code, which was revised in March 2020.

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

A review of all the criteria set out in the Code, as mentioned in the table below, showed that Bernardo Sanchez Incera, Éric Hémar, Isabelle Laforgue, Sharon Macbeath and Olivier Zarrouati currently do not meet any of the criteria of dependence. Only Nathalie Lomon, who holds management positions at SEB, must be considered in light of the business relationship between Coface and SEB. It is recalled that in these circumstances, Coface assesses any impact this business relationship could have on the director's independent judgement. To do this, Coface analyses a range of items, including the nature of the business, the size of the contract, the existence of an alternative provider for the director's company, and the importance of the turnover generated for Coface by this business relationship.

SEB is a Coface policyholder. However, the analysis did not identify any dependent relationship between the two companies. The premiums paid by SEB amount to less than 1% of Coface's total premium income. Competition on the credit insurance market provides SEB with an alternative in the event of a termination in its relations with Coface. This affiliation does not therefore affect the independence of Nathalie Lomon.

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

The percentage of independent directors on the Board was 60% as at December 31, 2021.

2.1.8 Specialised committees, offshoots of the Board of Directors

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

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

In accordance with the recommendation of the Corporate Governance High Committee (HCGE) dated August 31, 2021, the internal rules have been amended to incorporate the possibility for Board Committees to request external technical studies on matters falling within their remit, at the Company's expense, after having informed the Chairman of the Board of Directors or the Board. The Committees shall report to the Board on the conclusions thereof.

Audit and Accounts Committee

During financial year 2021, the members of the Audit and Accounts Committee were Éric Hémar (Chairman), Nicolas Papadopoulo until July 28, 2021, replaced by David Gansberg, and Isabelle Laforgue.

Two-thirds of the members of the Audit and Accounts Committee are independent members of the Board of Directors. It thus conforms to the recommendation of the AFEP-MEDEF Code according to which this committee must have a majority of independent members.

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

- Members

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

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

- Chairman

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

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

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

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

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

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

The role of the Audit and Accounts Committee is to ensure that matters concerning the development and verification of accounting and financial information are monitored, in order to facilitate the Board of Directors' duties of control and verification. In this regard, the committee issues opinions and/or recommendations to the Board of Directors.

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

- Monitoring the preparation of financial information

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

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

  It reviews the accounting treatment of all major transactions.

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

  It examines the scope of consolidated companies.

- Monitoring the control of the external audit of financial statements

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

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

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

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

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

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

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

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

- information concerning the benefits received for services directly related to the Statutory Auditors' duties.

- Selection and renewal of the Statutory Auditors

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

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

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

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

- Internal control duties

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

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

It is responsible for monitoring internal audit recommendations when these relate to its areas of expertise. It receives regular summary reports from management.

It receives a copy of the annual compliance plan.

- Annual budget

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

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

- Frequency of meetings and procedures for convening meetings

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

  - Ordinary convening of meetings

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

  - Extraordinary convening of meetings

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

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

- Form and timing for convening meetings

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

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

- Attendance at Audit and Accounts Committee meetings

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

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

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

- Quorum and majority rule

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

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

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

- Secretariat and minutes of meetings

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

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

Activity of the Audit and Accounts Committee

The Audit and Accounts Committee met five times in 2021. The average attendance rate was 86%.

The main work notably addressed:

- approval of the annual financial statements for the 2020 financial year;
- examination of the quarterly and half-yearly financial statements for the 2021 financial year;
- the IFRS 17 project;
- review of off-balance sheet commitments;
- approval of the internal audit policy;
- presentation of the 2022 budget;
- examination and approval of the 2022 audit plan;
- regular updates on the audit activity;
- review with external auditors without the presence of management;
- Amendment of the policy for the approval of non-audit services provided by the Statutory Auditors.

Risk Committee

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

In 2021, the Risk Committee was composed of Nathalie Lomon (Chairman), Janice Englesbe and Isabelle Laforgue.

Composition (Article 1 of the Risk Committee Internal Rules)

- Members

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

The Risk Committee has two independent members from the Board of Directors.

- Chairman

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

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

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

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

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

Duties (Article 3 of the Risk Committee Internal Rules)

The role of the Risk Committee is to ensure that the risk management and monitoring mechanisms are effective and that there are efficient operational internal control measures in place, to review the compliance of reports sent to the regulator, monitor the management of the Group's capital requirements, and monitor the implementation of recommendations from internal audits of areas under its responsibility. The Risk Committee carries out all of these duties in order to facilitate the Board of Directors' duties of control and verification. In this regard, the committee issues opinions and/or recommendations to the Board of Directors.

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

- Efficiency of risk management systems

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

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

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

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

- Review of all regulatory reports relating to the Company

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

- Changes in prudential regulations

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

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

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

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

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

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

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

Operation (Article 2 of the Risk Committee Internal Rules)

- Frequency of meetings and procedures for convening meetings

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

  - Ordinary convening of meetings

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

  - Extraordinary convening of meetings

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

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

  - Form and timing for convening meetings

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

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

- Attendance at Risk Committee meetings

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

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

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

- Quorum and majority rule

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

  No member of the Risk Committee may represent another member.

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

- Secretariat and minutes of meetings

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

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

Activity of the Risk Committee

The Risk Committee met five times in 2021. The average attendance rate was 100%.

It considered:

- the overall risk map and internal control system;
- the CSR risk map and the inclusion of a CSR indicator in the risk appetite indicators;
- the partial internal model;
- risk policies;
- risk appetite indicators;
- regulatory reports: ORSA, RSR and SFCR and the anti-money laundering report;
- compliance actions;
- the report on outsourcing;
- actuarial reports;
- the review of cyber risks;
- financial risks.

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

The Nominations and Compensation Committee is chaired by an independent director, and three-quarters of the committee are independent members of the Board of Directors. It thus conforms to the recommendation of the AFEP-MEDEF Code according to which this committee must have a majority of independent members.

This committee recruited the Chairman of the Board of Directors with the assistance of an external recruitment firm.

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

- Members

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

  The Nominations and Compensation Committee has a majority of independent members of the Board of Directors who are competent to analyse compensation-related policies and practices and the Company's risk policy.

- Chairman

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

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

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

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

- Role of the Nominations and Compensation Committee

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

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

  - Compensation conditions

    The Nominations and Compensation Committee is responsible for formulating proposals for the Company's Board of Directors concerning:

    - the level and terms of compensation of the Chairman of the Board of Directors, including benefits in kind, retirement and personal protection plans, as well as grants of stock options or warrants, as applicable;
    - the level and terms of compensation of the Chief Executive Officer (CEO), and, as the case may be, the Deputy CEO, including benefits in kind, retirement and personal protection plans, as well as grants of stock options or warrants, as applicable;
    - the rules for the distribution of directors' attendance fees to be allocated to the Company's directors and the total amount to be submitted to the approval of the Company's shareholders; and
    - compensation policy.

  - Appointment process

    The Nominations and Compensation Committee:

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

  In its specific role of appointing members of the Board of Directors, the Nominations and Compensation Committee shall consider the following criteria: (i) the desired balance in the membership of the Board of Directors with regard to the composition and evolution of the Company's ownership; (ii) the desired number of independent Board members; (iii) the proportion of men and women required by current regulations; (iv) the opportunity to renew terms; and (v) the integrity, competence, experience and independence of each candidate. The Nominations and Compensation Committee must also establish a procedure for selecting future independent members and undertake its own evaluation of potential candidates before they are approached in any way.

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

- Resources and prerogatives of the Nominations and Compensation Committee

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

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

- Frequency of meetings and procedures for convening meetings

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

  - Ordinary convening of meetings:

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

  - Extraordinary convening of meetings

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

  - Form and timing for convening meetings

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

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

- Attendance at meetings of the Nominations and Compensation Committee

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

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

- Quorum and majority rule

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

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

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

- Secretariat and minutes of meetings

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

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

Activity of the Nominations and Compensation Committee

The committee met twice in 2021. The average attendance rate was 100%.

It examined and/or set:

- the compensation policy for the Chairman of the Board for 2021;
- the short term variable compensation of the Chief Executive Officer for financial year 2020;
- the compensation policy for the Chief Executive Officer for 2021;
- a Long-Term Incentive Plan for 2021;
- delivery of the 2018 LTIP (the plan was not delivered as performance criteria were not met);
- succession plans (including for members of the Executive Committee);
- the 2021 compensation policy;
- the fitness and probity policy;
- the adjustment of working conditions to the pandemic situation and specific actions implemented by the Human Resources Department.

2.1.9 Fitness and probity policy

Fitness

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

The assessment of fitness includes an evaluation of 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 various entrusted tasks.

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

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

Probity

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

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

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

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

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

The Company's fitness and probity policy was reviewed on November 29, 2018 and approved by the Board of Directors on December 18, 2018 to extend to independent directors the obligation to provide the Company with a police record to prove their probity.

2.1.10 Conflict of interest prevention rules applicable to directors

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

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

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

2.1.11 Statement of conflicts of interest

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

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

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

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

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

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

2.1.12 Code of corporate governance

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

Within the context of the rule to "comply or explain" provided for by Article L.225-37-4 of the French Commercial Code, and by Article 27.1 of the AFEP-MEDEF Code, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code. However, as of the date of publication of the Universal Registration Document, certain recommendations are not applied, for the reasons presented in the following table:

• The Board of Directors' rules must specify that any significant operation not covered by the Company's published strategy must receive the prior approval of the Board (Article 1.9).	The wording of the Board of Directors' Internal Rules, although slightly different, results in a comparable outcome. Indeed, it stipulates that the following are subject to prior approval by the Board of Directors: • extension of the Company's activities to significant businesses not performed by the Company; and • any interest, investment, disposal or any establishment of a joint venture carried out by the Company or one of its significant subsidiaries, for a total amount that is greater than €100 million.
• The Compensation Committee must not include any executive corporate officer (Article 17.1).	The Chairman of the Board of Directors is a member of the Compensation Committee. The Chairman of the Board of Directors has no executive role. He/she shall not participate in discussions or in the vote, if the discussions concern his/her own compensation.
• The Board of Directors must periodically set a minimum quantity of shares that must be retained by the Chief Executive Officer in registered form, until the end of his/her duties (Article 23).	The Articles of Association set the number of shares that must be held by any director. The Long-Term Incentive Plans set the number of shares that must be held by the Chief Executive Officer until the end of his/her duties.

2.1.13 Limitations on the powers of general management

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

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

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

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

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

(1) *https://www.medef.com/fr/content/code-afep-medef-revise-de-gouvernement-dentreprise-des-societes-cotees-janvier-2020*

2.2 CHIEF EXECUTIVE OFFICER AND GROUP GENERAL MANAGEMENT SPECIALISED COMMITTEES

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

2.2.1 Experience and offices of the Chief Executive Officer

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

Xavier DURAND

AGE: 57

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

187,500 shares (110,000 in registered form and 77,500 bearer shares)

(see Section 7.2.9 "Transactions carried out by persons with executive responsibilities")

Chief Executive Officer

Since February 9, 2016

CURRICULUM VITAE

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

PRINCIPAL TERMS OF OFFICE AND DUTIES

During financial year 2021

- Chairman of the Board of Directors and Chief Executive Officer of Compagnie française d'assurance pour le commerce extérieur
- Chairman of the Board of Directors of Coface North America Holding Company
- Director and Chairman of the Audit and Internal Control and Risk Committee of: ALD Automotive [(1)]

During the past five years and which are no longer held

- Director of: AXA France Vie, Axa France Iard, Wizink Bank (Madrid, formerly BancoPopular)

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

The Chief Executive Officer of the Company created the Group Management Board. It comprises eight members: the Chief Human Resources Officer; the Group Chief Operating Officer, the Underwriting Director; the Commercial Director; the General Secretary; the Chief Financial and Risk Officer; the Business Technology Director; and the Strategy and Business Development Director (see also Section 1.7. "Group organisation").

The Management Board is the decision-making body of Coface. It generally meets every week to examine and validate the Group's main strategic guidelines and steer management, in particular, concerning strategy and budget, major investments and projects, definition of the organisational structure and human resources, monitoring of operational performance and results, in addition to control and compliance of activities. In 2021, it met on average twice a week to monitor as closely as possible the impact of the health and economic crisis on the Group's activity.

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

(1) Listed company.

Pierre BEVIERRE

Chief Human Resources Officer

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

CURRICULUM VITAE

Pierre Bevierre, 54 years old, holds a postgraduate degree in human resources from Université Paris-Dauphine. He began his career as an expert in recruitment before joining Presstalis, a French media distribution corporation, in 1992 as Head of HR and industrial relations. In 1998, he was appointed Head of Compensation and Employee Benefits at GE Money Bank, then Head of HR at GE Insurance in 2001. In 2004, he was promoted to Director of Human Resources Europe for shared financial services at the GE group. In 2008, he joined MetLife as Director of Human Resources for Western Europe and was appointed Vice-Chairman of Human Resources for Central and Eastern Europe in 2012. He joined Coface on January 2, 2017 as Group Chief Human Resources Officer and has been a member of the Executive Committee since January 1, 2019.

Cyrille CHARBONNEL

Underwriting Director

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

CURRICULUM VITAE

Cyrille Charbonnel, 56 years old, is a graduate in finance from the Institut Supérieur de Commerce de Paris. After initially working at an organisational consulting firm, he joined the Euler Hermes France group as a risk analyst in 1990. He then moved into sales in 2001 and was appointed Sales and Marketing Director in 2004. In 2007, he left for Portugal as Chief Executive Officer of the local subsidiary. He joined Coface in 2011 as Group Organisation Director, then as Chief Operating Officer. In 2013, he was appointed Director of the Western Europe and France region before becoming Group Chief Underwriting Director in 2017.

Declan DALY

Group Chief Operating Officer

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

CURRICULUM VITAE

Declan Daly, 55 years old, began his career in software engineering at ABB in Ireland and Austria, before joining General Electric Company in 2000. From 2002, he was Chief Operating Officer of GE Money Bank in Switzerland, before being appointed Chief Executive Officer of GE Money Bank in Austria in 2006. In 2009, he joined Western Union Financial Services' management team as Vice President of Europe, Head of B2B. In 2014, Declan was appointed Chief Information Officer and member of the Executive Committee of Semperit Holding AG. He joined Coface in 2017 as regional director Central and Eastern Europe. In April 2021, he was appointed Coface Group Chief Operating Officer. Declan holds a degree in electronic engineering from Dublin City University and an MBA from INSEAD.

Nicolas GARCIA

Commercial Director

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

CURRICULUM VITAE

Nicolas Garcia, 48 years old, holds a degree in economics and international finance from the University of Bordeaux, as well as an MBA in international banking & finance from Birmingham Business School. He has held various positions within the Euler Hermes group, including Head of Commercial Underwriting since 2011. He has held the position of Group Commercial Director since July 2, 2014.

Phalla GERVAIS

Group Chief Financial and Risk Officer

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

CURRICULUM VITAE

Phalla Gervais, 53 years old, began her career in the Finance and Banking Department of PWC, before joining GE Capital in 1995, where she held various senior management positions in finance. In 2013, she became Chief Financial Officer of Aviva Italy. She was promoted to Deputy Chief Financial Officer of Aviva France in 2016 before being appointed Chief Financial Officer and Deputy Chief Executive Officer of Aviva France in charge of Finance & Legal cross-business functions in 2017. In 2021, she joined Coface as Chief Financial & Risk Officer. Phalla is a graduate of SKEMA Business School.

Carole LYTTON

General Secretary

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

CURRICULUM VITAE

Carole Lytton, 65 years old, graduated from the Paris Institut d'études politiques and holds postgraduate degrees in public law and international law. She joined the Group in 1983 and was Chief Legal and Compliance Officer from 2008 to 2015. She was appointed General Secretary on July 3, 2015. She serves as the Group's Chief Legal Officer. The Group's Compliance, Communications and Human Resources Departments are under her direct authority.

Keyvan SHAMSA

Business Technology Director

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

CURRICULUM VITAE

Keyvan Shamsa, 59 years old, has a PhD in computer science from Université Pierre et Marie Curie. He began his career in finance at Crédit Lyonnais Corporate and Investment Banking in 1991 as part of the information systems team before being appointed in 2000 as Head of IT at Crédit Lyonnais Asset Management (now Amundi). In 2005, he joined Societe Generale Corporate and Investment Banking in New York as Head of Corporate Information Systems for the Americas. In 2008, he joined BNP Paribas Asset Management in Paris as Head of Information Systems, where he also held various other management positions over a ten year period. He joined the Group on November 5, 2018 as Business Technology Director.

Thibault SURER

Strategy and Business Development Director

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

CURRICULUM VITAE

Thibault Surer, 59 years old, is a graduate of École des Hautes Études Commerciales de Paris, the London Business School and the Stockholm School of Economics. He began his career in Eurosuez-Euroventures funds (1987-1994) and then spent 15 years with McKinsey & Company as Partner and Director of the Financial Institutions and Transport and Logistics Competence Centres. After serving as Partner in the Astorg Partners private equity fund (2010 to 2015), he became Strategy and Business Development Director of Coface Group on June 13, 2016.

2.2.3 Other committees chaired by the Chief Executive Officer

Xavier Durand also chairs the Executive Committee.

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

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

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

It meets each month to review the progress of the Group's cross-disciplinary projects and the implementation of the strategic plan. In 2021, it met twice a month to monitor and manage activities in the economic and health crisis.

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

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

2.3 COMPENSATION AND BENEFITS PAID TO MANAGERS AND CORPORATE OFFICERS

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

The tables included in the sections below present a summary of compensation and benefits of any kind that are paid to corporate officers of the Company, and to members of the Company's Board of Directors by (i) the Company, (ii) companies controlled, pursuant to Article L.233-16 of the French Commercial Code, by the company in which the mandate is performed, (iii) companies controlled, pursuant to Article L.233-16 of the French Commercial Code, by the Company or companies that control the company in which the mandate is performed and (iv) the Company or companies that, pursuant to the same article, control the company in which the mandate is exercised. Since the Company belongs to a group at the date of this Universal Registration Document, the information concerns the amounts owed by all companies in the chain of control.

The Company is a limited corporation *(société anonyme)* with a Board of Directors. The duties of Board Chairman, performed by François Riahi from until August 3, 2020, then by Nicolas Namias from September 9, 2020 to February 10, 2021, and by Bernard Sanchez-Incera since February 10, 2021, are separate from those of the Chief Executive Officer, performed by Xavier Durand.

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

2.3.1 Employee compensation policy

Regulatory framework

The Company's compensation policy falls under the provisions of the Solvency II Directive and Delegated Regulation 2015/35 (Article 258 Section 1, Point 1 and Article 275).

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

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

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

General principles

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

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

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

- **fixed compensation:** this is the principal component of individual compensation and depends on the abilities and expertise expected for a given position. It is set at the time of hiring and reviewed annually in light of market practices, individual contribution and internal equity in strict compliance with the constraints of the budgets allocated for the financial year;
- **annual individual variable compensation ("bonus"):** the Group's variable compensation policy takes individual and collective performance over a given year into account and is assessed on the basis of financial and non-financial criteria. The eligibility rules and variable compensation level are set by function, responsibility level and market under consideration.

  For the Group's Senior Managers (Top 200), the target variable compensation is set as a percentage of the base salary and may not exceed 100% of this. It comprises objectives set annually by the Management Board and the managers of each function, with the support of the Group's HR Department. This procedure ensures that individual objectives are consistent with the Company's strategic objectives:

  - 15% of the objectives set are purely quantitative and relate to the financial performance of the business entity,
  - 45% relate to the performance of the function in question and are mainly quantitative,
  - 40% are set individually at the annual performance review meeting. They may be quantitative and/or qualitative objectives, provided that they comply with SMART rules (specific, measurable, attainable, relevant and time-bound);

N.B. In 2020, in order to guarantee fairness in the assessment of senior management bonuses, the collective part of variable compensation was adjusted to 30% for the support functions, which are less impacted by the financial results than business functions.

- **long term individual variable compensation (Long-Term Incentive Plan):** each year since 2016, the Group has awarded free shares to persons identified in the Solvency II Directive (members of the Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom part of their variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. This plan also ensures that the interests of the beneficiaries are aligned with those of the shareholders over the long term;
- **collective variable compensation (employee savings):** in France, the Group negotiated a three-year profit-sharing agreement in 2021. This agreement benefits all employees on a fixed or open-ended employment contract, who have more than three months' seniority within the companies forming part of the Compagnie française d'assurance pour le commerce extérieur – Fimipar economic and corporate unit (a wholly-owned subsidiary of the Group). Participation is handled according to the legal formula. Similar collective schemes exist in other Group entities depending on their legal obligations with a view to giving employees a stake in the Company's performance;
- **corporate benefits:** employee benefits are determined by each Group entity in order to be as close as possible to local concerns. The Group ensures consistency of practice and guarantees a level of social protection that is competitive in the market and respectful of its employees worldwide. Thus, in order to meet the need for fairness and competitiveness in the remuneration of Executive Committee members, the Board of Directors decided at its meeting of February 15, 2022 to set up a supplementary pension plan for Executive Committee members who do not have a specific scheme. The main features of this plan are as follows:

  - defined contribution pension scheme, in the form of an insurance policy governed by Article 82 of the French General Tax Code, the only scheme applicable internationally,
  - contribution of up to 20% of the beneficiary's base salary (half invested in the plan and the other half to cover expenses and taxes generated in the year of contribution),
  - exit in capital or in annuity at the time of the liquidation of the retirement rights.

In 2020, the Group has also implemented a car policy aimed at harmonizing practices and reducing the carbon impact of its car fleet and is gradually replacing the most polluting vehicles in the fleet with gasoline, hybrid or 100% electric vehicles.

The compensation of employees is wholly or partly comprised of these components, depending on the position held, the level of responsibility and the reference market.

Special provisions applicable to regulated categories of employees

Scope of regulated categories of employees

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

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

For 2021, 29 functions fell within the regulated categories of employees. The Nominations and Compensation Committee identifies these functions, then presents them to the Board of Directors for approval. This list is reviewed each year in order to guarantee a perfect match between the evolution of the Company's risk profile and that of its employees.

Specific provisions regarding compensation

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

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

- the variable compensation package therefore includes the annual variable compensation ("bonus") and the long term variable compensation (Long-Term Incentive Plan) in the form of free performance shares;
- free shares make up the deferred portion of variable compensation and represent at least 30% of overall variable compensation. They are contingent upon presence and performance conditions and have a vesting period of three years;
- all risk hedging transactions are prohibited.

Furthermore, to avoid any conflict of interest, for the control functions referred to in Articles 269 to 272 (audit, risk, compliance), the collective part of annual variable compensation based on financial objectives is assessed using the Group scope, irrespective of the employee's level of involvement, to prevent them from being directly assessed on the performance of the units placed under their control.

2.3.2 Compensation policy for corporate officers

In accordance with Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under the PACTE law, the Board of Directors, at the request of the Nominations and Compensation Committee, draws up a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests, falls within its commercial strategy and contributes to its long-term viability.

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

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

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

Compensation of the Chief Executive Officer

Principles applicable to the compensation of the Chief Executive Officer

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

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

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

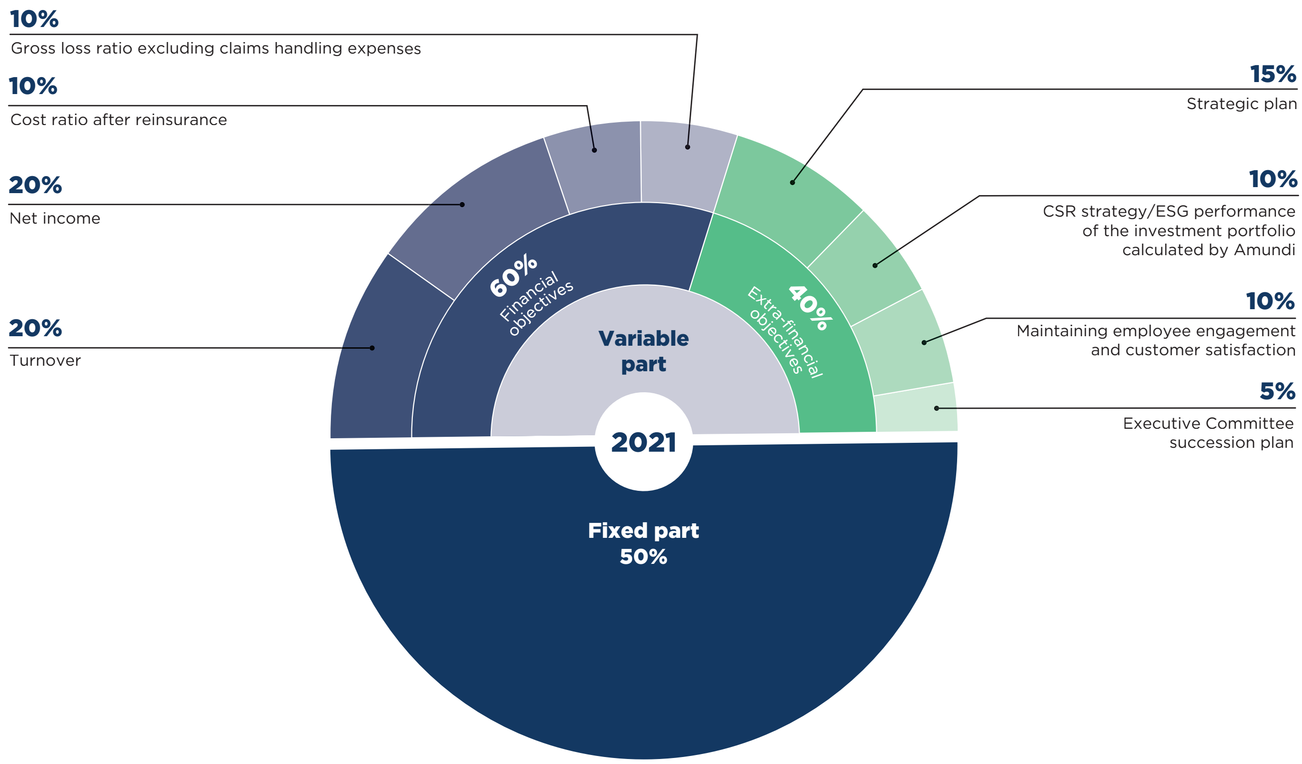
- strict compliance with the laws and regulations applicable to insurance companies;
- the prevention of conflicts of interest and the management of risk-taking within the limits of the Company's risk tolerance;
- consistency with the Company's strategy, interests and long-term results;
- consideration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

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

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

Components of the compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer comprises:



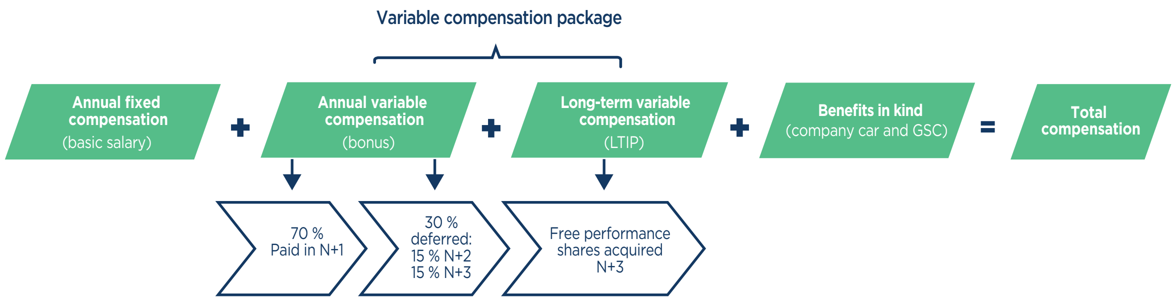
- **fixed compensation:** the fixed annual compensation was adjusted to €750,000 gross when the Chief Executive Officer's term of office was renewed in 2020 in order to take into account his responsibilities, performance and market practices (see detailed explanation in the fairness ratio section below);
- **annual variable compensation:** the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- **long-term variable compensation:** fixed in the form of free performance shares. The delivery of the shares is contingent upon presence and performance conditions and they have a vesting period of three years. The shares awarded to the Chief Executive Officer may not represent more than 20% of the total number of shares awarded for the financial year and is limited to 125% of his base salary. The Chief Executive Officer's free share award is subject to the same conditions as all beneficiaries; however, he must retain 30% of the shares awarded until expiry of his term of office. These Long-Term Incentive Plan (LTIP) schemes are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;
- **benefits in kind:** the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.

He is entitled to the Group healthcare and protection schemes in place for all employees and has, until now, no supplementary retirement scheme. A medical check-up was proposed to the Chief Executive Officer and members of the Executive Committee in 2021.

Note:

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

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



Directors' compensation

Principles of directors' compensation

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

The compensation policy for corporate officers has been adapted to the usual practices of listed companies and guarantees the independence of directors.

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

Components of directors' compensation

The total annual package allocated to the compensation of directors in 2021 amounted to €450,000 (excluding the compensation of the Chairman), divided between the Board of Directors, the Accounts and Audit Committee, the Risk Committee and the Nominations and Compensation Committee. The rules on distribution of directors' fees are as follows:

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

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

On the basis of six Board meetings per year; six Audit and Accounts Committee meetings; six Risk Committee meetings; five Nominations and Compensation Committee meetings	FINANCIAL YEAR 2021 – MAXIMUM GROSS COMPENSATION AMOUNTS		
	AMOUNT OF COMPENSATION	FIXED PORTION *(in %)*	VARIABLE PORTION *(in %)*
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + Member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + Member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations and Compensation Committee	€49,000	33	67
Member of the Board of Directors + Member of the Nominations and Compensation Committee	€39,000	28	72

2.3.3 Summary of the compensation of each executive director for financial years 2020 and 2021

In order to comply with the regulations, the tables below present a summary of compensation and stock options and shares awarded during the fiscal years ended December 31, 2020 and December 31, 2021 to Bernardo Sanchez Incera, Chairman of the Board of Directors since February 10, 2021, and Xavier Durand, Chief Executive Officer.

François Riahi, Chairman of the Board of Directors until August 3, 2020 and Nicolas Namias, Chairman of the Board of Directors from September 9, 2020 to February 10, 2021 received no compensation or benefits from Coface in respect of their terms of office as director or Chairman of the Board of Directors of COFACE SA. The compensation paid by Natixis to François Riahi and Nicolas Namias for their duties as Chief Executive Officer of Natixis is described in the Natixis Universal Registration Document and on the website: www.natixis.com.

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

	FINANCIAL YEAR 2021 (1)	FINANCIAL YEAR 2020 (1)
Bernardo Sanchez Incera, Chairman of the Board of COFACE SA Since February 10, 2021		
Compensation due for the financial year	180,000	N/A
Value of multi-year variable compensation awarded during the financial year		-
Value of stock options granted during the financial year		-
Value of performance shares granted during the financial year	N/A	N/A
TOTAL	**180,000**	**N/A**
Xavier Durand, Chief Executive Officer		
Compensation due for the financial year (2) (presented in detail in Section 2.3.4 below)	2,012,105	1,204,916
Value of multi-year variable compensation allocated during the financial year	-	-
Value of stock options granted during the financial year	-	-
Value of performance shares awarded during the financial year (presented in detail in Section 2.3.8 below) (3)	533,850	717,900
TOTAL	**2,545,955**	**1,922,816**

(1) In euros.
(2) Before social security contributions and income tax.
(3) IFRS fair value (corresponding to a value on the award date of €862,463 for the 2020 LTIP and €641,363 for the 2021 LTIP).

2.3.4 Compensation of executive directors for financial years 2020 and 2021

In order to comply with the regulations, the tables present the breakdown of fixed and variable compensation and other benefits granted during the fiscal years ended December 31, 2020 and 2021 to Bernardo Sanchez Incera, Chairman of the Board of Directors since February 10, 2021.

François Riahi, Chairman of the Board of Directors until August 3, 2020 and Nicolas Namias, Chairman of the Board of Directors from September 9, 2020 to February 10, 2021, received no form of compensation or benefits. The compensation paid by Natixis to François Riahi and Nicolas Namias for their duties as Chief Executive Officer of Natixis is described in the Natixis Universal Registration Document and on the website: *www.natixis.com*

/ SUMMARY OF THE COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER (TABLE 2 – AMF/AFEP-MEDEF)

Compensation due or awarded for the financial year ended December 31, 2021, to Bernardo Sanchez Incera, Chairman of the COFACE SA Board of Directors since February 10, 2021

	2021 (1)	
	AMOUNTS DUE	AMOUNTS PAID
Bernardo Sanchez Incera, Chairman of the Board of COFACE SA		
Fixed compensation for corporate office (2)	180,000	180,000
Annual variable compensation	-	-
Extraordinary compensation	-	-
Compensation for attending COFACE SA Board meetings	-	-
Benefits in kind	-	-
TOTAL	**180,000**	**180,000**

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

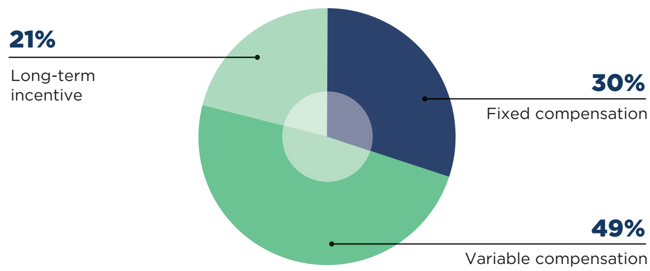
Compensation due or awarded for the financial year ended December 31, 2021, to Xavier Durand, Chief Executive Officer of COFACE SA

	2021 (1)		2020 (1)	
	AMOUNTS DUE (2)	AMOUNTS PAID (3)	AMOUNTS DUE (2)	AMOUNTS PAID (3)
Xavier Durand, Chief Executive Officer				
Fixed compensation	750,000	750,000	691,667	691,667
Annual variable compensation	1,246,110 (5)	349,113 (4)	498,733 (5)	609,507 (4)
Deferred variable compensation (6)	-	266,738		267,239
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind (7)	15,995	15,995	14,516	14,516
TOTAL (8)	**2,012,105**	**1,381,846**	**1,204,916**	**1,582,929**

(1) Amount in euros, on a gross basis before social contributions and income tax.
(2) The amounts due correspond to the sums allocated for the financial year excluding long-term variable compensation and deferred variable compensation.
(3) The amounts paid correspond to the sums effectively paid during the financial year and include amounts that were due for the previous financial year.
(4) Variable compensation paid in performance year N (portion due for N-1).
(5) Variable compensation for performance year N.
(6) Deferred variable compensation paid in year N for performance years N-2 and N-3.
(7) Xavier Durand is entitled to the payment by the Company of 62.5% of the contributions payable to the social security regime for company managers and corporate officers, and a company car.
(8) For the history of bonus share awards, see Section 2.3.12.

Breakdown of the compensation paid to Xavier Durand, Chief Executive Officer of COFACE SA for the financial year ended December 31, 2021 (see also Section 8.1.3 on the principles and components of the Chief Executive Officer's compensation)

70 % OF TOTAL GROSS ANNUAL COMPENSATION IS LINKED TO GROUP PERFORMANCE



COMPONENTS OF COMPENSATION	AMOUNT	COMMENTS
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of the term of office of Xavier Durand and effective from the Shareholders' Meeting closing financial year 2019, held in May 2020.
Annual variable compensation ("bonus")	€1,246,110	Target variable compensation is set at **100% of fixed compensation.** The maximum achievement rate for variable compensation is 200%, broken down as follows: • 150% for financial objectives (*i.e.*, a maximum achievement rate of 250%); • 50% for strategic and managerial objectives (*i.e.*, a maximum achievement rate of 125%). The achievement rate for financial objectives is defined in the scope of variation limits, as follows: • the lower end of the variation limit corresponds to the trigger level, *i.e.* 0% achieved; • the objective corresponds to 100% achievement; • between the lower end of the variation limit and the objective, the achievement rate is calculated on a straight-line basis between 0% and 100% of achievement; • between the objective and the upper end of the variation limit, the achievement rate is calculated on a straight-line basis between 100% and 250% of achievement. Thus, if the achievement rate for one of the financial objectives is at or below the lower end of the variation limit for this objective, no compensation will be paid for it. The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. A penalty system is introduced in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date. The achievement rate of the 2021 objectives, proposed by the Nominations and Compensation Committee meeting of January 14, 2022, approved by the Board of Directors at the meeting of February 15, 2022, and submitted for approval of the Shareholders' Meeting that approves the 2021 financial statements is 166.148%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMIT	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION
Turnover	-/+10%	20%	145.74%	€218,610
Net income	-/+20%	20%	250.00%	€375,000
Cost ratio after reinsurance	+/-3 pt	10%	145.00%	€108,750
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	250.00%	€187,500
TOTAL (A)			**118.648%**	**€889,860**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMIT	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION
Strategic plan	0/125%	15%	125.00%	€140,625
CSR strategy/ESG performance of the investment portfolio calculated by Amundi	0/125%	10%	125.00%	€93,750
Maintaining employee engagement and client satisfaction	0/125%	10%	100.00%	€75,000
Executive Committee succession plan	0/125%	5%	125.00%	€46,875
TOTAL (B)			**47.50%**	**€356,250**
TOTAL (A + B)			**166.148%**	**€1,246,110**

The amount due for financial year 2021 is therefore €1,246,110 and will be paid as follows:

- **70% of the total amount paid in 2022, *i.e.* €872,278;**
- 15% of the total amount deferred to 2023, *i.e.* €186,916;
- 15% of the total amount deferred to 2024, *i.e.* €186,916.

Payment of the 2021 bonus is conditional on the approval of the Ordinary Shareholders' Meeting that follows the closing of financial year 2021.
A malus scheme has also been introduced: therefore, in case of losses observed prior to the payment dates of the deferred amounts or dismissal for gross negligence or serious misconduct before the payment date, no payment will be made for these deferred amounts.

COMPONENTS OF COMPENSATION	AMOUNT	COMMENTS
Multi-year variable compensation	€0.00	N/A
Extraordinary compensation	€0.00	N/A
Long-term variable compensation (Allocation of stock options/performance shares and any other component of long-term compensation)	(see Section 2.3.8)	75,000 free shares are awarded under the 2021 Long-Term Incentive Plan (2021 LTIP), representing an IFRS fair value of €533,850 (€641,363 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting). Free shares will be definitively vested on February 12, 2024, subject to presence and performance conditions measured over the term of the plan until December 31, 2023, as follows: • 40% of the shares awarded will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2021 to December 31, 2023; • 40% of the shares awarded will be vested subject to achievement of net earnings per share at December 31, 2023; • 20% of the shares awarded will be vested subject to the achievement of the CSR criterion linked to increasing the proportion of women in senior management (Top 200) at December 31, 2023. The trigger level is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The achievement rate may vary between 80% and 120%, and the achievement rates can offset each other. However, this offsetting cannot be applied if the rate of achievement for one of the criteria is less than 80% of the target and cannot result in the acquisition of more than 100% of the shares in total. The share vesting period is set at three years starting from February 10, 2021. The plan does not include a minimum holding period. The Board decided that 30% of the CEO's shares vested under the 2021 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface.
No hedging	€0.00	To the Company's knowledge, no hedging instrument has been set up.
Supplementary retirement scheme	€0.00	Xavier Durand is not entitled to any supplementary retirement scheme.
Directors' fees	€0.00	Xavier Durand did not receive any directors' fees in connection with his duties within the Company.
Benefits in kind	€15,995	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to social security regime for company managers and corporate officers.
TOTAL AMOUNTS DUE*	**€2,012,105**	

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

Fairness ratio between the level of compensation of the Chief Executive Officer and the average and median compensation of the Company's employees

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under law No. 2019-486 of May 22, 2019 (known as the PACTE law), the Company provides here the ratio of the level of compensation of the Chief Executive Officer to the average and median full-time equivalent compensation of the Company's employees.

This analysis was conducted taking into account the "Guidelines on compensation multiples" issued by the AFEP (the French Association of Private Enterprises) on September 27, 2019 and updated in February 2021. The scope used for the analysis is the France scope (all employees established in France and continuously present during the reference year), which is the Chief Executive Officer's market and is the most relevant for this comparison. It takes into account the gross components of compensation paid or awarded for financial year N (fixed pay, variable compensation paid during financial year N for year N-1, deferred variable portion paid during financial year N for previous financial years, free shares awarded for financial year N valued at IFRS fair value, and benefits in kind).

It concerns only the Chief Executive Officer, the Chairman of the Board of Directors being only entitled to an annual payment set at 180,000 euros annually for its mandate.

FINANCIAL YEAR	2017	2018	2019	2020	2021	SBF 120 BENCHMARK*
Ratio to average employee compensation	17.8	23.7	24.1	29.1	24.1	41
Ratio to median employee compensation	21.2	29.2	29.0	35.2	29.4	55

* *Average of ratios, source Willis Towers Watson*

/ EXPLANATIONS FOR THE CHANGE IN THE RATIO OVER THE REFERENCE PERIOD

- **Financial year 2017:** Xavier Durand's compensation includes the cash portion of the guaranteed bonus at 80% for 2016 (70% of the bonus amount for 2016, 30% of the annual variable compensation being deferred and paid in years N+2 and N+3). Financial year 2017 does not therefore reflect a full year of compensation in terms of the rate of achievement and payment.
- **Financial year 2018:** first full year of Xavier Durand's compensation, including a performance bonus for 2017 (152.01% achievement of the objectives set over the period) and the first deferred variable compensation amount paid in respect of the 2016 bonus.
- **Financial year 2019:** Xavier Durand's compensation includes a performance bonus for 2018 (157.83% achievement of the objectives set over the period), comparable to 2017, and the second deferred variable compensation amount paid in respect of the 2016 bonus and the first for the 2017 bonus; the ratios are relatively stable between 2018 and 2019.

Financial year 2020: Xavier Durand's compensation includes a performance bonus for 2019 (151.43% achievement of the objectives set over the period), comparable to 2017 and 2018, the second deferred variable compensation amount paid in respect of the 2017 bonus and the first for the 2018 bonus. In addition, Xavier Durand's fixed compensation was revised from €575,000 to €750,000 on his reappointment in 2020, in order to take into account:

- individual performance: Xavier Durand outperformed his objectives for the previous three financial years;
- market practice: Xavier Durand's fixed compensation was voluntarily set below the market median at the time he took office in 2016 (17% below the market median [1] in base salary and -21% overall in 2019) and was not reviewed in his first four years in office, in accordance with the Company's policy and the recommendations of the AFEP-MEDEF code. This review allowed the Xavier Durand's compensation to be positioned at a competitive level, slightly above the market median.

The fairness ratio therefore changed over the period but remains well below the benchmarks made up of SBF 120 companies.

Financial year 2021: the compensation paid or awarded to Xavier Durand in 2021 mainly includes:

- gross annual compensation set at €750,000 on the renewal of his term of office in 2020, maintained for 2021;
- the cash portion of the bonus due in respect of 2020, with 72.11% of targets for the period met, down significantly compared to previous years;
- the second instalment of deferred variable compensation paid in respect of the 2018 bonus and the first in respect of the 2019 bonus, the amounts of which were stable compared to the previous financial year;
- the amount awarded under the 2021 LTIP, or 75,000 shares valued at €533,850 (IFRS value). This amount was less than in the 2020 LTIP, which was valued at €717,900 (IFRS value) for the same number of shares.

N.B. in an economic environment marked by a sharp slowdown in our clients' activity, operating performances were very satisfactory in 2020. However, in order to take account of the economic situation, it was agreed:

- to maintain the objectives set for Xavier Durand's annual variable compensation as set before the health crisis; the 2020 bonus is down sharply compared to 2019 (from €870,723 for 2019 to €498,733 for 2020, representing a reduction of 43%);
- not to modify the performance assessment criteria of the 2018 Long-Term Incentive Plan measured at December 31, 2020, the delivery of which was scheduled for February 2021; as a result, none of the 65,000 shares awarded under the 2018 LTIP were delivered to Xavier Durand (value of €594,198 on the award date);
- to set the maximum amount of the free shares awarded to Xavier Durand under the 2021 Long-Term Incentive Plans at 20% of the budget allocated for the fiscal year and 125% of his fixed compensation;
- Finally, in accordance with the recommendations of the AFEP-MEDEF Code, it was agreed that, except in exceptional circumstances, the compensation structure of the Chief Executive Officer, including fixed compensation, will only be reviewed at lengthy intervals; the review must be justified in light of changes in responsibilities, performance and market competitiveness.

(1) Benchmark performed by Willis Towers Watson on a panel of 30 SBF 80 companies comparable with Coface in terms of headcount, turnover and/or geographic scope.

ANNUAL CHANGES IN COMPENSATION, THE COMPANY'S PERFORMANCE, AVERAGE FULL-TIME EQUIVALENT COMPENSATION FOR THE COMPANY'S EMPLOYEES AND THE AFOREMENTIONED RATIOS DURING THE FIVE MOST RECENT FINANCIAL YEARS

	2017	2018	2019	2020	2021
Change in the compensation of the Chief Executive Officer	57%	41%	9%	22%	(17%)
Change in the average compensation of employees	8%	6%	7%	1%	0%
Ratio to average employee compensation	17.8	23.7	24.1	29.1	24.2
Change in ratio *vs.* average employee compensation compared to the previous year	45%	33%	2%	21%	(17%)
Ratio to median employee compensation	21.2	29.2	29.0	35.2	29.4
Change in ratio *vs.* median compensation of employees compared to the previous financial year	54%	37%	(1%)	21%	(16%)
Change in net income	100%	47%	20%	(44%)	170%
Change in turnover	(4%)	2%	7%	(2%)	8%

N.B. the decrease in the compensation and ratios analysed in 2021 is mainly linked to the reduction in the bonus due for 2020 (70% of which was in 2021), as the Company's results were heavily impacted by the economic environment. This situation will be remedied in 2022 given the Company's excellent results in 2021.

Similarly, with regard to long-term variable compensation in the form of free shares, as the performance condition was not met, all the shares awarded under the 2018 LTIP, which were to be delivered in February 2021, were cancelled, representing 65,000 shares for a value of €594,198 at the award date (IFRS fair value of €463,320). The 2019 LTIP will be delivered in full as the performance condition was met, representing 70,000 shares for a value of €564,445 at the award date (IFRS fair value of €463,260, capital gain on acquisition of €898,800).

These changes demonstrate the close link between the Company's results and the amount of annual variable compensation (bonus) and therefore the effectiveness of the CEO compensation system, as well as the high standards of the performance criteria set for long-term variable compensation.

The structure and principles of the Chief Executive Officer's compensation will therefore be maintained in 2022 (see Chapter 8 of this document, presenting the 2022 compensation policy for corporate officers).

2.3.5 Compensation of members of the Board of Directors for financial years 2020 and 2021

The table below shows the compensation received by members of the Company's Board of Directors for the financial year ended December 31, 2020 as well as compensation payable to them for the financial year ended December 31, 2021. For the sake of transparency, the Directors representing Natixis who resigned on February 10, 2021 are also included in the table below.

2

/ TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS (TABLE 3 – AMF/AFEP-MEDEF) (1)

	DIRECTORS' COMPENSATION *(in €)*		OTHER COMPENSATION AND BENEFITS *(in €)*		TOTAL *(in €)*	
	2021 (2)	2020 (3)	2021 (2)	2020 (3)	2021 (2)	2020 (3)
Jean Arondel (4)	4,000	26,000	-	-	4,000	26,000
Nathalie Bricker (4)	- (6)	- (6)	-	-	- (6)	- (6)
Janice Englesbe	37,375	-	-	-	37,375	-
David Gansberg (5)	27,417	-	-	-	27,417	-
Éric Hémar	55,000	58,000	-	-	55,000	58,000
Chris Hovey	25,000	-	-	-	25,000	-
Daniel Karyotis (4)	4,000	26,000	-	-	4,000	26,000
Isabelle Laforgue	53,375	41,000	-	-	53,375	41,000
Benoit Lapointe de Vaudreuil (5)	19,667	-	-	-	19,667	-
Nathalie Lomon	58,000	58,000	-	-	58,000	58,000
Sharon MacBeath	33,000	35,000	-	-	33,000	35,000
Nicolas Papadopoulo	36,000	-	-	-	36,000	-
Marie Pic-Pâris (4)	6,625	41,000	-	-	6,625	41,000
Isabelle Rodney (4)	6,625	41,000	-	-	6,625	41,000
Anne Sallé-Mongauze (4)	-	-	-	-	-	-
Olivier Zarrouati	40,000	43,000	-	-	40,000	43,000
TOTAL	**406,084**	**367,000**	**-**	**-**	**406,084**	**367,000**

(1) The dates of appointment and ends of terms of office for the Board of Directors are available in Section 2.1.1 "Details of the members of the Board of Directors for financial year 2021".
(2) Amount awarded in respect of 2021 in euros, on a gross basis (before social security contributions and income tax).
(3) Amount awarded in respect of 2020 in euros, on a gross basis (before social security contributions and income tax).
(4) Directors representing Natixis who resigned following the announcement of February 10, 2021 concerning the sale by Natixis of 29.5% of the share capital to Arch Capital Group (see paragraph 2.1.1 "Details of the members of the Board of Directors for financial year 2021").
(5) Resignation of Benoit Lapointe de Vaudreuil on July 27, 2021 and co-opting of David Gansberg.
(6) Nathalie Bricker, Chief Financial Officer of Natixis, waives her compensation for her participation on the Board of Directors of COFACE SA pursuant to the Natixis policy. The same applies to Anne Sallé-Mongauze, CEO of a wholly owned subsidiary of Natixis.

2.3.6 Stock options or warrants awarded in financial year 2021 to each executive corporate officer by the Company or by any company in the Group

/ TABLE 4 – AMF/AFEP-MEDEF

None – no stock options or warrants were awarded to executive directors during the financial year ended December 31, 2021.

2.3.7 Stock options or warrants exercised in financial year 2021 by each executive corporate officer

/ TABLE 5 – AMF/AFEP-MEDEF

None – no stock options or warrants were exercised by an executive corporate officer during the financial year ended December 31, 2021.

2.3.8 Free shares awarded during financial year 2021 to each corporate officer

The conditions for bonus share allocation are described in Section 2.3.4. The table below provides a description of the free performance shares awarded to Xavier Durand under the 2021 Long-Term Incentive Plan.

/ SHARES AWARDED TO EACH CORPORATE OFFICER (TABLE 6 – AMF/AFEP-MEDEF)

	PLAN DATE	NUMBER OF SHARES AWARDED DURING THE FINANCIAL YEAR	VALUATION OF SHARES IN EUROS ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS (1)	VESTING DATE	AVAILABILITY DATE (2)	PERFORMANCE CONDITIONS
Xavier Durand **Chief Executive Officer**	2021 Long-Term Incentive Plan Feb. 10, 2021	75,000	€533,850	Feb. 12, 2024	Feb. 12, 2024	See table in Section 2.3.4
TOTAL		**75,000**	**€533,850**			

(1) The value on the award date was €641,363 based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting.
(2) Xavier Durand must retain 30% of the shares acquired under the 2021 LTIP until the end of his term of office or of any other role that he might hold within Coface.

2.3.9 Shares which have vested in financial year 2021 for each corporate officer

/ TABLE 7 – AMF/AFEP-MEDEF

	PLAN NO. AND DATE	NUMBER OF SHARES VESTED DURING THE FINANCIAL YEAR
Xavier Durand **Chief Executive Officer**	2018 Long-Term Incentive Plan Feb. 12, 2018	0

Given the economic environment, the performance condition set in the 2018 LTIP was not met. As such, none of the shares awarded under this plan, representing 65,000 shares valued at €594,198 on the award date, were delivered to Xavier Durand (IFRS fair value of €463,320).

2.3.10 History of stock option or warrant awards – information on subscription or purchase options

/ TABLE 8 – AMF/AFEP-MEDEF

None, no stock options or warrants were awarded during the financial years ended December 31, 2021, 2020, 2019, 2018 and 2017.

No plan to award stock options or warrants is pending at the date of this Universal Registration Document.

2.3.11 Stock options or warrants granted to the top ten employees who are not corporate officers

No stock options or warrants were awarded during the financial years ended December 31, 2021, 2020, 2019, 2018 and 2017 to the top ten employees who are not corporate officers.

No plan to award stock options or warrants is pending at the date of this Universal Registration Document.

2.3.12 History of bonus share awards

298,132 performance shares were awarded under the **2018 LTIP**, out of the 382,869 available shares representing the total package allocated to this plan by the Board of Directors. 65,000 performance shares were awarded to the Chief Executive Officer for a value of €594,198 on the award date (IFRS fair value of €463,320). The remainder of the 233,132 performance shares were awarded to members of the Executive Committee, to regulated categories of employees and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (29,000 phantom shares). As the performance condition was not met, no shares were delivered under this plan.

372,268 performance shares were awarded under the **2019 LTIP**, out of the 434,055 available shares representing the total package allocated to this plan by the Board of Directors. 70,000 performance shares were awarded to the Chief Executive Officer for a value of €564,445 on the award date (IFRS fair value of €463,260). The remainder of the 302,268 performance shares were awarded to members of the Executive Committee, to regulated categories of employees and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (28,520 phantom shares). As the performance condition was fully met, all of the shares awarded under this plan were delivered in February 2022, subject to the beneficiaries' continued presence in the Company at the vesting date, representing 357,388 free shares and 27,280 phantom shares.

312,200 performance shares were awarded under the **2020 LTIP**, out of the 347,841 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €862,463 on the award date (IFRS fair value of €717,900). The remainder of the 237,200 performance shares were awarded to members of the Executive Committee, to the "regulated" population and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (28,109 phantom shares).

408,403 performance shares were awarded under the **2021 LTIP**, out of the 467,754 available shares representing the total package allocated to this plan by the Board of Directors. 75,000 performance shares were awarded to the Chief Executive Officer for a value of €641,363 on the award date (IFRS fair value of €533,850). The remainder of the 333,403 performance shares were awarded to members of the Executive Committee, to regulated categories of employees and to a number of other employees, with a view to their retention. In addition, in certain countries where the award of free shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (46,700 phantom shares) – see Section 7.2.3 "Own shares and the acquisition of treasury shares by the Company".

/ HISTORY OF FREE SHARES AWARDS (TABLE 9 – AMF/AFEP-MEDEF)

	LONG-TERM INCENTIVE PLAN*			
	2021	**2020**	**2019**	**2018**
Meeting date	May 16, 2018	May 16, 2018	May 16, 2018	May 19, 2016
Date of the Board of Directors' meeting	Feb. 10, 2021	Feb. 5, 2020	Feb. 11, 2019	Feb. 12, 2018
Total number of free shares awarded	408,403	312,200	372,268	298,132
of which allocated to Xavier Durand	75,000	75,000	70,000	65,000
Share vesting date	Feb. 12, 2024	Feb. 6, 2023	Feb. 14, 2022	Feb. 15, 2021
End-date of the retention period	N/A	N/A	N/A	N/A
Number of shares subscribed	-	-	-	-
Cumulative number of cancelled or lapsed shares	-	-	-	298,132
Remaining free shares awarded at financial year-end	408,403	312,200	372,268	0

* *The performance conditions are described in Section 2.3.4.*

/ TABLE SUMMARISING THE MULTI-YEAR VARIABLE COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER (TABLE 10 – AMF/AFEP-MEDEF)

None.

2.3.13 Employment contracts, retirement indemnities and indemnities in the event of termination of the duties of the executive directors

/ EMPLOYMENT CONTRACTS, RETIREMENT INDEMNITIES AND INDEMNITIES IN THE EVENT OF TERMINATION OF THE DUTIES OF THE EXECUTIVE DIRECTORS (TABLE 11 – AMF/AFEP-MEDEF)

	EMPLOYMENT CONTRACT		SUPPLEMENTARY RETIREMENT SCHEME		COMPENSATION OR BENEFITS DUE OR WHICH COULD BE DUE AS A RESULT OF A TERMINATION OR CHANGE OF DUTIES		INDEMNITIES RELATED TO A NON-COMPETITOR CLAUSE	
EXECUTIVE CORPORATE OFFICERS	YES	NO	YES	NO	YES	NO	YES	NO
Bernardo Sanchez Incera Chairman of the Board of Directors From February 10, 2021 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024		X		X		X		X
Xavier Durand Chief Executive Officer From February 5, 2020 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2023		X		X (1)	√		√	

(1) The Chief Executive Officer benefits from all health, retirement and personal protection plans under the prevailing conditions of the Company.

Severance compensation granted to Xavier Durand

Should his corporate term be terminated, Xavier Durand would be entitled to severance pay of an amount equal to two years' salary (fixed and variable). The reference used for the fixed portion will be the salary for the current financial year at the date his duties cease. The reference amount for the variable portion will be the average of the variable compensation received for the three financial years preceding the date his duties cease.

This severance pay shall be due if the following performance criteria have been met:

- achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and
- the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the departure date.

If just one of the two conditions above has been fulfilled, 50% of the severance pay will be due. If neither of the conditions above has been met, no severance pay will be due. No severance pay will be paid by the Company if the corporate term is ended at Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The compensation components and corporate benefits governed by the regulated agreements procedure in accordance with the provisions of the French Commercial Code are subject to approval by the Company's Shareholders' Meeting.

Xavier Durand does not have an employment contract.

Following the renewal of his term of office in 2020, given his responsibilities as Chief Executive Officer and in order to preserve the Company's interests, the Board of Directors resolved to introduce a non-competitor clause.

It is understood that the total maximum amount paid to Xavier Durand in respect of severance compensation and the non-competitor clause may under no circumstances exceed two years' salary (fixed and variable).

2.3.14 Amounts placed in reserve or otherwise recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits

As Xavier Durand is entitled to the collective scheme within the Company, no particular amount was reserved or recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits to its executive directors.

ENVIRONMENT
& OUTLOOK

€1,568M
TURNOVER IN 2021

64.6%
ANNUAL NET COMBINED RATIO

€223.8M
NET INCOME (GROUP SHARE)

100%
PROPOSED PAYOUT RATIO

3

COMMENTS ON THE FINANCIAL YEAR

3.1 ECONOMIC ENVIRONMENT [(1)]

In 2021, the global economy rebounded by 5.6% in volume terms, after posting its worst performance since 1946 in 2020, with a decline of 3.4%. This strong recovery was largely due to the continuation of the fiscal and monetary support for consumers and businesses that was rapidly implemented around the world last year, and to the rapid rollout of Covid-19 vaccinations, which enabled the easing of restrictions on movement, particularly in advanced economies. In addition, there was a positive base effect with the continuation of the sharp growth recorded in the second half of 2020 when economies reopened as strict lockdown measures were brought to an end. However, growth was not consistent throughout the year. While the first half of the year maintained the momentum from the previous period with a remarkable performance, growth slowed in the second half, first due to the rise in Covid-19 cases in south-east Asia, then with a new wave of infections in Europe and North America. The bottlenecks in industrial production chains that emerged in the second half of 2020 also intensified throughout the year. These bottlenecks are rooted in the pandemic. Consumers transferred a large part of their usual spending on services, which were inaccessible or unavailable due to physical distancing or travel restrictions, to personal products (clothing, cosmetics), household goods (construction, furniture, appliances, DIY), communications (smartphones, computers), and individual transport (cars, bicycles), thereby overloading supply chains, which had already been disrupted by the pandemic. Meanwhile, the production and transport of raw materials and intermediate products, whether intended for energy production (gas, coal, oil), food (cereals, oilseeds, milk, fruit and vegetables), packaging (pulp), clothing (textiles), or multiple uses (electrical and electronic components, wood, cement, metals, plastics) were disrupted by the epidemic because of staff absences due to sickness or contact with the disease, the closure or reduction in activity in mines, factories, ports and air transport, climate events (floods, droughts) and industrial accidents (fire). This made the production of certain items physically impossible (vehicles), while input price rises made the production of some products unprofitable or insufficiently profitable in terms of constraints on sales prices (aluminium, tin, industrial gases, fertilisers, etc.). There were also disparities between regions. Advanced economies took advantage of faster vaccine coverage to ease the measures taken to counter the virus, which boosted their momentum. Some emerging and developing economies that are heavily involved in the trade of high demand goods and commodities performed well.

Despite the slowdown in the global recovery in the second half of the year and the impact of supply disruptions and the semiconductor shortage on supply chains, UNCTAD estimates that global trade may have increased by 23% in value terms in 2021 from 2020 and by 11% compared to 2019 (estimate as at November 30, 2021). Considering goods alone, the increases are expected to be 23% and 14% respectively, with the sharper increase in relation to 2019 reflecting the slower recovery in services, which account for around 20% of world trade. In volume, according to the WTO and the World Bank, the increase in trade in goods is expected to be close to 10% compared to 2020, with strong growth in the first half of the year giving way to a dip in the third quarter, according to the Netherlands Bureau for Economic Policy Analysis (January 2022).

Advanced economies overall followed this pattern, with growth of 5.1% in 2021. The sharp rebound triggered by the reopening of economies in late 2020 continued in the first half of 2021, bolstered by vaccinations, still favourable lending conditions and the fall in the savings rate, which had reached a very high level before losing momentum in the second half. Bottlenecks in industry caused by supply shortages, higher energy and food prices, and the new wave of Covid infections weighed on both supply and demand.

Western Europe recorded growth of 5.6% in 2021. **Greece** (8.8%), **France, Italy, the United Kingdom** (respectively 7.0%, 6.5% and 6.7) and **Belgium** (6.1%) posted stronger rebounds as their economies were hit hard in 2020 with declines of close to 10%. Over and above the very favourable base effect, in Belgium, France, Greece and Italy activity was driven by the surge in consumer spending, particularly for services, following the lifting of the most drastic restrictions on mobility as vaccination coverage increased. Investment by both businesses and consumers (housing), rebounded on the back of fiscal and monetary support measures. This was also the case, though to a lesser extent, for exports, and especially for tourism in the three countries where it is very important. The United Kingdom owes its good fortune mostly to the renewed momentum in consumer spending, particularly on services. Conversely, its exports and investment remained weak, probably due to the consequences of Brexit. The Netherlands (4.7%) and Sweden (4.9%) posted slightly weaker performances, but this is to be seen in perspective since they recorded declines of just 3.8% and 2.8% respectively in 2020. For the Netherlands, this was also due to the fact that manufacturing production and exports were hit by supply-side difficulties, while investment lagged due to low confidence levels. Sweden did not close its economy in 2020, so its rebound could only be limited, despite strong trends in consumption and investment. Spain (5%) and Portugal (4.93%) recorded relatively moderate rebounds even though their economies shrank by 10.8% and 8.4% respectively in 2020. While consumer spending picked up, their exports were hit by bottlenecks, particularly in the automotive sector, while the return of foreign tourists remained slow. In contrast, Ireland continued to lead the way with growth of 15.1% after 5.8% in 2020, driven by exports in the pharmaceutical and IT sectors and by domestic demand. Finally, Germany, which declined by only 4.6% in 2020, posted a modest increase of 2.8%. Both exports, particularly automotive exports (nearly a fifth of the total), and investments were affected by severe bottlenecks, while consumers were faced with 3.2% inflation.

Among other advanced economies, the **United States** showed strong momentum with growth of 5.6%, despite a slowdown in the third quarter, even though it had contracted by only 3.4% in 2020. Consumption was boosted by the Treasury stimulus cheques sent to households in the spring, the increase and extension of unemployment benefits, wage increases in recovering sectors experiencing labour shortages (leisure, hospitality, hotels, transport), and the wealth effect created by forced savings in 2020 and rising home and equity prices. Despite rising inflation, with higher energy and transport prices in particular, monetary policy remained very accommodative. With growth of 2%, after a decline of 4.6% in 2020, the Japanese economy experienced a moderate recovery that did not take it back to 2019 production levels. As in Germany, Japan's automotive industry suffered from the shortage of microchips and supply chain disruption. In addition, economic activity was affected by a fourth wave of the epidemic in the third quarter. Australia's economy grew by 4.1% in 2021 after

(1) Group estimates.

declining by 2.4% in 2020. However, it fell back in the third quarter as strict measures were taken to combat a Covid outbreak in the south east of the country, which accounts for most economic activity. Continued accommodative monetary policy and fiscal support for consumers and businesses helped mitigate the shock. Higher prices for mineral exports played a positive role, while the partial and delayed reopening of international borders weighed on tourism revenues and immigration. South Korea (+4%) and Taiwan (+5.6%), which suffered relatively little in 2020, once again benefited from their excellent handling of the epidemic, the strong performance of their exports of electronic components and high-tech products, very loose economic policies, and, for Taiwan, the trade war between China and the United States, which led to the repatriation of manufacturing activities from mainland China.

Emerging and developing economies expanded by 6.3% in 2021 after contracting by 1.7% in 2020. However, there were wide disparities between regions and countries.

Latin America saw its economy rebound with growth of 6.3% in 2021, after an equivalent contraction of 6.4% in 2020. **Argentina** recorded a strong recovery (+9%), in line with its 2020 decline (-9.9%). Consumption benefited from more accommodative fiscal policies, as did investment, though to a lesser extent due to continued capital controls and import restrictions. Meanwhile, exports gained from improved terms of trade with higher prices for mineral and agricultural commodities. The recovery was also strong in Peru in 2021 (+12.5%) after an equally sharp slump (-11.1%). Domestic demand was underpinned by loose economic policy, while mineral exports largely benefited from high prices. The Chilean economy rebounded by 11.2% in 2021 after a -5.8% decline. Its mineral exports were also buoyed by high prices. Accommodative fiscal policy drove domestic demand, with consumption also benefiting from a relaxation of rules on pension fund withdrawals as well as the lifting of restrictions following the rapid vaccination rollout. The Colombian economy grew by 9.5% after falling by 6.8%. This growth was due to the rebound in consumer spending, which was little affected by the social unrest in April and May, strong public investment and the high prices of exported minerals and agricultural products. The recovery was less pronounced in Mexico (+5%), even though the economy had declined by 8.3% in 2020. While exports benefited from the ever-stronger recovery in the United States, domestic demand was held back by fiscal prudence and scepticism regarding President Obrador’s policy. Brazil experienced smaller swings in its economy, with growth of 4.7% in 2021 after a 3.9% decline. While exports benefited from a favourable exchange rate and high commodity prices, consumer spending was dragged down by a slow vaccine campaign, tighter fiscal policy, a rapid rise in interest rates and the erosion of purchasing power due to inflation.

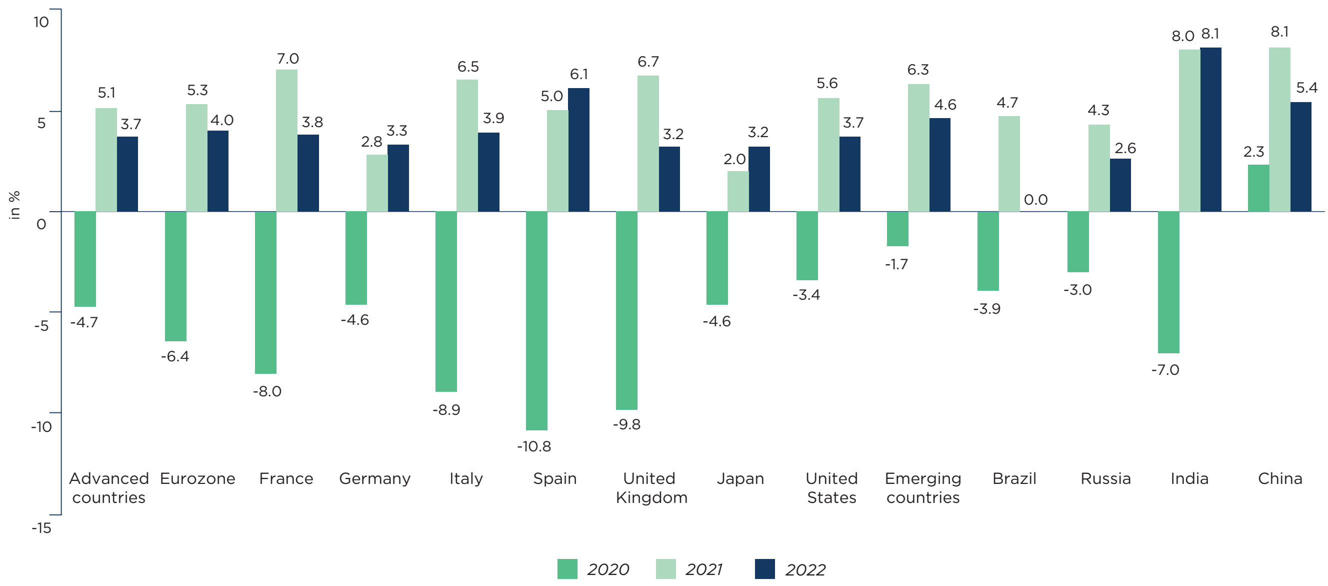
The **Middle East** and **North Africa** saw their economies grow by 4% in 2021 after a 4.2% decline in 2020. Unsurprisingly, oil-producing countries benefited from higher oil prices and a gradual increase in production under the OPEC+ agreement: Algeria (+3.5% after -5.1%), Saudi Arabia (+3% after -4.1%), United Arab Emirates (+3.7% after -6.1%), Iraq (+3.6% after -15.7%), Oman (+2.5% after -2.8%). Iran recorded modest growth for the second year in a row (2.5%), despite international sanctions. Israel’s economy expanded by 7% in 2021 (following a 2.2% decline), driven by a rapid vaccination campaign, high-tech exports, and support for households and businesses. In 2021, Egypt posted similar growth to 2020 (3.3%, compared with 3.6%), but the main impact of Covid was spread over both years. The second half of the 2021 fiscal year, corresponding to the first half of the calendar year, saw a rebound in tourism with the resumption of flights from Russia, a surge in activity on the Suez Canal, continued public investment and an increase in mining (gas, gold) and manufacturing. Finally, Morocco (+5.7% in 2021, after -6.3% in 2020) rebounded much stronger than Tunisia (+3% after -9.2%). In Morocco, the substantial fiscal and monetary support for households and businesses, good management of the health crisis, an exceptional harvest, and the recovery of exports to Europe in most sectors played a role. In Tunisia, although expatriate remittances were solid and tourism resumed with some difficulty, political and social difficulties and a very weak fiscal situation prevented a strong recovery.

Central European economies overall rebounded by 5.5% in 2021 after contracting by 4% in 2020. However, there were also considerable disparities. Hungary (6.8% after -4.7%), the Czech Republic (3.4% after -5.8%), Romania (7% after -3.9%) and Slovakia (3.9% after -4.4%) owe to their rebound to consumer spending as real disposable incomes rose on the back of wage increases in a tight labour market and accommodative fiscal policies. However, their exports, particularly of vehicles, which initially benefited from strong European demand, soon faced problems with the supply of parts (especially semiconductors), which impacted their industrial output. In Poland and Serbia, the recovery was also strong (5.5% and 6.8% respectively), even though they were little affected in 2020 (-2.5% and -0.9%). In Poland, consumption was boosted by accommodative fiscal policy and positive trends in employment and wages. Its exports were less affected than those of neighbouring countries owing to its broad sector diversification. The same was true in Serbia, which also benefited from strong public and foreign investment (Chinese investments in mining and the steel industry). Croatia’s economy surged by 8% after recording a similar plunge in 2020, in line with trends in its dominant tourism sector and the influence this has on consumption. Inflation accelerated in all these countries. Inflation was also observed in Turkey, but at much higher levels (19.6%) due to the drastic cut in key interest rates, which led to a sharp depreciation in the lira through capital outflows and the dollarisation of savings. This inflation has slashed household purchasing power, particularly for poorer families who spend a larger part of their income on imported energy and food. In contrast, manufacturing exports benefited from an increase in European demand thanks to supply problems with distant countries and favourable exchange rates, at least for products with limited imported components. Along with the partial recovery in tourism, this enabled growth of 9.8% in 2021 after the sharp slowdown in 2020 (1.8%). Eastern Europe and Central Asia saw growth of 4.2% in 2021 after a decline of 2.9% in 2020. This overall performance matched that seen in the regions’ main economies: Russia (4.3% after -3%), Ukraine (3.7% after -4%) and Kazakhstan (3.3% after -2.6%). In Russia, additional revenues from energy exports and the transfer of tourism spending to the domestic economy spread to the economy as a whole, and particularly consumption, which also benefited from favourable employment and wage trends. In Ukraine, strong exports of grains, oilseeds, iron and steel benefited the budget, which was able to support the economy, while expatriate remittances bolstered household finances. In Kazakhstan, high oil and gas and metal ore prices allowed the government to boost investment.

Of all the world's regions, **Sub-Saharan Africa** recorded the weakest economic recovery: +3.8% after -2.1% in 2020. High oil prices enabled Nigeria to return to its modest pre-pandemic level of growth (+2.5% in 2020 after -1.8% in 2020) and Angola to end the recession it has been in for several years (0.2% after -5.4%). Côte d'Ivoire, Ghana and Kenya, whose economies held up relatively better in 2020 (with 2%, 0.4% and -0.3% respectively) thanks to the dominance of their agricultural sector, plus gold and oil for Ghana, rebounded sharply in 2021, with 6.2%, 4.8% and 7.7% respectively. Kenya's performance was relatively weaker due to the very partial recovery of tourism. This also affected South Africa, although this country did gain significantly from the strength of its exports of precious metals and other products (+4.9% after -6.4%). In contrast, domestic demand was sluggish as incomes were hit by very high unemployment and poor investor confidence due to power cuts, riots in July, and doubts about the President's ability to carry out reforms.

Finally, **emerging Asia**, which was the least affected region in 2020, with soft growth, posted the strongest recovery in 2021, with +6.5%. This performance was driven by India (+8% after -7%) and China (+8.1% after +2.3%). Despite the severe Covid-19 outbreak in the spring, India's rebound wiped out the previous decline across all supply and demand segments. Its IT services and medical products remained in high demand. In China, while the recovery that began at the end of spring 2020 continued in the first half of 2021 thanks to the boom in exports and investment, it faded sharply in the second half of the year due to the slowdown in real estate activity, power cuts and production stoppages in industry caused by the diligent implementation of climate and security objectives by regional and local authorities. Vietnam, which was largely spared by Covid-19 in 2020, with growth of 2.9%, finally succumbed to the Delta variant and its corresponding restrictions, which were particularly harsh due to low vaccine coverage, in the third quarter of 2021. The manufacturing industry and its exports (smartphones, computers, clothing, furniture) suffered from labour shortages as workers returned to their regions of origin and the disruption of production chains caused by input shortages and higher prices. In the end, the Vietnamese economy grew by 2.5% in 2021. In 2021, the Philippines and Thailand ebbed and flowed in line with the epidemic and the resulting restrictions, which weighed on domestic demand and prevented the return of tourists. Their economies grew by 5.3% (-9.6% in 2020) and 1% (-6.1% in 2020) respectively. Thailand's weaker performance was due to its greater dependence on tourism and exports (smartphones, computers, automotive), which were affected by supply and transport problems, and from its poor vaccine coverage. Finally, despite a mid-year peak in infections, Indonesia still recorded growth of 3.5% (after a decline of 2.1%). Loose economic policy supported domestic demand, while exports of coal, palm oil and iron benefited from strong global demand.

/ **CHANGE IN GDP GROWTH BY COUNTRY(1):**



3.2 SIGNIFICANT EVENTS OF 2021

3.2.1 Governance evolution

In the Board of Directors

On February 10, 2021, Natixis and Arch Capital announced that the sale of a 29.5% stake in Coface capital had received all the necessary approvals for its closing. In line with the announcements made in February 2020, all the directors representing Natixis have resigned. The Board then co-opted four directors presented by Arch as well as Bernardo Sanchez Incera, who was then appointed Chairman of the Board. As of today, Coface's Board of Directors has therefore 10 members, four women and six men, the majority (6) of whom are independent directors.

On July 28, 2021, the Board of Directors of COFACE SA co-opted David Gansberg, Chief Executive Officer, Global Mortgage Group at Arch, as a non-independent director at the Board of Directors taking the place of Benoît Lapointe de Vaudreuil who leaves the Board to focus on his other professional responsibilities.

In the Executive Committee

In 2021, several appointments were made to strengthen Coface's leadership team:

- on March 24, 2021, Declan Daly has been appointed Chief Operating Officer of the Coface Group, effective as of April 1, 2021;
- on September 1, 2021, several appointments were made:
  - Antonio Marchitelli, CEO of Coface Western Europe region, was appointed as CEO, Global Specialties, and effective January 2022,
  - Carine Pichon, chief financial and risks officer, will replace Antonio as CEO of Coface Western Europe region,
  - Phalla Gervais will replace Carine Pichon in her role of CFO, in charge of finance and risks as of September 6,
  - Jaroslaw Jaworski has been confirmed in the role of CEO of Coface Central and Eastern Europe region, effective on September 1;
- on September 10, 2021, Marcele Lemos was appointed as the new CEO, Latin America region, effective on Monday, September 13.

(1) Group estimates and forecasts for 2021 and 2022, OECD and World Bank 2020.

3.2.2 Rating agencies recognise Coface's good performance

On February 10, 2021, the rating agency Moody's has confirmed the financial strength rating (Insurance Financial Strength – IFS) for Coface at A2. The agency has also raised the outlook for Coface, which is now stable.

On March 18, 2021, the rating agency AM Best affirmed the A (Excellent) Insurer Financial Strength – IFS rating of Compagnie française d'assurance pour le commerce extérieur (la Compagnie), Coface North America Insurance Company (CNAIC) and Coface Re. The outlook for these ratings remain "stable".

On April 20, 2021, the rating agency Fitch affirmed Coface AA- Insurer Financial Strength (IFS) rating. The agency also removed the Rating Watch Negative. The outlook is now stable. On December 9, Fitch affirmed Insurer Financial Strength (IFS) rating and the outlook remains stable.

3.2.3 Capital reduction by cancellation of treasury shares

The Board of Directors of COFACE SA, in its meeting of March 4, 2021, decided to cancel the 1,852,157 shares bought under the share buyback programme, as announced on October 27, 2020; and correlatively, to reduce the share capital of the Company.

Therefore, the share capital of COFACE SA now stands at €300,359,584 divided into 150,179,792 shares with a nominal value of €2 each.

3.2.4 Expiry of the main government schemes

In 2020, many governments were quick to recognize the crucial role of credit insurance in maintaining business-to-business credit, the primary source of financing for many companies. In order to guarantee the availability of credit insurance in a period when the risk is not necessarily insurable, many states set up guarantee mechanisms of varying form and scope. As of December 31, 2020, Coface had signed 13 government agreements representing 64% of its exposure.

As initially planned, the vast majority of these government schemes (excluding top-up) have expired on June 30, 2021 leading to run-off on these policies. Indeed, governments and credit insurance players, including Coface, agree with the analysis that an extension is not necessary based on the current market situation. However, the various players will continue to work closely together after June 30, 2021 in order to be able to act quickly, within the context of EU legislation, in the event that the economic situation deteriorates significantly. Government schemes had a negative impact of -€103 million on income before tax in Q4-2021, taking the total impact to -€160 million for FY-2021.

3.2.5 Renewal of its syndicated loan agreement

As part of the refinancing of its factoring activities, COFACE SA signed on August 4, 2021 with a group of banking partner the early renewal of its €700 million syndicated euro loan. It is part of the Build to Lead plan, which aims to leverage Coface assets in specialty businesses and therefore continues to support the development of factoring.

This transaction was initially concluded in 2017 to replace existing bilateral credit lines. Coface is supported by a panel of seven banking partners: BNP Paribas, Crédit Agricole CIB, Natixis, Société Générale, acting as Mandated Lead Arrangers and Bookrunners, BRED, HSBC and La Banque Postale acting as Mandated Lead Arrangers. Société Générale is acting as Documentation and Facility Agent.

The loan is renewed for a period of three years with two one-year extension options at the lenders' discretion. 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 senior banks, which thus confirm their medium-term commitment to Coface.

3.3 COMMENTS ON THE RESULTS AS AT DECEMBER 31, 2021

3.3.1 Group performance

Consolidated turnover amounted to €1,567.9 million, up 8.3% on 2020 at constant FX and perimeter. The net combined ratio stood at 64.6%, or 15.2 points below the level recorded in 2020 (79.8%). This breaks down into a 14.4 point decrease in the loss ratio to 33.3% and a 0.8 point decline in the cost ratio to 31.3% in relation to 2020. The Group ended the year with net income (Group share) up 170% at €223.8 million (*vs.* €82.9 million in 2020) and return on equity of 12.2%.

The Group's target solvency ratio ranges between 155% and 175%. The solvency ratio is estimated at 195.6% at December 31, 2021 [(1)]. Coface will propose the payment of a dividend [(2)] of €1.50 per share to shareholders, representing a payout ratio of 100%.

The changes at constant FX and scope, presented for comparison purposes in the tables below, take into account the following changes in scope:

- the consolidation of Coface GK as of July 1, 2020;
- in the second quarter of 2021, three entities that had been wholly owned for several years were included in the consolidation scope: Coface Poland Insurance Service, Coface Romania Insurance Service and Coface Finance Israel;
- Coface Servicios Mexico entered the consolidation scope in the fourth quarter of 2021.

3.3.2 Turnover

The Group's consolidated turnover increased by 8.3% at constant FX and perimeter (+8.1% at current FX and perimeter), to €1,567.9 million at December 31, 2021, mainly due to a rebound in client activity in the insurance and factoring businesses.

The table below shows changes in the Group's consolidated turnover by business line as of December 31, 2020 and 2021:

Change in consolidated turnover by business line *(in millions of euros)*	**AS AT DEC. 31** 2021	2020	**CHANGE** *(in €m)*	*as a%*	*as a%: at constant Fx and perimeter*
Insurance	1,503.5	1,392.4	111.0	8.0%	8.2%
*o/w Gross earned premiums**	*1,312.6*	*1,204.3*	*108.3*	*9.0%*	*9.7%*
*o/w Services***	*190.8*	*188.1*	*2.7*	*1.5%*	*(1.0%)*
Factoring	64.4	58.5	6.0	10.2%	10.1%
CONSOLIDATED TURNOVER	**1,567.9**	**1,450.9**	**117.0**	**8.1%**	**8.3%**

* *Gross earned premiums-credit, Single Risk and surety bond insurance.*

** *Sum of turnover from services related to credit insurance ("Fee and commission income" and "Other insurance-related services") and services provided to customers without credit insurance (access to information on corporate solvency and marketing information – "Information and other services", and debt collection services – "Receivables management").*

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

(2) *The proposed dividend is subject to the approval of the Annual General Shareholders' Meeting of May 17, 2022.*

Insurance

Turnover from the insurance business (including surety bond and Single Risk insurance) was up 8.2% at constant FX and perimeter (+8.0% at current FX and perimeter), at €1,503.5 million in 2021, compared with €1,392.4 million in 2020.

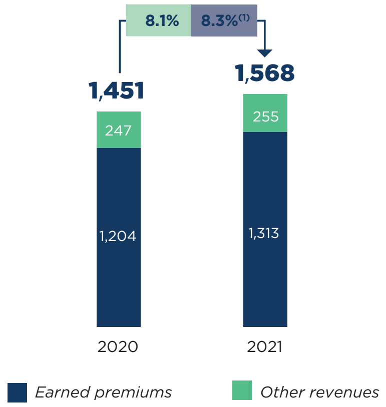
Gross earned premiums increased by 9.7% at constant FX and perimeter (+9.0% at current FX and perimeter), at €1,204.3 million in 2021, compared with €1,312.6 million in 2020.

This growth was mainly due to the sharp increase in activity for Coface's clients over 2021 (+8.4%), compared with a decline of -1.1% in 2020, reflecting the rebound in the global economy.

The production of new contracts totalled €129 million, down by €5 million from 2020.

The policy retention rate (ratio between the annual value of renewed policies and the value of policies to be renewed during the year) was high in most regions and stable for the Group as a whole at 91.7% over the year (compared with 91.5% at December 31, 2020). The price effect was positive, at 0.7%, in line with the selective repricing policy applied in 2020 (+1.5%). However, prices have been falling since the second quarter of 2021 as the market returned to pre-Covid trends.

Turnover from the services business declined by -1.0% at constant FX and perimeter (up +1.5% at current FX and perimeter), rising from €188.1 million in 2020 to €190.8 million in 2021. The debt collection business was impacted by the low loss experience. The Information Services business recorded strong growth (+18.1%).



(1) At constant exchange rate

Factoring

Factoring turnover (only in Germany and Poland) increased by 10.7% at constant FX (+10.2% at current FX), from €58.5 million in 2020 to €64.4 million in 2021.

In Germany, revenue was up 8.1% due to a rebound in volumes financed.

Poland was also impacted by this rebound and it recorded an increase in factoring revenue of 24.1% at constant FX (+20.9% at current FX).

Change in turnover by region

The table below shows trends in Coface Group's consolidated turnover in its seven geographic regions for the financial years ended December 31, 2020 and 2021:

	AS AT DEC. 31		CHANGE			
Change in consolidated turnover by invoicing region *(in millions of euros)*	**2021**	**2020**	*(in €m)*	*as a%*	*as a%: at constant Fx*	*as a%: at constant Fx and perimeter*
Western Europe	316.7	291.9	24.8	8.5%	8.0%	8.2%
Northern Europe	331.5	297.6	33.9	11.4%	11.2%	9.4%
Mediterranean and Africa	429.4	394.9	34.5	8.7%	9.4%	9.4%
North America	137.5	136.5	1.0	0.7%	3.2%	3.2%
Central Europe	156.3	143.1	13.2	9.2%	10.8%	8.1%
Asia-Pacific	123.2	119.5	3.7	3.1%	5.1%	5.1%
Latin America	73.3	67.3	6.0	8.9%	17.3%	14.6%
CONSOLIDATED TURNOVER	**1,567.9**	**1,450.9**	**117.0**	**8.1%**	**9.0%**	**8.3%**

All regions achieved growth in turnover at constant FX and perimeter, ranging from +3.2% for Northern Europe to +14.6% for Latin America.

In Western Europe, turnover was up 8.2% at constant FX, buoyed by the growth in short term credit insurance. This positive change was strongly linked to the economic rebound, which generated an increase in policyholder activity. The positive price effect arising from repricing efforts at the beginning of the year also contributed to growth. Conversely, new contract production declined in 2021 compared to 2020.

In Northern Europe, turnover rose by 9.4% at constant FX and perimeter (11.2% at current FX and perimeter, mainly due to the acquisition of Coface GK). Credit insurance and factoring revenues were the main contributors to this growth thanks to the rebound in policyholders' activity and in volumes financed.

Turnover in the Mediterranean & Africa region grew by 9.4% at constant FX and perimeter, confirming the strong sales momentum in this region (high retention rate and new contract production) and the development of the Information Services activity. This good commercial performance was boosted by strong activity levels for Coface's policyholders.

In North America, turnover increased by 3.2% at constant FX. The credit insurance portfolio expanded thanks to new business and the positive impact of policyholders' activity levels, despite a decline in the client retention rate.

Central Europe posted an increase in turnover of 8.1% at constant FX and perimeter (+9.2% at current FX and perimeter, mainly due to the merger of service entities). The growth in factoring was the main reason for the rise in turnover in 2021. The level of insurance premiums (+8.2% at constant FX and perimeter) was impacted by the rebound in policyholder activity.

Asia-Pacific recorded a 5.1% increase in turnover at constant FX (+3.1% at current FX). This growth was driven by credit insurance, while the development of the portfolio was linked to the sharp increase in net production and an increase in client activity. Single Risk insurance declined sharply.

Latin America posted an increase in turnover of 14.6% at constant FX (+8.9% at current FX due to the sharp devaluation of the region's currencies). This growth was due to an increase in new contract production and especially the rebound in client activity on the back of rising commodity prices.

3.3.3 Underwriting income

Underwriting income before reinsurance

Underwriting income before reinsurance came to €586.8 million, up 242% compared to end-December 2020 (€171.4 million) due to the decline in the loss ratio.

The 31-point improvement in the combined ratio before reinsurance to 54.5% in 2021 (from 85.5% in 2020) was attributable to a -30.4 point fall in the loss ratio and a slight decline in the cost ratio of -0.6 points.

Loss experience

The Group's loss ratio before reinsurance, including claims handling expenses, decreased by 30.4 points, from 51.8% in 2020 to 21.4% in 2021. This decrease in claims was due to the strict management of past claims and a high level of recoveries. Government support schemes in various economies also contributed to the low loss experience.

	AS AT DEC. 31		CHANGE	
(in millions of euros and as a%)	**2021**	**2020**	*(in €m)*	*as a%*
Claims expenses incl. claims handling costs	280.5	623.7	(343.2)	(55.0)%
Loss ratio before reinsurance	21.4%	51.8%	-	(30.4) pts
Earned premiums	1,312.6	1,204.3	108.3	9.0%

In Western Europe, the loss ratio was down 23.5 points to 24.3%. This fall was linked to significant recoveries from previous years, particularly 2020, which saw a very high level at the start of the year followed by a decline in line with the actual loss experience, the effects of government support schemes, and the prospect of the end of the crisis.

Thanks to an improvement in losses on previous years, Northern Europe saw its ratio decrease by 18.8 percentage points to 18.2%.

The loss ratio in the Mediterranean & Africa region decreased by 28.1 ppts compared to 2020 and stood at 27.4%, reflecting the decline observed at the Group level. This decrease in the loss ratio was impacted by past recoveries, which were low in 2020 but much higher in 2021, reflecting trends in the loss experience.

In North America, the loss ratio improved by 49.3 points to 14.4%, *vs.* 63.7% in 2020. The crisis had a bigger impact in this region in early 2020. This region is more responsive and it recorded a sharp decline in the loss experience in relation to 2020.

The loss ratio in Central Europe improved by 27.3 points to 18.8%, *vs.* 46.1% in 2020. Positive trends in losses in Poland, Russia and Austria had a significant impact on the loss experience in this region.

The Asia-Pacific loss ratio declined by 39.4 points to 9.4%. This region has a fairly volatile historical loss experience and recorded substantial reserves in 2020 to anticipate the impact of the crisis. The favourable development of the loss experience led to significant recoveries. The low loss rate was observed especially in countries such as Japan and Taiwan.

In Latin America, the loss ratio improved sharply and was at a low level of 6.9%. This region also has a volatile historical loss experience and severity. The loss experience improved in Mexico and Brazil, leading to a decline in recoveries.

Change in loss experience by invoicing region *(as a%)*	AS AT DEC. 31		
	2021	**2020**	**CHANGE IN POINTS**
Western Europe	24.3%	47.8%	(23.5 pts)
Northern Europe	18.2%	37.0%	(18.8 pts)
Mediterranean and Africa	27.4%	55.5%	(28.1 pts)
North America	14.4%	63.7%	(49.3 pts)
Central Europe	18.8%	46.1%	(27.3 pts)
Asia-Pacific	8.8%	48.8%	(40.0 pts)
Latin America	6.9%	72.3%	(65.4 pts)
LOSS RATIO BEFORE REINSURANCE	**21.4%**	**51.8%**	**(30.4 PTS)**

/ OVERHEADS

Overheads *(in millions of euros)*	AS AT DEC. 31		CHANGE		
	2021	**2020**	*(in €m)*	*as a%*	*as a%: at constant FX and perimeter*
Internal overheads	572.7	536.1	36.7	6.8%	6.6%
o/w claims handling expenses	*36.2*	*31.8*	*4.4*	*14.0%*	*14.0%*
o/w internal investment management expenses	*4.0*	*3.4*	*0.6*	*17.3%*	*16.6%*
Commissions	166.8	154.8	11.9	7.7%	8.8%
TOTAL OVERHEADS	**739.5**	**690.9**	**48.6**	**7.0%**	**7.1%**

Total overheads increased by 6.5% at constant FX and perimeter (+7.1% at current FX and perimeter), from €690.9 millions at December 31, 2020 to €740.2 millions at December 31, 2021.

Policy acquisition commissions were up 7.7% at constant FX and perimeter and at current FX, from €154.8 million in 2020 to €166.8 million in 2021. This increase in overheads was less than the rise in earned premiums (9% at current FX and perimeter).

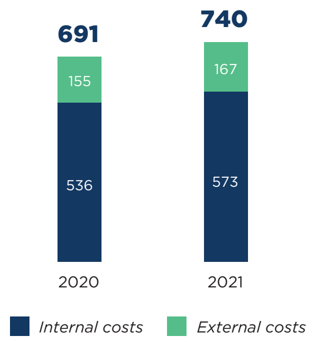
Internal overheads, which include claims handling expenses and internal investment management expenses, increased by 6.2% at constant FX and perimeter (7% at current FX and perimeter), from €536.1 million in 2020 to €573.4 million in 2021.

Payroll costs increased by 10.5% at constant FX and perimeter (+12.2% at current FX and perimeter), from €302.7 million in 2020 to €339.6 million in 2021. Annual pay rises and changes in headcount explain this increase.

IT costs were up 10.4% at constant FX and perimeter (+13.2% at current FX and perimeter), from €47.9 million in 2020 to €54.2 million in 2021. These costs include transformation projects and investments.

Other expenses (taxes, rents, debt collection) were down 0.7% at constant FX and perimeter (-3.6% at current FX and perimeter), from €185.6 million in 2020 to €178.9 million in 2021.

The cost ratio before reinsurance improved by 0.6 points, from 33.7% for the year ended December 31, 2020 to 33.1% for the year ended December 31, 2021.



Underwriting income after reinsurance

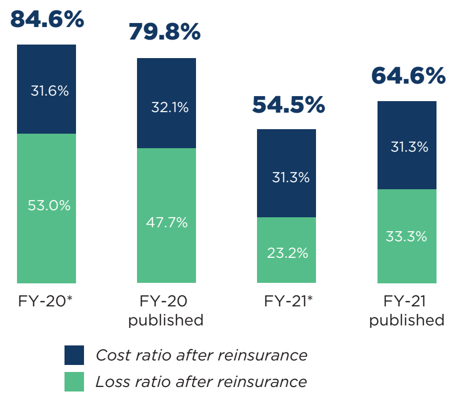
Underwriting income after reinsurance totalled €273.9 million, up by 115% compared with 2020 (€127.3 million).

The sharp increase in the cost of reinsurance to -€314.3 million at December 31, 2021 (-€44,1 million at December 31, 2020) can be explained by the contribution of government reinsurance schemes (an estimated negative impact of €160 million) as well as the decrease in the loss experience.

(in thousands of euros and%)	AS AT DEC. 31 2021	2020	CHANGE *(in €k)*	*(as a%)*
Turnover	1,567,858	1,450,864	116,994	8.1%
Claims expenses	(280,456)	(623,653)	343,196	(55.0%)
Contract acquisition costs	(259,317)	(238,453)	(20,864)	8.7%
Administration costs	(270,990)	(261,807)	(9,184)	3.5%
Other expenses from insurance activities	(66,243)	(60,971)	(5,272)	8.6%
Expenses from banking activities, excluding cost of risk	(13,103)	(12,833)	(270)	2.1%
Cost of risk	76	(100)	176	(175.4%)
Expenses from other activities	(89,674)	(81,608)	(8,065)	9.9%
Underwriting income before reinsurance	**588,150**	**171,439**	**416,711**	**243.1%**
Income and expenses after ceded reinsurance	(314,288)	(44,116)	(270,172)	612.4%
UNDERWRITING INCOME AFTER REINSURANCE	**273,862**	**127,322**	**146,539**	**115.1%**
Net combined ratio	64.6%	79.8%	-	-

The amount of ceded premiums under government reinsurance schemes renewed until June 30, 2021 came to €227.6 million in 2021, representing 44.4% of the total amount of ceded premiums.

The impact of government schemes on the Group's ratios is detailed in the following chart:



* *excl. government schemes*

3.3.4 Investment income, net of management expenses (excluding financing costs)

Trends in the financial markets

In 2021, the rollout of vaccines led to a gradual return to normal in activity, but the pace of normalisation varied between countries, and there were still some further temporary restrictions with successive waves of Covid-19 infections. At the end of the year, the main central banks in advanced economies announced the gradual easing of support measures, while emerging economy central banks had already begun to tighten their monetary policies. On the equity markets, developed market indices rallied strongly, while emerging market indices were much more varied.

The US economy experienced a very strong recovery in 2021, but with an uneven trajectory. After maintaining a very accommodative policy for most of the year, the Federal Reserve announced the gradual tapering of its asset purchases. The US 10-year yield rose by 60 bps to 1.5%. In addition, base effects such as soaring energy prices and very strong demand helped push inflation to a very high level in the second half of the year. FOMC members are now considering three key rate hikes in 2022, three in 2023 and two in 2024. Equities rallied very sharply, gaining 25.2% over the year, while fiscal and monetary policies provided support in an uncertain health environment. The rise in inflation and its persistence, mainly due to bottlenecks in the production chain, ultimately led the Fed to tighten its stance at the end of the year.

In the eurozone as a whole, disruptions to global industrial chains, the sharp rise in energy prices, base effects and strong demand with the reopening of economies also led to a sharp rise in inflation. On the debt markets, sovereign yields rose in 2021. The German 10-year yield ended the year at -0.18%, up 40 bps over the year. Meanwhile, after announcing a massive reduction in its asset purchases, the ECB announced that it will reinvest maturing principal payments from securities purchased under the pandemic emergency purchase programme (PEPP). Investors, followed by central bankers, have considerably raised their expectations of a rate hike in response to inflationary pressures and the strong recovery in economic activity. For equities, this year of economic recovery benefited cyclical stocks (+22.3%) more than defensive stocks (+15.9%) while the fall in real rates benefited growth stocks (+24.4%) more than value stocks (+15.3%).

2021 was a very turbulent year for emerging economies. Growth rebounded sharply as vaccination campaigns progressed, while restrictions on travel eased after the Delta variant emerged earlier in the year. Inflation accelerated sharply in the second half of the year due to robust domestic demand and disruption to global supply chains. This has generated significant supply-demand imbalances, forcing central banks to rapidly raise their key rates, unlike their counterparts in advanced countries. On the equity markets, there was a marked divergence between developed markets (+22.5%) and emerging markets (-2.3%), particularly China (-22.7%) and Brazil (-18%).

Financial income

Against this economic backdrop of recovery and low interest rates, in 2021, Coface Group decided to raise its portfolio's risk level, which it had lowered significantly in 2020. It did this mainly by reducing its exposure to money market products and investing in developed and emerging market government bonds and equities. It sold some of its real estate to gradually reallocate its investments to equity infrastructure funds in 2022.

The overall value of the portfolio increased by €236 million over the year, mainly *via* the bond and equity markets through the addition of new cash in the portfolio and the rise in the equity markets.

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

/ MARKET VALUE

(in millions of euros)	AS AT DEC. 31 22021	2020
Listed shares	224	141
Unlisted shares	9	8
Bonds	2,115	1,914
Loans, deposits and money market mutual funds	507	540
Real estate	213	231
Total investment portfolio	**3,068**	**2,834**
Non-consolidated companies	152	150
TOTAL	**3,220**	**2,984**

Income from the investment portfolio amounted to €36.7 million, of which €3.6 million in gains on disposals, impairment/reversals and equity/interest rate derivatives (representing 1.2% of 2021 average annual assets under management and 1.1% excluding realised gains, impairment/reversals and equity/interest rate derivatives), compared with €31.1 million in 2020, of which -€1.7 million in gains on disposals, impairment/reversals and equity/interest rate derivatives (1.1% of 2020 average annual assets under management and 1.2% excluding realised losses, impairment/reversals and equity/interest rate derivatives). In this environment of economic recovery, the decline in money market investments in favour of bonds and equities and the reallocation of certain assets helped improve the return on the investment portfolio.

/ INVESTMENT PORTFOLIO INCOME

(in millions of euros)	AS AT DEC. 31 2021	2020
Equities*	(0.9)	(0.8)
Fixed income**	23.6	22.2
Investment property	14.0	9.7
Investment income	**36.7**	**31.1**
o/w realised gains, impairment and reversals, derivatives *(equity and interest rate)*	3.6	(1.7)
- o/w disposals	*9.3*	*(3.3)*
- o/w impairment and reversals	*(1.2)*	*(4.4)*
- o/w derivatives (equity and interest rate)	*(4.5)*	*6.0*
Investment income excluding realised gains	**33.1**	**32.9**
Foreign exchange income	7.0	(3.5)
- o/w foreign exchange	*15.5*	*(5.5)*
- o/w currency derivatives	*(8.5)*	*2.0*
Other	(1.6)	(0.8)
- o/w non-consolidated subsidiaries	*6.2*	*5.2*
- o/w financial and investment charges	*(7.8)*	*(6.0)*
NET INCOME FROM INVESTMENTS	**42.2**	**26.9**

* *Including equity derivatives.*
** *Including interest rate derivatives.*

After income from equity securities, foreign exchange income, income from derivatives, and financial and investment charges, the Group's financial income for 2021 totalled €42.2 million.

The portfolio's economic return was +1.6% in 2021 thanks to the increase in revaluation reserves, notably due to the equity market rally, which more than offset the decline in bonds caused by the rise in interest rates.

3.3.5 Operating income

	AS AT DEC. 31		CHANGE		
(in millions of euros)	2021	2020	*(in €m)*	*(as a%)*	*(as a%: at constant Fx and perimeter)*
Consolidated operating income	**312.9**	**140.4**	**172.4**	**122.8%**	**124.8%**
Operating income including finance costs	**291.4**	**118.7**	**172.7**	**145.5%**	**147.6%**
Other operating income and expenses	(3.2)	(13.8)	10.6	(77%)	(77%)
OPERATING INCOME INCLUDING FINANCE COSTS AND EXCLUDING OTHER OPERATING INCOME AND EXPENSES	**294.6**	**132.5**	**162.1**	**122.3%**	**124.4%**

Consolidated operating income increased by 124.8% at constant FX and perimeter, from €140.4 million for the year ended December 31, 2020 to €312.8 million for the year ended December 31, 2021.

Current operating income, including financing costs and excluding non-recurring items (other operating income and expenses), rose by 124.5% at constant FX and perimeter, from €132.5 million in 2020 to €294.5 million in 2021.

The net combined ratio declined by 15.2 percentage points, from 79.8% in 2020 to 64.6% in 2021, including a 14.4 percentage point improvement in the net loss ratio and a -0.8 percentage point decline in the cost ratio.

Other operating income and expenses amounted to -€3.2 million and consist mainly of investment expenses and provisions for restructuring in line with the Build to Lead strategic plan.

Change in operating income by invoicing region *(in millions of euros)*	AS AT DEC. 31 2021	2020	CHANGE	SHARE OF ANNUAL TOTAL AT DEC. 31, 2021
Western Europe	46.2	(13.4)	(169.3)	(54%)
Northern Europe	49.0	73.7	(3.0)	21%
Mediterranean and Africa	75.1	70.8	82.2	45%
North America	44.2	(13.1)	85.8	21%
Central Europe	58.0	27.9	55.3	25%
Asia-Pacific	41.5	(8.9)	103.9	28%
Latin America	25.6	5.9	41.6	14%
TOTAL (EXCLUDING INTERREGIONAL FLOWS)	**339.6**	**143.0**	**196.6**	**100%**

3.3.6 Net income (Group share)

Coface Group's effective tax rate decreased from 37.4% in 2020 to 23,2% in 2021, a decline of 14.2 points.

Net income (Group share) amounted to €223.8 million, up 170% in relation to the year ended December 31, 2020 (€82.9 million).

This record level can be explained in part by the very atypical nature of the last two years, which have seen significant government involvement in the management of the economy.

3.4 GROUP CASH AND CAPITAL RESOURCES

Information in this section is derived from the statement of cash flows in the consolidated financial statements and from Note 9 “Cash and cash equivalents” in the Company’s consolidated financial statements.

	AS AT DEC. 31	
(in millions of euros)	**2021**	**2020**
Net cash flows generated from operating activities	327.0	194.4
Net cash flows generated from investment activities	(205.2)	(54.3)
Net cash flows generated from financing activities	(137.1)	(39.5)

	AS AT DEC. 31	
(in millions of euros)	**2021**	**2020**
Cash and cash equivalents at beginning of period	401.0	320.8
Cash and cash equivalents at end of period	362.4	401.0
Net change in cash and cash equivalents	(38.5)	80.2

3.4.1 Coface Group debt and sources of financing

The Group’s debt comprises financial debt (financing liabilities) and operating debt linked to its factoring activities (composed of “Amounts due to banking sector companies” and “Debt securities”).

	AS AT DEC. 31	
(in millions of euros)	**2021**	**2020**
Subordinated borrowings	390.6	389.8
Sub-total financial debt	**390.6**	**389.8**
Amounts due to banking sector companies	822.9	535.4
Debt securities	1,498.8	1,425.6
Sub-total operating debt	**2,321.7**	**1,961.0**

Financial debt

For the year ended December 31, 2021, the Group’s financing liabilities, totalling €390.6 million, are comprised solely of the subordinated loan.

This fixed rate subordinated note (4.125% maturing on March 27, 2024) was issued on March 27, 2014 by COFACE SA for a nominal amount of €380 million.

The securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d’assurance pour le commerce extérieur, the Group’s main operating entity.

Operating debt linked to the factoring business

The Group’s operating debt is mainly linked to financing for its factoring activities.

This debt, which includes the “Amounts due to banking sector companies” and “Debt securities” items, provides refinancing for the Group’s factoring companies (Coface Finanz in Germany and Coface Poland Factoring in Poland).

Amounts due to banking sector companies, which correspond to drawdowns on the bilateral credit lines (see “Bilateral credit lines” below) set up with various banking partners of Coface Finanz and Coface Poland Factoring and the Group’s local banks, amounted to €822.9 million for the financial year ended on December 31, 2021.

Debt securities amounted to €1,498.8 million for the financial year ended on December 31, 2021, including:

- senior units issued by the VEGA securitisation fund under the Coface Finanz factoring receivables securitisation programme (see “Securitisation programme” below), in the amount of €933.9 million; and
- commercial paper issued by COFACE SA (see “Commercial paper programme” below) to finance the activity of Coface Finanz in the amount of €564.8 million.

Coface Group's main sources of operational financing

To date, the Coface Group's main sources of operational financing are:

- a securitisation programme to refinance its factoring receivables for a maximum amount of €1,100 million;
- a commercial paper programme for a maximum amount of €700 million; and
- bilateral credit lines for a maximum total amount of €1,064.2 million.

In February 2012, the Group took a first step towards achieving financial autonomy by implementing a factoring receivables securitisation programme to finance the business of Coface Finanz (Germany) and implemented a commercial paper programme to fund its factoring business.

In 2014, a structural addition was introduced into the securitisation programme which allowed the maximum amount of the programme to be increased to €1,195 million (the initial amount was €1,100 million). At the end of 2015, the securitisation programme was renewed ahead of schedule, for an unchanged maximum amount.

In 2017, the Group continued to set up new bilateral lines in Germany and Poland. At the end of 2017, the securitisation programme was entirely renewed ahead of schedule, for a period of five years and for an unchanged amount. Concerning the commercial paper issuance programme, the Group restructured the credit lines likely to be drawn should the commercial paper market shut down. Since July 28, 2017, the Group has had a syndicated loan maturing in three years with two one-year extension options for a maximum amount of €700 million. This loan replaced the bilateral credit lines covering the maximum amount of the €600 million commercial paper programme, and includes an additional liquidity line of €100 million available to factoring entities if needed.

On June 8, 2018, Coface Poland Factoring and a pool of partner banks set up a €300 million multi-currency syndicated loan. This syndicated loan partly replaced existing bilateral credit lines. The loan has a two-year maturity with the option of a one-year extension, at the lenders' discretion. The maximum amount of the commercial paper programme was increased to €650 million with the option to issue commercial paper in euros, dollars and pound sterling. The additional Group-level liquidity line available to factoring entities, if needed, was thus increased to €50 million.

In 2019, the securitisation programme was reduced to €1,100 million in July and then renewed early in December. The following extension options were exercised during the year:

- third year of the €300 million multi-currency syndicated loan for Coface Poland Factoring;
- fifth year of the €700 million syndicated loan for COFACE SA.

In 2020, Coface Poland Factoring's syndicated multi-currency loan was renewed early in the amount of €281 million. The loan has a two-year maturity with the option of a one-year extension, at the lenders' discretion.

In 2021, the syndicated loan used as a back-up for the commercial paper programme was renewed for three years with two possibilities for an extension of one year each. For the Polish syndicated loan, an initial request for an extension was made and accepted in August 2021, extending the maturity until November 2023. The amount of the commercial paper issuance programme was increased to €700 million and the additional liquidity line at Group level available to the factoring entities in case of need was cancelled.

At December 31, 2021, the amount of the Coface Group's debt linked to its factoring activities amounted to €2,322 million.

a) Securitisation programme

In connection with the refinancing of its factoring activities, in February 2012 the Group implemented a securitisation programme for its factoring trade receivables for a maximum total amount of €1,100 million, guaranteed by Compagnie française d'assurance pour le commerce extérieur. The maximum amount of the programme was increased by €95 million, thanks to a structural addition set up in July 2014. The ceding entity was Coface Finanz, the German wholly-owned subsidiary of Compagnie française d'assurance pour le commerce extérieur. The purchaser of the receivables is a French securitisation mutual fund, VEGA, governed by the stipulations of the French Monetary and Financial Code. The Group gained initial funding from this programme, with 35% of the programme due in one year and the remaining 65% in three years. On February 3, 2014, the Group reached an agreement with the banks in charge of the funding to renew the portion due in one year and extend the three-year portion of the funding, which was accordingly raised to 75% of the programme size. Thanks to the additional financing that was introduced in July 2014, the portion of financing over three years is 77%. The securitisation programme was completely renewed early in December 2017, for a maximum amount of €1,195 million, with 23% maturing in one year and 77% in three years.

In July 2019, the securitisation programme was reduced to a maximum amount of €1,100 million and was subsequently renewed early in December 2019. The programme was adjusted with 25% due in one year and 75% in three years. The main monitoring indicators for the programme include the default ratio, the delinquency ratio and the dilution ratio. The priority units issued by the VEGA securitisation mutual fund were subscribed and refinanced by four vehicles issued in consideration for the short term securities. The subordinated units were underwritten by Coface Poland Factoring.

At December 31, 2021, €933.9 million had been used under this programme.

This securitisation programme includes a number of standard accelerated repayment clauses associated with such a programme, concerning the financial position of Coface Finanz (the ceding company) and other Group entities (including certain indicators regarding the quality of the ceded receivables), and linked to the occurrence of various events, such as:

- payment default of Coface Finanz or of Compagnie française d'assurance pour le commerce extérieur for any sum due under the securitisation fund;

- the cross default of any Group entity pertaining to debt above €100 million;
- closure of the asset-backed commercial paper market for a consecutive period of 180 days;
- winding-up proceedings against Coface Finanz, Coface Poland Factoring, the Company or Compagnie française d'assurance pour le commerce extérieur;
- the discontinuance of or substantial change to the activities practised by Coface Finanz or by Compagnie française d'assurance pour le commerce extérieur;
- a downgrading of the financial rating of Compagnie française d'assurance pour le commerce extérieur below BBB- for the main funding (maximum amount of €1,100 million) and to below A for additional funding (maximum amount of €70 million);
- non-compliance with one of the covenants linked to the quality of the portfolio of ceded factoring receivables.

The securitisation programme does not contain a change of control clause for the Company, but contains restrictions regarding a change of control in Compagnie française d'assurance pour le commerce extérieur and the factoring companies resulting in their exit from the Group.

The three covenants set by the securitisation programme include:

COVENANT	DEFINITION	TRIGGER THRESHOLD
Default ratio	Three-month moving average of the rate of unpaid receivables beyond 60 days after their due date	> 2.24%
Delinquency ratio	Three-month moving average of the rate of unpaid receivables beyond 30 days after their due date	> 5.21%
Dilution ratio	Three-month moving average of the dilution ratio	> 9.71%

At December 31, 2021, the Group complied with all of these covenants.

b) Bilateral credit lines

In connection with the refinancing of its factoring business, the Group also introduced, mainly through its subsidiaries, a number of bilateral credit lines and overdraft facilities for a total maximum amount of €1,064.2 million:

- bilateral credit lines and overdraft facilities with local banks for a maximum of €358 million, of which €188 million had been drawn in Germany and €52 million in Poland at December 31, 2021;
- bilateral credit lines concluded with banks:
  - three lines for a maximum total amount of €200 million for Coface Finanz (with maturities ranging between one and three years), of which €174 million had been drawn down as of December 31, 2021,

three lines (including a syndicated loan) for a maximum total amount of €506 million for Coface Poland Factoring (with maturities ranging between one and three years), of which €408 million had been drawn down as of December 31, 2021.

c) Commercial paper programme

The Group has a commercial paper issuance programme that was extended in October 2015 and increased in June 2018 to reach a maximum amount of €650 million. In June 2021, the programme was increased by €50 million to a maximum of €700 million. Under this programme, the Company frequently issues securities with due dates ranging generally between one and six months. At December 31, 2021, securities issued under the commercial paper programme totalled €564.8 million. The programme was rated P-2 by Moody's and F1 by Fitch.

Should the commercial paper market shut down, since July 28, 2017 the Group has had a currently unused syndicated loan covering the maximum amount of the commercial paper issue programme (€700 million since August 2021). The agreement regulating this syndicated loan contains the usual restrictive clauses (such as a negative pledge clause, prohibition from assigning the assets outside the Group above a specified threshold or restrictions related to the discontinuance or any substantial change in the Group's business activities) and early repayment clauses (payment default, cross default, non-compliance with representations, warranties and commitments, significant adverse change affecting the Company and its capacity to meet its obligations under these bilateral credit lines, insolvency and winding-up proceedings), in line with market practices. This syndicated loan was renewed in August 2021 for three years with two possibilities for an extension of one year each.

3.4.2 Group solvency (1)

The Group measures its financial strength based on the capital requirement (amount of equity required to cover its managed risks) according to the Solvency II Regulation for its insurance business and according to banking regulations for the Group's financing companies. The change in capital requirement depends on numerous factors and parameters linked to changes in the loss ratio, underwriting volumes, risk volatility, the sequencing of loss settlement and the asset types invested in the Company's balance sheet.

(1) *Solvency information is not audited.*

For insurance activities, pursuant to the Solvency II Regulation which became effective on January 1, 2016, the Group proceeded with the calculation of the solvency capital requirement (SCR) on December 31, 2021, using the partial internal model introduced by European directive No. 2009/138/EC. The Group's SCR evaluates the risks linked to pricing, underwriting, establishment of provisions, as well as market risks and operational risks. It takes account of frequency risks and major risks. This calculation is calibrated to cover the risk of loss corresponding to a 99.5% quantile at a one-year horizon. At December 31, 2021, the estimated capital required for the two Group businesses amounted to €1,263 million, compared with €1,077 million at the end of 2019.

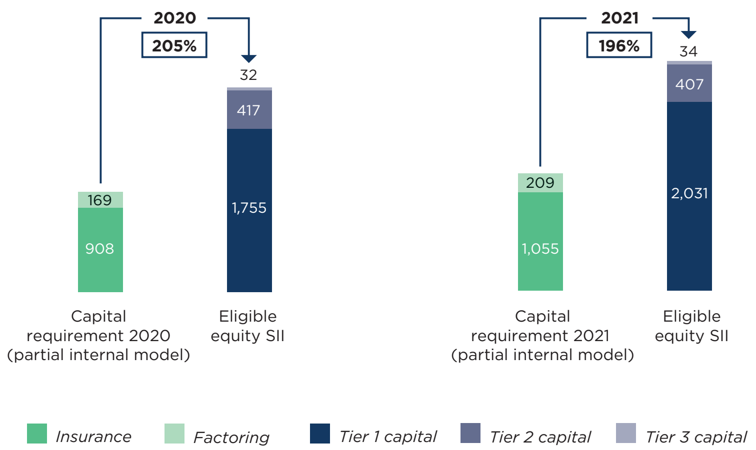
At December 31, 2021, the required capital for the factoring business was estimated at €208.7 million by applying a rate of 10.5% to the risk-weighted assets, or RWA. The Group has reported its capital requirements using the standard approach since December 31, 2019. It should be noted that the local regulators for Germany and Poland (the two countries in which the Group operates its factoring business) have not defined specific mandatory capital requirements for factoring companies.

The sum of the capital requirement for the insurance business and the capital requirement for the factoring business is compared with the estimated available capital, which totalled €2,471 million as of December 31, 2021.

At this date, the solvency ratio (ratio between the Group's available capital and its capital requirement for insurance and factoring) was estimated at 196% [(1)], compared to 205% at the end of 2020.

The table below presents the items for calculating the Group's solvency ratio:

(in millions of euros)	AS AT DECEMBER 31, 2021	AS AT DECEMBER 31, 2020
Total equity	2,141	1,999
- Goodwill and other intangible assets (net of deferred taxes)	(209)	(207)
+ Revaluation of provisions using the best estimate method (net of deferred taxes)	554	243
+/- Other adjustments	(198)	(159)
- Dividend payments	(224)	(89)
+ Subordinated debt (valued at market value)	407	417
= Solvency II available own funds (A)	**2,471**	**2,204**
Capital requirement – Insurance (B)	1,055	908
Capital requirement – Factoring (C)	209	169
Capital requirement (D) = (B) + (C)	1,263	1,077
SOLVENCY RATIO (E) = (A)/(D)	**196%**	**205%**



3.4.3 Return on equity

The return on equity ratio is used to measure the return on the Group's invested capital. Return on average tangible equity (or RoATE) is the ratio between net income (Group share) and average accounting equity (Group share) restated for intangible items (intangible asset values).

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

The table below presents the elements used to calculate the Group's RoATE over the 2020-2021 period:

(in millions of euros)	AS AT DEC. 31 2021	2020
Accounting equity (Group share) – A	2,141	1,998
Intangible assets – B	230	231
Equity, net of intangible assets – C (A - B)	1,911	1,767
Average equity, net of intangible assets – D ([C_n + C_{n-1}]/2)	1,839	1,736
Net income (Group share) – E	223.8	82.9
ROATE – E/D	**12.2%**	**4.8%**

3.4.4 Off-balance sheet commitments

Most of the Group's off-balance sheet commitments concern certain credit lines, guarantees received (pledged securities received from reinsurers corresponding to deposits made by reinsurers under commitments binding them to the Coface Group) and transactions on financial markets.

The table below presents the details of the Group's off-balance sheet commitments for the 2020-2021 period:

(in thousands of euros)	DEC. 31, 2021	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,144,652**	**1,133,000**	**11,651**
Endorsements and letters of credit	1,133,000	1,133,000	
Property guarantees	7,500		7,500
Financial commitments in respect of equity interests	4,151		4,151
Commitments received	**1,397,644**	**853,084**	**544,561**
Endorsements and letters of credit	141,291		141,291
Guarantees	403,270		403,270
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	153,084	153,084	
Financial commitments in respect of equity interests	0		0
Guarantees received	**323,314**		**323,314**
Securities lodged as collateral by reinsurers	323,314		323,314
Financial market transactions	211,543		211,543

(in thousands of euros)	DEC. 31, 2020	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,029,839**	**1,018,188**	**11,651**
Endorsements and letters of credit	1,018,188	1,018,188	
Property guarantees	7,500		7,500
Financial commitments in respect of equity interests	4,151		4,151
Commitments received	**1,537,881**	**1,018,976**	**518,905**
Endorsements and letters of credit	117,702		117,702
Guarantees	398,704		398,704
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	318,976	318,976	
Contingent capital	0		0
Financial commitments in respect of equity interests	2,500		2,500
Guarantees received	**401,315**		**401,315**
Securities lodged as collateral by reinsurers	401,315		401,315
Financial market transactions	163,766		163,766

Endorsements and letters of credit totalling €1,126 million for the financial year ended December 31, 2021 correspond mainly to:

- a joint surety bond of €380 million in favour of investors in COFACE SA subordinated notes (10-year maturity);
- various joint surety bonds totalling €746 million given by the Group, in particular to banks financing the factoring business.

Collateral concerns Coface Re for €287.713 million and Compagnie française pour le commerce extérieur for €35.6 million.

The syndicated loan for a maximum amount of €700 million for the financial year ended December 31, 2021 includes coverage of the Group's commercial paper issuance programme for €700 million (see Section 1.4.1 "Group debt and sources of financing").

3.5 POST CLOSING EVENTS AT DECEMBER 31, 2021

3.5.1 Natixis announces the sale of its residual stake in Coface SA

On January 6, 2022, Natixis announced the sale of its remaining interest in COFACE SA. This sale represented approximately 10.04% of COFACE SA's share capital, or 15,078,095 shares. It was carried out by way of an ABB (accelerated book-building) at an average price of €11.55. Following this transaction, Natixis no longer held any shares in COFACE SA.

3.5.2 Anticipated impacts of the war in Ukraine

The invasion of Ukraine by Russia on February 24, 2022 has triggered a war in Europe for the first time since the Second World War. This armed conflict and the numerous economic sanctions taken against Russia will certainly have serious economic and financial consequences for the whole world, while the previous crisis linked to the Covid was not yet over.

The inflationary consequences are significant: the hope of seeing the prices of energy, minerals and agricultural products fall in the second half of 2022 is gone, or at least remote. The decline in freight costs has also been postponed (due to air travel bans and soaring fuel costs). As a result, the standardization of production lines has also been postponed.

In addition, the Central European countries have to bear the burden of hundreds of thousands of Ukrainian refugees. These same countries, as Russia's trade corridors and outlets, are suffering from the reduction in trade between the two belligerents and Europe.

Finally, energy and food price inflation is a potential source of social unrest, which could lead to political upheaval, especially in developing countries, where government intervention to mitigate its impact on households is made difficult by weak budgetary capacity and high debt levels increased by the pandemic. Faced with high inflation in property prices, real estate and financial assets, as well as a sharp economic slowdown, central banks find themselves in an uncomfortable situation.

The extent and duration of the damage caused to the world economy by the conflict are still difficult to determine, as we do not know the duration and evolution of the intensity of the war.

In this context, Coface has adjusted its assessments of Russian, Belarusian and Ukrainian risks and reduced its exposure to these countries. The Group continues to monitor closely the situation on a daily basis and is constantly adjusting its underwriting policy to ensure compliance with international sanctions.

To date, and subject to any changes in the situation, this serious crisis has greatly increased uncertainty and volatility due to its multi-sector and multi-geographical impact. Coface is not directly exposed to the countries in conflict through its investment portfolio and the impact of this conflict on its business remains very limited.

Coface Russia Insurance's earned premiums will amount to €12.46 million in 2021 (1% of the Group total) and the value of this subsidiary's shares is less than €7 million based on the net book value in the Group's financial statements at 31 December 2021. The Group's exposure to risk in this region, which was insignificant in its factoring business and overall less than 1% of its global exposure before the start of the conflict, has since been adjusted downwards and monitored regularly.

While the loss experience reported to date in this region has not shown any significant deterioration, the impact of this crisis, whether direct or indirect, could result in a deterioration of its loss ratio.

3.6 OUTLOOK

3.6.1 Economic environment(1)

In 2022, global activity is expected to continue its recovery, but at a much slower pace, with growth of 4.1% (after 5.6% in 2021). This deceleration is largely explained by the slowdown in the second half of 2021, which is expected to continue into the early months of 2022. Its causes at the end of last year will remain in place, at least in the first quarter of 2022. First, the Omicron variant of Covid will continue to spread. Even though it is less virulent than previous variants, its high transmissibility will severely test vaccine efficiency and healthcare systems, leading to continued restrictions on economic activity and travel. This will delay the shift in consumer spending towards services, which will sustain demand for durable goods and consumer goods. As a result, production and supply chain logistics will remain disrupted, which will add to inflationary pressure, pushing central banks to tighten monetary policies. Energy and food prices are likely to continue to rise, affecting low-to-medium-income households and countries in particular. At the same time, the exceptional fiscal support provided by governments in advanced economies and, to a lesser extent, emerging economies, is expected to fade. These less accommodative economic policies will further dampen the rebound in domestic demand. However, these negative factors are expected to gradually diminish starting in the northern hemisphere spring or summer, before disappearing at the end of the year. In this context, the disparities between regions and countries around the world will remain marked. Against this backdrop, global trade is expected to slow in 2022, with growth of 5.8% in volume, after an increase of nearly 10% in 2021, according to the World Bank's forecast in January 2022.

Despite this slowdown, with growth of 3.7%, after 5.1% in 2021, advanced economies will have returned to pre-Covid production levels and will remain above their historical trend. Conversely, with growth of 4.6% (after 6.3% in 2021), emerging and developing economies are not expected to return to pre-Covid levels by the end of 2022. This will be particularly true in terms of GDP *per capita*, given the larger increase in their population. In addition, there will be considerable divergence between emerging regions and countries, with Asia, the Middle East, and even Africa outperforming Latin America and Eastern Europe.

In 2022, the United States is expected to grow by 3.7%, after 5.6% in 2021. Admittedly, supply constraints and inflationary pressure will persist, at least in the first few months of the year, due to the disruption of external and domestic production and supply chains, high commodity and energy prices, as well as sector labour shortages and, more generally, lower labour participation rates. Despite this, consumer spending is likely to be driven by a reduction in savings, the likely disappearance of the last remaining restrictions, and the rise in employment and wages, which should extend to other sectors besides services. As supply problems subside, companies will rebuild their much-depleted inventories. In addition, the start of monetary policy tightening should encourage investments in production capacity and housing to take advantage of what remain very favourable borrowing conditions. However, the Biden administration's infrastructure plan is still expected to have little impact. In the United Kingdom, the economy is expected to grow by 3.2%, after 6.7% in 2021. It is in a similar situation to the United States, but with a greater shortage of truck drivers and specialised workers and the introduction of customs checks on imports from the continent starting in January, due to Brexit. In addition, consumer spending, particularly among less well-off families, could slow as government support is withdrawn and due to high inflation, while investment is expected to be driven by a temporary "super-deduction" tax scheme and public infrastructure spending. The government could fund a mechanism to limit the rise in energy prices. In Japan, unlike most advanced economies, growth is expected to be stronger in 2022, at 3.2%, compared with 2% in 2021. This is largely explained by the fall in the savings rate, the lifting of restrictions and the fiscal support plan. Moreover, the easing of supply chain disruption should boost exports and production, encouraging companies to invest.

In the eurozone, growth will also slow from 5.3% in 2021 to 4.0% in 2022, especially as 2021 ended with a sluggish quarter. Despite persistent inflationary pressures, lending conditions are likely to remain extremely supportive given the ECB's still ultra-accommodative policy, while fiscal policy will generally become less expansive. In Germany, as in Japan, growth is expected to increase, by 3.3%, compared with 2.8% in 2021. Consumption should benefit from the lifting of restrictions, as well as from increased pressure on employment and wages, driven by inflation (3.9%). Exports and manufacturing output are expected to benefit from the normalisation of supply chains in the second half of the year, encouraging companies to invest. Finally, governments will use NextGenerationEU funds to invest in the fight against climate change and digitalisation. In France, after growth surged by 7.0% in 2021, matching the decline recorded in 2020, it is expected at 3.8% in 2022. The main driver will remain domestic demand, while the fiscal environment is marked by presidential and parliamentary elections. Even though the catch-up effect will fade, consumption should benefit from improvements in the

(1) Group estimates as of December 31, 2021

health situation and employment, while inflation should remain under control and will be partially offset for those with the lowest incomes. Investment will continue to benefit from stimulus plans and dynamic housing construction. Finally, while exports should benefit from the boom in tourism, the automotive and aeronautics sectors will continue to struggle, at least in the first half of the year. In Spain, growth is expected to increase (6.1% after 5.0% in 2021), while in Italy, the exceptional rebound in 2021 (6.5%) will give way to slower growth (3.9%), but it will remain well above its long-term trend. As the economies continue to reopen and Covid-19 becomes less virulent, and with high vaccine coverage, confidence and activity levels will rise, boosting domestic demand. The spending of NextGenerationEU funds under national recovery and resilience plans will support investment. The still accommodative fiscal policy, with its protective measures against inflation, will support consumption, while continued reform and subsidies in Italy will encourage investment. Finally, foreign tourism is expected to return to nearly normal levels from the middle of the year, as are car exports, which have lagged behind the textile and food sectors.

As already stated, the performance of emerging and developing economies will vary between regions, with Asia still faring significantly better than the others. In addition, the negative factors seen in the second half of 2021 and extending into 2022, mentioned at the beginning of this chapter, will have a greater impact than progress in these regions. Firstly, on the health front, vaccine coverage is generally much lower in these countries. This is likely to slow their reopening after the Omicron wave. Secondly, inflation is particularly high on energy and food, which account for the bulk of their populations' spending. Faced with these inflationary pressures, while their economies are often far from having returned to pre-Covid levels, many emerging countries raised their key interest rates in 2021, as inflation expectations are more unstable and their monetary policy institutions are afforded less credibility. In addition, with the prospect of tighter US monetary policy and already greatly reduced capital inflows, their currencies are exposed to depreciation (or have already depreciated). This is particularly undesirable given their public debt levels and external and domestic financing requirements, as well as the rapid transfer to domestic prices. To this extent, the pace of tightening of US monetary policy will be decisive. Furthermore, the disruption of supply chains is having a significant impact on some emerging markets that depend on manufacturing exports and rely on long-distance transport both to source inputs and to access their markets. It is also particularly affecting countries that are dependent on imports for their basic needs. Moreover, in addition to their financial reliance on US monetary policy, mineral commodity producers are heavily dependent on Chinese demand, which is likely to falter, as explained below. Finally, on the whole, the crisis has had a greater impact on their populations than in advanced economies in terms of widening inequalities, loss of income and employment, and food security, given the size of their informal economy and their governments' limited budget capacities. Yet as the crisis ends, a resurgence of discontent, sometimes exacerbated by the restriction of freedoms for health reasons, is often being seen. This was the case in Kazakhstan in early January.

Emerging Asia is expected to post growth of 5.4% in 2022, after 6.9% in 2021. Unusually, it will owe much of this strong performance not to China, but to India (8.1% after 8%), where the general improvement in the economy that began at the end of spring 2021 is expected to continue. It is aided in this respect by its low dependence on foreign trade in goods and its strong presence in IT services. In contrast, growth is only expected at 5.4% in China, down from 8.1% in 2021. The slowdown seen in the second half of 2021 is likely to continue, at least in the early months of 2022, as the zero-Covid strategy persists and amid doubts over the effectiveness of the vaccine. This has led to repeated lockdowns in various cities and the suspension of activity in certain factories or ports, with consequences on consumption (two-thirds of the economy) and production. Climate objectives, efforts to cool down the real estate sector and the crackdown on technology companies driven by the "common prosperity" strategy, will also exacerbate the slowdown. However, the authorities seem to want to limit the downturn by adjusting their restrictive policies. To this end, they eased monetary policy in December 2021. An increase in steel production and coal-fired electricity generation was allowed. In addition, regional and local government authorities have been given greater flexibility to finance infrastructure. Exports (one-fifth of the economy) should continue to benefit from strong demand for goods in advanced economies, despite production and transport hitches. After 2021 was marked by successive waves of Covid infections, the region's other major emerging economies (Indonesia, Malaysia, Philippines and Thailand) should see economic activity accelerate with the gradual recovery in tourism and reduced constraints on their manufacturing production and exports. Despite the slowdown in China, their revenues from oil and gas, coal and agricultural exports are expected to remain high.

Among other emerging regions, Central Europe is expected to grow by 4.5% (after 5.5%), with its main economies recording similar levels of growth. Investment will be supported by European structural funds and the NextGenerationEU package and by capacity saturation. Consumption will benefit from the savings built up during the crisis and from rising incomes in a tight labour market. While monetary policy is likely to be further tightened, fiscal policy should remain accommodative, except in Romania, due to local imbalances. These countries' exports, particularly in the automotive sector, should gain from the easing of constraints caused by the semiconductor shortage. Russia is expected to grow by 2.6% (after 4.3%), a modest performance in line with the rise in consumption and investment, due to high inflation and rising interest rates, as well as a stabilisation in oil and gas revenues. Ukraine should do better (3.5% after 3.7%), provided that the confrontation with Russia does not worsen, as should Kazakhstan (4.3% after 3.3%), with the bloody riots of January having only a minor impact on its economy. However, Turkey is expected to post growth of 3.5%, down from 9.8% in 2021. While exports and tourism will be more competitive due to the sharp depreciation of the lira, consumer spending is likely to suffer from high inflation, even if it is partially offset by fiscal measures. Low-income households and companies that import and sell goods locally will fare the worst. Uncertainty about monetary policy is high, with elections due to be held in 2023. Will interest rates remain low while inflation rises? The Middle East and North Africa are expected to maintain the same pace of growth (3.8% after 4%), for example in Saudi Arabia (4.5% *vs.* 3%), the United Arab Emirates (4% *vs.* 3.7%) and Egypt (5% *vs.* 3.3%), driven by the development of oil and gas exports and/or the return of tourists. Latin America's performance (2.1% after 6.3%) will reflect that of its heavyweights, Argentina (2.5% after 9%), Brazil (0% *vs.* 4.7%), Chile (2% *vs.* 11.2%), Colombia (3.7% *vs.* 9.5%), Mexico (2.8% *vs.* 5%) and Peru (3% *vs.* 12.5%). Their exports should continue to perform well, with agricultural products and energy sources having an advantage over minerals, which could see prices fall as a result of the slowdown in China. However, domestic demand will be more contrasted, reflecting diverse economic policies and a widespread trend towards monetary tightening to combat currency depreciation. In Argentina, domestic demand should continue to be underpinned by an ongoing expansive policy despite the country's imbalances, as in Colombia, where, unlike monetary tightening, fiscal policy will remain accommodative with elections scheduled for mid-year. Conversely, in Chile, the slump in savings following successive withdrawals from pension funds, tighter economic policy and the uncertain constitutional process will weigh on growth. In Brazil, the continued rise in interest rates will wipe out the fiscal *status quo* caused by elections at the end of the year. Mexico will continue to profit from the strength of the North American economy, while consumption should benefit from some easing of fiscal policy, which will offset rising interest rates. Finally, the economy in Sub-Saharan Africa is expected to stabilise at the same pace: 3.4% after 3.8%. The decline in South Africa (2% after 4.9%) due to its structural disadvantages, most notably budget constraints and the stabilisation, or even fall, in mineral prices, will be offset by the resilience of Nigeria (3% after 2.5%), continued rebounds in Cameroon (4% after 3.4%) and Mozambique (4.2% after 1.8%), and the recovery in Angola (2.5% after -0.7%), Congo (2.5% after 0.2%) and Gabon (3.7% after 1.5%), all six of which will be boosted by the strong performance of oil and gas, coal and wood prices. The other major economies – Côte d'Ivoire (6.5% after 6.2%), Kenya (5.1% after 7.7%), Ghana (6% after 4.8%) and Senegal (5.9% after 5.1%) – will continue to benefit from the importance of agriculture (exports and/or subsistence farming), sometimes alongside gold and oil. Some of these countries and others (Mauritius, Tanzania, Namibia) will gain from the recovery in tourism. The Democratic Republic of the Congo (4.8% after 4%) will benefit from the boom in revenues from the extraction of minerals in high demand (cobalt, tin). Ethiopia will continue to be affected by the conflict between the federal government and Tigray province.

Furthermore, and crucially, this scenario is based on the gradual disappearance in the first half of the year of the causes of the global slowdown in the second half of last year. Firstly, this implies an improvement in the health crisis, which will allow the continued lifting of the restrictions that are hampering economic activity. This supposes there will be no new variants that are either more virulent or that escape the immunity acquired through vaccination or infection, and the extension of vaccine coverage in emerging and developing regions. Failing this, production and supply chains, particularly those involving Asia, will remain disrupted for longer due to the closure of factories and ports and the absence of staff due to sickness or because they are unable to cross borders. In addition, production and supply chains would be overloaded by demand as consumers are prevented from spending on services. Finally, this disruption could be exacerbated by the persistence of the electronic components shortage. As a result, inflationary pressure, also fuelled by high energy and food prices, as well as labour market tensions in some advanced economies, would intensify, forcing central banks to accelerate their monetary policy tightening. The scale of this tightening would be bigger in emerging economies where inflation expectations are less stable, currencies are more volatile and public accounts are often weak. This monetary tightening would have an impact on lending, which, when added to the end of generous fiscal policies, would be likely to weaken companies, after a sharp drop in the number of bankruptcies over the last two years. The shape of the Chinese slowdown will also play a role, and will depend highly on whether the zero-Covid strategy is maintained and on the future of its construction sector. If the slowdown were to continue, it would impact commodity prices, particularly minerals, and their producing countries, as well as other major trading partners in the Asia-Pacific region, Germany and the United States. Furthermore, delays in the return to normal following the health crisis would keep certain sectors such as leisure, accommodation, hospitality, aeronautics and, to a lesser extent, the automotive sector, struggling. Finally, the geopolitical situation, particularly the Russia-Ukraine military confrontation and trade disagreements between China and the US, will bring a further dose of uncertainty.

3.6.2 Outlook for the Coface Group

From a public health standpoint, the end of 2021 was characterised by the emergence of the highly contagious Omicron variant. High vaccination rates in most countries as well as the authorities' and corporates' ability to adapt limited the economic impact.

In geopolitical terms, a new cycle of tension appears to be dawning in several regions (Taiwan, Ukraine, Africa). Coface is closely monitoring any developments in these potential crises.

Rising commodity prices, pressure on numerous supply chains and unemployment back at all-time lows in several countries have reignited the debate over inflation, leading central banks to start normalising their monetary policy, especially in the United States. The sharp rise in energy prices, especially in Europe, has caused difficulties for a number of electricity distributors and for certain end clients.

Against this backdrop, the number of bankruptcies has continued to rise, and has even reached 2019 levels in some countries (Spain, United Kingdom). In contrast, other countries (France, Germany) are continuing to see very low bankruptcy levels.

Coface believes that it has recognised the majority of the accounting expense associated with the government schemes. As a result, the negative impact of these schemes on earnings should reduce significantly in 2022.

Coface is confirming the relevance of its Build to Lead strategy and is continuing to invest, both in the core trade credit insurance business and in its adjacencies, especially in information services where the strong growth generated (+18% in 2021) is a testament to the appropriateness of the Group's multi-year investment strategy.

3.7 KEY FINANCIAL PERFORMANCE INDICATORS

3.7.1 Financial indicators

Consolidated turnover

The composition of the Group's consolidated turnover (premiums, other revenue) is described under "Accounting principles and methods" in the notes to the consolidated financial statements.

Claims expenses

"Claims expenses" correspond to claims paid under credit insurance contracts, Single Risk policies and surety bonds, less changes in recoveries following recourse (amounts recovered from the debtor after paying the policyholder for the claim) during the financial year, and to the change in claims provisions during the financial year, and the handling expenses for these claims, which cover the costs of processing and managing policyholders' claims declarations, and those generated by monitoring recovery procedures (charges and provisions for internal and external debt collection fees).

Claims paid correspond to compensation paid under the policies during the financial year, net of collections received, plus costs incurred to ensure their management, regardless of the financial year during which the claim was declared or during which the event producing the claim took place, less amounts recovered during the financial year for claims previously indemnified, regardless of the year the indemnification was paid.

Claims provisions are established for claims declared but not yet settled at financial year end, as well as for claims that have not yet been declared, but which have been deemed probable by the Group, given the events that have arisen during the financial year (incurred but not reported (IBNR) provisions). The amounts thus provisioned also take into consideration a forecast of the amount to be collected for these claims. These provisions are decreased each year by recoveries made following the payment of compensation or the estimate of potential losses for declared or potential claims. The difference between the amount of provisions in a given financial year (established during the first year of underwriting a policy) and the amounts revalued the following years is either a liquidation profit (revaluation downward) or loss (upwards revaluation) (see Note 23 to the consolidated financial statements).

Operating expenses

"Operating expenses" correspond to the sum of the following items:

- "Contract acquisition costs", consisting of:
  - external acquisition costs, namely commissions paid to business contributors (brokers or other intermediaries) and which are based on the turnover contributed by such intermediaries,
  - and internal acquisition costs, which are essentially fixed costs related to payroll expenses for contract acquisition and the costs of the Group's sales network;
- "Administration costs" (including Group operating costs, payroll costs, IT costs, etc., excluding employee profit sharing and incentive schemes). Contract acquisition costs as well as administration costs primarily include costs linked to the credit insurance business. However, due to pooling, costs related to the Group's other businesses are also included in these items;
- "Other current operating expenses" (expenses that cannot be allocated to any of the functions defined by the chart of accounts, including in particular general management expenses);
- "Expenses from banking activities" (general operating expenses, such as payroll costs, IT costs, etc.) relating to factoring activities; and
- "Expenses from other activities" (overheads related exclusively to information and debt collection for customers without credit insurance).

As such, "Operating expenses" consist of all overheads, with the exception of internal investment management expenses for insurance – which are recognised in the "Investment income, net of management expenses (excluding financing costs)" aggregate – and claims handling expenses, with the latter included in the "Claims expenses" aggregate.

Total internal overheads (*i.e.* overheads excluding external acquisition costs (commissions)), are analysed by function, regardless of the accounting method applied to them, in all of the Group's countries. This presentation enables a better understanding of the Group's savings and differs on certain points from the presentation of the income statement, which meets the presentation requirements of the accounting standards.

Cost of risk

"Cost of risk" corresponds to expenses and provisions linked to covering the ceding company risk (inherent to the factoring business) and credit risk, net of credit insurance coverage.

Underwriting income

Underwriting income is an intermediate balance of the income statement which reflects the operational performance of the Group's activities, excluding the management of business investments. It is calculated before and after recognition of the income or loss from ceded reinsurance:

- "Underwriting income before reinsurance" (or underwriting income gross of reinsurance) corresponds to the balance between consolidated turnover and the total sum of claims expenses, operating expenses and cost of risk;

- "Underwriting income after reinsurance" (or underwriting income net of reinsurance) includes, in addition to the underwriting income before reinsurance, the income or loss from ceded reinsurance, as defined below.

Income (loss) from ceded reinsurance (expenses or income net of ceded reinsurance)

"Reinsurance income" (or income and expenses net of ceded reinsurance) corresponds to the sum of income from ceded reinsurance (claims ceded to reinsurers during the financial year under the Group's reinsurance treaties, net of the change in the provision for claims net of recoveries that was also ceded, plus the reinsurance commissions paid by reinsurers to the Group for proportional reinsurance), and charges from ceded reinsurance (premiums ceded to reinsurers during the financial year for the Group's reinsurance treaties, net of the change in provisions for premiums also ceded to reinsurers).

Investment income, net of management expenses (excluding financing costs)

"Investment income, net of management expenses (excluding financing costs)" combines the result of the Group's investment portfolio (investment income, net gains on disposals and addition to/reversals of provisions for impairment), exchange rate differences and investment management expenses.

Operating income

"Current operating income (loss)" corresponds to the sum of "Underwriting income after reinsurance", "Net investment income excluding financing costs" and non-current items, namely "Other operating income and expenses".

In the presentation of operating income by region, the amounts are represented before turnover from interregional flows and holding costs not charged back to the regions have been eliminated.

Income tax

Tax expenses include tax payable and deferred tax that results from consolidation restatements and temporary tax differences, insofar as the tax position of the companies concerned so justifies (as more extensively described under "Accounting principles and methods" and in Note 29 to the consolidated financial statements).

Net income (Group share)

Net income (Group share) corresponds to the amount of "Net income from continuing operations" (corresponding to "Operating income", net of "Financing costs", "Share in net income of associates" and "Income tax"), "Net income from discontinued operations" and "Non-controlling interests".

3.7.2 Operating indicators

As part of its business operations, in addition to the financial aggregates published in accordance with the International Financial Reporting Standards (IFRS), the Group uses four operational indicators to track its commercial performance. They are described below:

Production of new contracts

The production of new contracts corresponds to the annual value of credit insurance policies taken out by new customers during the period. The Group generally records a higher production of new contracts during the first quarter of a given financial year.

Retention rate

The rate corresponds to the ratio between the annual value of the policies actually renewed and that of the policies that were due to be renewed at the end of the preceding period. The annual value of the policies corresponds to the value of the credit insurance policies over a 12-month period according to an estimate of the volume of related sales and the level of the rate conditions in effect at the time the policy is taken out.

Price effect of credit insurance policies

The price effect of the credit insurance policies corresponds to the difference between the annual value of the policies, calculated based on the tariffs in effect at the time the policy is taken out, and the annual value of the policies for the preceding period (calculated based on the rate conditions of the preceding period and excluding any volume effect related to policyholders' actual revenue).

Volume effect

The method for calculating premiums on the Group's turnover produces its effects throughout the life of the policies, and not for a single financial year. When the volume of a policyholder's actual sales is higher than what was taken into consideration to determine the amount of premiums billed during the period covered by the policy, this difference produces a positive effect on the earned premiums recorded by the Group with a one-year lag. Conversely, when the volume of the policyholder's sales is less than what was used as the basis for calculating the flat rate, this difference does not produce any effect on the Group's turnover for the following financial year.

3.7.3 Breakdown of the calculation of ratios as of December 31, 2021

EARNED PREMIUMS *In €k*	FY-2020	FY-2021
Gross earned premiums [A]	**1,204,334**	**1,312,637**
Ceded premiums	(559,203)	(512,098)
NET EARNED PREMIUMS [D]	**645,131**	**800,539**

CLAIMS EXPENSES *In €k*	FY-2020	FY-2021
Claims expenses [B]	**(623,653)**	**(280,456)**
Ceded claims	180,639	119,395
Change in claims provisions	135,321	(105,272)
NET CLAIMS EXPENSES [E]	**(307,692)**	**(266,333)**

* *Of which claims handling expenses*

TECHNICAL EXPENSES *In €k*	FY-2021	FY-2021
Operating expenses	**(655,672)**	**(699,327)**
Employee profit sharing and incentive plans	2,854	9,898
Other revenue	246,530	255,221
Operating expenses, net of revenues from other services before reinsurance [C]	(406,288)	(434,208)
Commissions received from reinsurers	199,126	183,686
OPERATING EXPENSES, NET OF REVENUES FROM OTHER SERVICES AFTER REINSURANCE [F]	**(207,162)**	**(250,522)**

Gross comined ratio = gross loss ratio $\frac{B}{A}$ **+ gross cost ratio** $\frac{C}{A}$

Net combined ratio = net loss ratio $\frac{E}{D}$ **+ net cost ratio** $\frac{F}{D}$

RATIOS	FY-2020	FY-2021
Loss ratio before reinsurance	51.8%	21.4%
Loss ratio after reinsurance	47.7%	33.3%
Cost ratio before reinsurance	33.7%	33.1%
Cost ratio after reinsurance	32.1%	31.3%
Combined ratio before reinsurance	85.5%	54.4%
Combined ratio after reinsurance	79.8%	64.6%

3.7.4 Alternative performance measures (APM)

This section takes a look at KPIs not defined by accounting standards but used by the Company for its financial communications.

This section is a follow-up to the AMF's position – IAP DOC 2015-12.

The indicators below represent indicators listed as belonging to the category of Alternative Performance Measures.

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

DEFINITION	JUSTIFICATION
Turnover with restated items	
[1] Two types of restatements on turnover: i. Calculation of turnover growth percentages, like-for-like: Year N recalculated at the exchange rate of year N-1; Year N-1 at the Group structure of year N. ii. Removal or addition of turnover in value (€) considered as extraordinary in the current year. The term "extraordinary" refers to impacts on turnover which do not occur every year.	i. Historic method used by Coface to calculate *pro forma*%. ii. Item considered as extraordinary, *i.e.* which will only occur in the current financial year (year N).
Fee and commission income/Gross earned premiums – (current – like-for-like)	
Weight of fee and commission income over earned premiums on like-for-like basis: Year N at the exchange rate of year N-1; Year N-1 at the Group structure of year N. Fee and commission income corresponds to the turnover invoiced on additional services.	Indicator used to monitor changes in fee and commission income compared with the main turnover item at constant scope.
Internal overheads excluding extraordinary items	
[2] Restatement or Addition of items considered as extraordinary with respect to internal overheads. The term "extraordinary" refers to impacts on expenses which do not occur every year.	Indicator used to compare changes in internal overheads by excluding extraordinary items.

b) Alternative performance measures related to operating income:

DEFINITION	JUSTIFICATION
Operating income excluding restated extraordinary items (including financing costs and excluding other operating income and expenses)	
Restatement or Addition of items considered as extraordinary to operating income: these include extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in operating income by excluding extraordinary items.

c) Alternative performance measures related to net income:

DEFINITION	JUSTIFICATION
Net income excluding extraordinary items	
Restatement or Addition of items considered as extraordinary with respect to net income. This includes extraordinary income and expenses likely to impact either turnover (see definition above **[1]**) or overheads (see definition above **[2]**). This aggregate is also restated for "current operating income and expenses", which are recorded after operating income in the management income statement.	Indicator used to compare changes in net income by excluding extraordinary items.

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
i. (Current turnover N - FX Impact N-1)/(Current turnover N-1 + Perimeter impact N) -1 **ii.** Current turnover N +/- Restatements/ Additions of extraordinary items N	i. **+8.3%** = (1,567.9 + 14.0)/(1,450.9 + 9.5 scope impact) - 1 ii. 1,567.9 +/-0.0	i. N/A 1,460.4 = 1,450.9 + (9.5 scope impact) ii. 1,460.4 +/-0.0
Fee and commission income/Earned premiums – Like-for-like	**Current: 10.7%** = 140.8/1,312.6 **Like-for-like: 10.6%** = 141.2/1,326.3	**Current: 12.0%** = 144.0/1,204.3 **Like-for-like: 11.8%** = 145.3/1,233.3
Current internal overheads +/- Restatements +/- Additions of extraordinary items	€**572.7**m = 572.7 +/-0.0	€**536.1**m = 536.1 +/-0.0

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
Operating income +/- Financing expenses +/- Addition of extraordinary items	€**294.6**m = 312.9 + (-21.5) - (-3.2 Extraordinary items)	€**132.5**m = 140.4 + (-21.8) - (-13.8 Extraordinary items)

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
Current operating income +/- Restatements +/- Additions of extraordinary items net of tax	Not applicable for this reporting date	Not applicable for this reporting date

d) Alternative performance measures related to the combined ratio:

DEFINITION	JUSTIFICATION
Loss ratio gross of reinsurance (loss ratio before reinsurance) and gross loss ratio with claims handling expenses refer to the same indicator	
Ratio of claims expenses to gross earned premiums (the sum of gross earned premiums and unearned premium provisions), net of premium refunds.	Indicator for monitoring the level of loss borne by the Group with respect to premiums, after ceded reinsurance.
Loss ratio net of reinsurance (loss ratio after reinsurance)	
Ratio between claims expenses net of claims expenses ceded to reinsurers under reinsurance treaties entered into by the Group, and total earned premiums net of premiums ceded to reinsurers.	Indicator for monitoring the level of loss borne by the Group with respect to premiums, after ceded reinsurance.
Cost ratio before reinsurance	
Ratio between operating expenses (net of employee profit sharing) less other income* and earned premiums.	Indicator for monitoring the level of operating expenses (insurance contracts portfolio acquisition and management) borne by the Group with respect to premiums.
Cost ratio after reinsurance	
Ratio between operating expenses (net of employee profit sharing) less other income* net of commissions received from reinsurers under reinsurance treaties entered into by the Group, and the total of earned premiums net of premiums ceded to reinsurers.	Indicator for monitoring the level of operating expenses (insurance contracts portfolio acquisition and management) borne by the Group with respect to premiums after ceded reinsurance.
Combined ratio before/after reinsurance	
The combined ratio is the sum of the loss ratios (before/after reinsurance) and cost ratios (before/after reinsurance) as defined above.	Overall profitability indicator of the Group's activities and of its technical margin before and after ceded reinsurance.
Net combined ratio excluding restated and extraordinary items [A]	
Restatement or Addition of items considered as extraordinary with respect to combined ratio after reinsurance. This includes extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in combined ratios after reinsurance by excluding extraordinary items.
Loss ratio excluding extraordinary items [B]	
Restatement or Addition of items considered as extraordinary with respect to loss ratio net of reinsurance.	Indicator used to compare changes in loss ratios after reinsurance by excluding extraordinary items.
Net cost ratio excluding restated and extraordinary items [C]	
Restatement or Addition of items considered as extraordinary to cost ratio after reinsurance: these include extraordinary income and expenses impacting either turnover (see definition above, **[1]**) or overheads (see definition above **[2]**).	Indicator used to compare changes in cost ratios after reinsurance by excluding extraordinary items.
Current year gross loss ratio – before reinsurance excluding claims handling expenses [D]	
Ultimate claims expense (after recoveries) over earned premiums (after premium refunds) for the current year. The insurance period is exclusively the current year N.	Indicator used to calculate the loss ratio before reinsurance excluding claims handling expenses.
Prior year gross loss ratio – before reinsurance excluding claims handling expenses [E]	
Corresponds to gains/losses for insurance periods prior to current year N excluded. A gain or loss corresponds to an excess or deficit of claims provisions compared with the loss ratio actually recorded.	Indicator used to calculate the loss ratio before reinsurance excluding claims handling expenses.
Comprehensive gross loss ratio – before reinsurance excluding claims handling expenses [F]	
Corresponds to the accounting loss ratio for all insurance periods (current year N and its prior years). This concerns the loss ratio before reinsurance excluding claims handling expenses.	Key indicator in loss monitoring.

* *Operating expenses include overheads linked to the execution of additional services (business information and debt collection) inherent to the credit insurance business. These also include overheads for service businesses carried out by the Group, such as factoring.*
In order for the cost ratio calculated by the Group to be comparable to the cost ratio calculated by other main market players, "Other revenue", namely the revenue generated by the additional businesses (non-insurance), is deducted from overheads.

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
Claims expenses/Gross earned premiums	See 3.7.3 Appendix – Breakdown of the calculation of ratios at December 31	
(Claims expenses + Ceded claims + Change in provisions on claims net of recourse)/(Gross earned premiums + Expenses from ceded reinsurance)	See 3.7.3 Appendix – Breakdown of the calculation of ratios at December 31	
(Operating expenses - Employee profit sharing - Other income)/Gross earned premiums	See 3.7.3 Appendix – Breakdown of the calculation of ratios at December 31	
(Operating expenses - Employee profit sharing - Other income - Commissions received from reinsurers)/(Gross earned premiums + Expenses from ceded reinsurance)	See 3.7.3 Appendix – Breakdown of the calculation of ratios at December 31	
Loss ratio (before/after reinsurance) + Cost ratio (before/after reinsurance)	See 3.7.3 Appendix – Breakdown of the calculation of ratios at December 31	
Combined ratio after reinsurance +/- Restatements +/- Additions of extraordinary items	**[A] = [B] + [C]** **54.5%** = 23.2% + 31.3%	**[A] = [B] + [C]** **84.5%** = 53.0% + 31.6%
Loss ratio after reinsurance +/- Restatements/Additions of extraordinary items	**23.2%** = 33.3% - 10.1 pts	**53.0%** = 47.7% + 5.3 pts
Cost ratio after reinsurance +/- Restatements/Additions of extraordinary items	**31.3%** = 31.3% - 0.0pts	**31.6%** = 32.1% - 0.5 pts
Claims for the current year/Earned premiums for the current year see ultimate loss ratios development triangle	**66.8%**	**78.4%**
[E] = [F-D]	**-47.7%** = 18.6% - 66.3%	**-29.3%** = 49.1% - 78.4%
(Claims paid net of recourse + Change in claims provisions)/Earned premiums	**18.6%** = - (- 244.3/1,312.6)	**49.1%** = - (- 591.8/1,204.3)

e) Alternative performance measures related to equity:

DEFINITION	JUSTIFICATION
RoATE – Return on average tangible equity	
Net income (Group share) over average tangible equity (average equity (Group share) for the period restated for intangible assets)	The RoATE is used to measure the return on the Coface Group's invested capital.
RoATE excluding non-recurring extraordinary items	
The calculation of RoATE (see definition of RoATE above) is based on net income excluding extraordinary items and average tangible equity (see RoATE definition above) excluding extraordinary items. For this calculation, interest or commissions linked to capital management instruments (such as hybrid debt, contingent capital) are not considered as extraordinary items.	RoATE excluding extraordinary items is used to monitor the Group's profitability between two reporting periods.

f) Alternative performance measures related to the investment portfolio:

DEFINITION	JUSTIFICATION
Accounting rate of return of financial assets	
Investment income after income from equity and interest rate derivatives and before income from equity securities, currencies and currency derivatives and financial expenses divided by the balance sheet total of financial assets excluding equity securities.	Indicator used to monitor the accounting performance of the financial assets portfolio.
Accounting rate of return of financial assets excluding income from disposals	
Investment income before gains or losses on disposals, impairment and reversals, income from equity and interest rate derivatives, equity securities, currencies, currency derivatives and financial expenses, divided by the balance sheet total of financial assets excluding equity securities.	Indicator used to monitor the recurring accounting performance of the financial assets portfolio.
Economic rate of return of financial assets	
Economic performance of the asset portfolio. Thus, the change in revaluation reserves for the year over the balance sheet total of financial assets is added to the accounting rate of return.	Indicator used to monitor the economic performance of the financial assets portfolio.
Investment portfolio income	
Investment portfolio income (shares/fixed income instruments and real estate).	Used to monitor income from the investment portfolio only.
Other	
Income from derivatives excluding currency derivatives, income from equity securities and investment fees	Used to monitor income from equity securities, derivatives excluding currency derivatives and fees relating to investments

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
Net income (Group share) for year N/[(Equity (Group share) N-1, restated for intangible assets N-1 + Equity (Group share) restated for intangible assets N)/2]	**12.2%** = 223.8/[(1,767 + 1,911)/2]	**4.8%** = 82.9/[(1,704 + 1,767)/2]
Net income (Group share) for year N excluding extraordinary items/[Equity (Group share) excluding extraordinary items N-1, restated for intangible assets N-1 + Equity (Group share) excluding extraordinary items N restated for intangible assets N)/2]	Not applicable for this reporting date	Not applicable for this reporting date

RECONCILIATION WITH THE FINANCIAL STATEMENTS	N/N-1 COMPARISON – €M 2021	2020
Investment portfolio income/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**1.2%** = 36.7/(((3,220 - 152) + (2,984 - 150))/2)	**1.1%** = 31.1/(((2,984 - 150) + (2,991 - 142))/2)
Investment portfolio income excluding capital gains or losses/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**1.1%** = (36.7 - 3.6)/(((3,220 - 152) + (2,984 - 150))/2)	**1.2%** = (31.1 +1.7)/(((2,984 - 150) + (2,991 - 142))/2)
Accounting rate of return on financial assets + (revaluation reserves of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N - revaluation reserves of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/((market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N + market value of financial assets (shares excluding equity securities, real estate, fixed income instruments) year N-1)/2)	**1.6%** = (36.7 + 106.0 - 96.2)/(((3,220 - 152) + (2,984 - 150))/2)	**1.5%** = (31.1 + 96.2 - 85.2)/(((2,988 - 150) + (2,991 - 142)
Income from shares excluding equity securities + income from fixed income instruments + real estate income + income from equity and interest rate derivatives	**€36.7m** = 4.0 + 23.2 + 14.0 - 4.5	**€31.1m** = (6.8) + 22.2 + 9.7 + 6.0
Income from derivatives excluding currencies + income from equity securities + investment fees	**€5.5m** = 7.0 + 6.2 - 7.8	**(€4.2m)** = -3.5 + 5.2 - 6.0

g) Alternative performance measures linked to reinsurance:

DEFINITION	JUSTIFICATION
Ceded premiums/Gross earned premiums (rate of ceded premiums)	
Weight of ceded premiums compared with earned premiums. Ceded premiums correspond to the share of earned premiums that Coface cedes to its reinsurers under reinsurance treaties signed with them. Earned premiums correspond to the sum of written premiums and provisions on earned premiums not yet written.	Indicator used to monitor changes in reinsurance income.
Ceded claims/Total claims (rate of ceded claims)	
Weight of ceded claims compared with total claims. Ceded claims correspond to the share of claims that Coface cedes to its reinsurers under reinsurance treaties signed with them.	Indicator used to monitor changes in reinsurance income.
Underwriting income before/after reinsurance (underwriting income gross/net of reinsurance)	
See definition above (Financial indicators) Underwriting income before and after reinsurance is now reported directly in the income statement following changes in its presentation.	

3.8 INVESTMENTS OUTSIDE THE INVESTMENT PORTFOLIO

Information can be found in Note 6 “Buildings used in the business and other property, plant and equipment” of the Group’sconsolidated financial statements.

	N/N-1 COMPARISON – €M	
RECONCILIATION WITH THE FINANCIAL STATEMENTS	2021	2020
(Ceded premiums (including change in premiums provisions)/Earned premiums)	**39.0%** = -(-512.1/1,312.6)	**46.4%** = -(-559.2/1,204.3)
Ceded claims (including change in claims provisions after recourse)/Total claims (including claims handling expenses)	**5.0%** = -14.1/[(-244.3) +(-36.2)]	**50.7%** = -316.0/[(-591.8) +(-31.8)]

CONSOLIDATED BALANCE SHEET
& INCOME STATEMENT

SIGNIFICANT EVENTS
& SCOPE OF CONSOLIDATION

NOTES AND APPENDICES
CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

4

FINANCIAL ITEMS

4.1 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 Consolidated balance sheet

Asset

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Intangible assets		**229,951**	**230,852**
Goodwill	1	155,529	154,245
Other intangible assets	2	74,423	76,607
Insurance business investments	**3**	**3,219,430**	**2,982,945**
Investment property	3	288	288
Held-to-maturity securities	3	1,833	1,872
Available-for-sale securities	3	3,115,154	2,896,314
Trading securities	3	15	67
Derivatives	3	10,458	7,237
Loans and receivables	3	91,683	77,167
Receivables arising from banking activities	**4**	**2,690,125**	**2,326,941**
Reinsurers' share of insurance liabilities	**17**	**512,187**	**603,453**
Other assets		**1,024,871**	**1,007,645**
Buildings used for operations purposes and other property, plant and equipment	6	105,809	112,765
Deferred acquisition costs	8	38,900	35,494
Deferred tax assets	19	58,345	49,250
Receivables arising from insurance and reinsurance operations	7	511,038	516,561
Trade receivables arising from service activities	8	59,489	62,390
Current tax receivables	8	75,682	49,853
Other receivables	8	175,609	181,332
Cash and cash equivalents	9	362,441	400,969
TOTAL ASSETS		**8,039,006**	**7,552,804**

Liability

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Equity attributable to owners of the parent		**2,141,041**	**1,998,308**
Share capital	10	300,360	304,064
Additional paid-in capital		810,420	810,420
Retained earnings		644,807	656,118
Other comprehensive income		161,638	144,807
Consolidated net income of the year		223,817	82,900
Non-controlling interests		**309**	**267**
Total equity		**2,141,351**	**1,998,575**
Provisions for liabilities and charges	**13**	**85,748**	**96,307**
Financing liabilities	**15**	**390,553**	**389,810**
Lease liabilities	**16**	**81,930**	**88,124**
Liabilities relating to insurance contracts	**17**	**1,859,059**	**1,804,092**
Payables arising from banking activities	**18**	**2,698,525**	**2,318,392**
Amounts due to banking sector companies	18	822,962	535,447
Amounts due to customers of banking sector companies	18	376,788	357,384
Debt securities	18	1,498,775	1,425,562
Other liabilities		**781,841**	**857,504**
Deferred tax liabilities	19	120,326	110,507
Payables arising from insurance and reinsurance operations	20	286,583	414,133
Current taxes payables	21	80,712	70,621
Derivatives	21	3,480	26
Other payables	21	290,739	262,219
TOTAL EQUITY AND LIABILITIES	**21**	**8,039,006**	**7,552,804**

4.1.2 Consolidated income statement

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Gross written premiums		*1,462,424*	*1,273,767*
Premium refunds		*(121,336)*	*(78,111)*
Net change in unearned premium provisions		*(28,451)*	*8,678*
Earned premiums	**22**	**1,312,637**	**1,204,334**
Fee and commission income		*140,691*	*143,985*
Net income from banking activities		*64,400*	*58,450*
Income from services activities		*50,130*	*44,094*
Other revenue	**22**	**255,221**	**246,530**
Revenue		1,567,858	1,450,864
Claims expenses	**23**	**(280,456)**	**(623,653)**
Policy acquisition costs	*24*	*(259,317)*	*(238,453)*
Administrative costs	*24*	*(270,990)*	*(261,807)*
Other insurance activity expenses	*24*	*(66,243)*	*(60,971)*
Expenses from banking activities, excluding cost of risk	*24/25*	*(13,103)*	*(12,833)*
Expenses from services activities	*24*	*(89,674)*	*(81,608)*
Operating expenses	**24**	**(699,327)**	**(655,672)**
Risk cost	**25**	**76**	**(100)**
UNDERWRITING INCOME BEFORE REINSURANCE		**588,150**	**171,439**
Income and expenses from ceded reinsurance	26	(314,288)	(44,116)
UNDERWRITING INCOME AFTER REINSURANCE		**273,862**	**127,322**
Investment income, net of management expenses (excluding finance costs)	27	42,177	26,903
CURRENT OPERATING INCOME		**316,039**	**154,225**
Other operating income and expenses	28	(3,177)	(13,787)
OPERATING INCOME		**312,862**	**140,438**
Finance costs		(21,477)	(21,740)
Share in net income of associates		0	0
Badwill		0	8910,044
Income tax expense	29	(67,511)	(44,704)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**223,874**	**82,904**
Non-controlling interests		(57)	(4)
NET INCOME FOR THE YEAR		**223,817**	**82,900**
Earnings per share *(in €)*	31	1.50	0.55
Diluted earnings per share *(in €)*	31	1.50	0.55

4.1.3 Consolidated statement of comprehensive income

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Net income of the period		223,817	82,900
Non-controlling interests		57	4
Other comprehensive income			
Currency translation differences reclassifiable to income		**4,956**	**(25,150)**
Reclassified to income		*0*	*0*
Recognised in equity		*4,956*	*(25,150)*
Fair value adjustments on available-for-sale financial assets	**3; 12; 19**	**10,252**	**17,824**
Recognised in equity – reclassifiable to income – gross		*23,488*	*20,218*
Recognised in equity – reclassifiable to income – tax effect		*(5,873)*	*(2,956)*
Reclassified to income – gross		*(9,185)*	*959*
Reclassified to income – tax effect		*1,822*	*(397)*
Fair value adjustments on employee benefit obligations	**3; 12; 19**	**1,622**	**1,298**
Recognised in equity – not reclassifiable to income – gross		*2,349*	*1,700*
Recognised in equity – not reclassifiable to income – tax effect		*(727)*	*(402)*
Other comprehensive income of the period, net of tax		**16,830**	**(6,028)**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		**240,704**	**76,876**
• attributable to owners of the parent		240,648	76,886
• attributable to non-controlling interests		56	(10)

4.1.4 Statement of changes in equity

(in thousands of euros)	NOTES	SHARE CAPITAL	PREMIUMS	CONSOLIDATED RESERVES	TREASURY SHARES
Equity at December 31, 2019		**304,064**	**810,420**	**523,628**	**(11,190)**
2019 net income to be appropriated				146,729	
Payment of 2019 dividends in 2020					
Total transactions with owners		0	0	146,729	0
December 31, 2020 net income					
Fair value adjustments on available-for-sale financial assets recognized in equity					
Fair value adjustments on available-for-sale financial assets reclassified to income statement					
Change in actuarial gains and losses (IAS 19R)					
Currency translation differences					
Cancellation of COFACE SA shares					
Treasury shares elimination					(4,632)
Free share plans expenses				1,698	
Transactions with shareholders and others				(116)	
Equity at December 31, 2020		**304,064**	**810,420**	**671,939**	**(15,822)**
2020 net income to be appropriated				82,900	
Payment of 2020 dividends in 2021				(81,976)	
Total transactions with owners		0	0	924	0
December 31, 2021 net income					
Fair value adjustments on available-for-sale financial assets recognized in equity	3; 12; 14; 19				
Fair value adjustments on available-for-sale financial assets reclassified to income statement	3; 12; 14; 19				
Change in actuarial gains and losses (IAS 19R)					
Currency translation differences					
Cancellation of COFACE SA shares		(3,704)		(11,298)	
Treasury shares elimination					103
Free share plans expenses				465	
Transactions with shareholders and others				(1,504)	
EQUITY AT DECEMBER 31, 2021		**300,360**	**810,420**	**660,526**	**(15,719)**

OTHER COMPREHENSIVE INCOME						
FOREIGN CURRENCY TRANSLATION RESERVE	RECLASSIFIABLE REVALUATION RESERVES	NON-RECLASSIFIABLE REVALUATION RESERVES	NET INCOME FOR THE PERIOD	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
(8,425)	**184,659**	**(25,413)**	**146,729**	**1,924,472**	**269**	**1,924,741**
			(146,729)			
0	0	0	(146729)	0	0	0
			82,900	82,900	4	82,904
	17,261			17,261	1	17,262
	562			562	0	562
		1,298		1,298	0	1,298
(25,135)				(25,135)	(15)	(25,150)
				(4,632)	0	(4,632)
				1,698	0	1,698
				(116)	8	(108)
(33,560)	**202,482**	**(24,115)**	**82,900**	**1,998,308**	**267**	**1,998,575**
			(82,900)			
				(81,976)	4	(81,980)
0	0	0	(82,900)	(81,976)	(4)	(81,980)
			223,817	223,817	57	223,874
	17,106			17,106	1	17,107
	(7,363)			(7,363)	0	(7,363)
		1,622		1,622		1,622
4,958				4,958	(2)	4,956
				(15,002)	0	(15,002)
				103	0	103
				465	0	465
	508			(996)	(10)	(1,006)
(28,602)	**212,733**	**(22,493)**	**223,817**	**2,141,042**	**309**	**2,141,351**

4.1.5 Consolidated statement of cash flows

(in thousands of euros)	DECEMBER 31, 2021	DECEMBER 31, 2020
Net income for the period	223,817	82,900
Non-controlling interests	57	4
Income tax expense	67,511	44,704
Finance costs	21,477	21,740
Operating income (A)	312,862	149,348
+/- Depreciation, amortization and impairment losses	30,153	39,216
+/- Net additions to/reversals from technical provisions	106,475	(75,244)
+/- Unrealized foreign exchange income/loss	13,499	12,922
+/- Non-cash items	24,219	7,327
Total non-cash items (B)	***174,347***	***(15,778)***
Gross cash flows from operations (C) = (A) + (B)	***487,208***	***133,570***
Change in operating receivables and payables	(90,077)	118,692
Net taxes paid	(87,081)	(32,419)
Net cash related to operating activities (D)	***(177,157)***	***86,273***
Increase (decrease) in receivables arising from factoring operations	(366,695)	(6,321)
Increase (decrease) in payables arising from factoring operations	92,618	(56,841)
Increase (decrease) in factoring liabilities	290,984	37,677
Net cash generated from banking and factoring operations (E)	***16,907***	***(25,485)***
Net cash generated from operating activities (F) = (C + D + E)	326,958	194,358
Acquisitions of investments	(892,110)	(655,210)
Disposals of investments	693,321	631,206
Net cash used in movements in investments (G)	***(198,789)***	***(24,004)***
Acquisitions of consolidated subsidiaries, net of cash acquired	7,285	(4,887)
Disposals of consolidated companies, net of cash transferred		(0)
Net cash used in changes in scope of consolidation (H)	***7,285***	***(4,887)***
Acquisitions of property, plant and equipment and intangible assets	(17,166)	(33,899)
Disposals of property, plant and equipment and intangible assets	728	8,456
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)	***(16,438)***	***(25,442)***
Net cash used in investing activities (J) = (G + H + I)	(207,942)	(54,334)
Proceeds from the issue of equity instruments		(0)
Treasury share transactions	(14,886)	(4,632)
Dividends paid to owners of the parent	(81,976)	0
Dividends paid to non-controlling interests	(4)	(1)
Cash flows related to transactions with owners	***(96,866)***	***(4,632)***
Proceeds from the issue of debt instruments	(0)	0
Cash used in the redemption of debt instruments	0	(0)
Lease liabilities variations	(16,762)	(13,629)
Interests paid	(20,732)	(21,193)
Cash flows related to the financing of Group operations	***(37,494)***	***(34,822)***
Net cash generated from (used in) financing activities (K)	(134,360)	(39,454)
Impact of changes in exchange rates on cash and cash equivalents (L)	(23,187)	(20,378)
NET INCREASE IN CASH AND CASH EQUIVALENTS (F + J + K + L)	**(38,528)**	**80,192**
Net cash generated from operating activities (F)	326,958	194,358
Net cash used in investing activities (J)	(207,942)	(54,334)
Net cash generated from (used in) financing activities (K)	(134,360)	(39,454)
Impact of changes in exchange rates on cash and cash equivalents (L)	(23,187)	(20,378)
Cash and cash equivalents at beginning of period	400,969	320,777
Cash and cash equivalents at end of period	362,441	400,969
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(38,528)**	**80,192**

4.1.6 Mandatory elements of the basic taxonomy

NAME OF REPORTING ENTITY OR OTHER MEANS OF IDENTIFICATION	COFACE SA
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	N/A
Domicile of entity	1, place Costes et Bellonte, 92270 Bois-Colombes, France
Legal form of entity	Limited corporation *(société anonyme)* under French law with a Board of Directors
Country of incorporation	France
Address of entity's registered office	1, place Costes et Bellonte, 92270 Bois-Colombes, France
Principal place of business	1, place Costes et Bellonte, 92270 Bois-Colombes, France
Description of nature of entity's operations and principal activities	With more than 75 years of experience and the most extensive international network, Coface is a leader in trade credit insurance and adjacent specialty services, including Factoring, Single Risk insurance, Bonding and Information services. Coface helps companies in their credit decisions. The Group's services and solutions strengthen their ability to sell by protecting them against the risks of non-payment in their domestic and export markets.
Name of parent entity	COFACE SA
Name of ultimate parent of Group	COFACE SA

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

BASIS OF PREPARATION

These IFRS consolidated financial statements of the Coface Group as at December 31, 2021 are established in accordance with the International Financial Reporting Standards (IFRS) as published by the IASB and as adopted by the European Union [(1)]. They are detailed in the Note "Accounting principles".

The balance sheet is presented with comparative financial information at December 31, 2020. The income statement is presented with comparative financial information at December 31, 2020.

These IFRS consolidated financial statements for the year ended December 31, 2021 were reviewed by the Coface Group's Board of Directors on February 15, 2022.

SIGNIFICANT EVENTS

Governance evolution

In the Board of Directors

On February 10, 2021, Natixis and Arch Capital announced that the sale of a 29.5% stake in Coface capital had received all the necessary approvals for its closing. In line with the announcements made in February 2020, all the directors representing Natixis have resigned. The Board then co-opted four directors presented by Arch as well as Bernardo Sanchez Incera, who was then appointed Chairman of the Board. As of today, Coface's Board of Directors has therefore ten members, four women and six men, the majority (6) of whom are independent directors.

On July 28, 2021, the Board of Directors of COFACE SA co-opted David Gansberg, Chief Executive Officer, Global Mortgage Group at Arch, as a non-independent director at the Board of Directors taking the place of Benoît Lapointe de Vaudreuil who leaves the Board to focus on his other professional responsibilities.

In the Executive Committee

In 2021, several appointments were made to strengthen Coface's leadership team:

- on March 24, 2021, Declan Daly has been appointed Chief Operating Officer of the Coface Group, effective as of April 1, 2021;
- on September 1, 2021, several appointments were made:
  - Antonio Marchitelli, CEO of Coface Western Europe Region, was appointed as CEO, Global Specialties, and effective January 2022,
  - Carine Pichon, chief financial and risks officer, will replace Antonio as CEO of Coface Western Europe Region,
  - Phalla Gervais will replace Carine Pichon in her role of CFO, in charge of finance and risks as of September 6,
  - Jaroslaw Jaworski has been confirmed in the role of CEO of Coface Central and Eastern Europe Region, effective on September 1;
- on September 10, 2021, Marcele Lemos was appointed as the new CEO, Latin America Region, effective on Monday, September 13th.

Rating agencies recognise Coface's good performance

On February 10, 2021, the rating agency Moody's has confirmed the financial strength rating (Insurance Financial Strength – IFS) for Coface at A2. The agency has also raised the outlook for Coface, which is now stable.

On March 18, 2021, the rating agency AM Best affirmed the A (Excellent) Insurer Financial Strength – IFS rating of Compagnie française d'assurance pour le commerce extérieur (la Compagnie), Coface North America Insurance Company (CNAIC) and Coface Re. The outlook for these ratings remain "stable".

On April 20, 2021, the rating agency Fitch affirmed Coface AA- Insurer Financial Strength (IFS) rating. The agency also removed the Rating Watch Negative. The outlook is now stable. On December 9, Fitch affirmed Insurer Financial Strength (IFS) rating and the outlook remains stable.

Capital reduction by cancellation of treasury shares

The Board of Directors of COFACE SA, in its meeting of March 4, 2021, decided to cancel the 1,852,157 shares bought under the share buyback programme, as announced on October 27, 2020; and correlatively, to reduce the share capital of the Company.

Therefore, the share capital of COFACE SA now stands at €300,359,584 divided into 150,179,792 shares with a nominal value of €2 each.

Expiry of the main government schemes

In 2020, many governments were quick to recognize the crucial role of credit insurance in maintaining business-to-business credit, the primary source of financing for many companies. In order to guarantee the availability of credit insurance in a period when the risk is not necessarily insurable, many states set up guarantee mechanisms of varying form and scope. As of December 31, 2020, Coface had signed 13 government agreements representing 64% of its exposure.

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

As initially planned, the vast majority of these government schemes (excluding top-up) have expired on June 30, 2021 leading to run-off on these policies. Indeed, governments and credit insurance players, including Coface, agree with the analysis that an extension is not necessary based on the current market situation. However, the various players will continue to work closely together after June 30 2021 in order to be able to act quickly, within the context of EU legislation, in the event that the economic situation deteriorates significantly. Government schemes had a negative impact of -€103 million on income before tax in Q4-2021, taking the total impact to -€160 million for 12M-2021.

Renewal of its syndicated loan agreement

As part of the refinancing of its factoring activities, COFACE SA signed on August 4, 2021 with a group of banking partner the early renewal of its €700 million syndicated euro loan. It is part of the Build to Lead plan, which aims to leverage Coface assets in specialty businesses and therefore continues to support the development of factoring.

This transaction was initially concluded in 2017 to replace existing bilateral credit lines. Coface is supported by a panel of seven banking partners: BNP Paribas, Crédit Agricole CIB, Natixis, Société Générale, acting as Mandated Lead Arrangers and Bookrunners, BRED, HSBC and La Banque Postale acting as Mandated Lead Arrangers. Société Générale is acting as Documentation and Facility Agent.

The loan is renewed for a period of three years with two one-year extension options at the lenders' discretion. 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 senior banks, which thus confirm their medium-term commitment to Coface.

SCOPE OF CONSOLIDATION

Change in the scope of consolidation in 2021

First-time consolidation

During the second quarter of 2021, three entities that have been exclusively owned for several years were consolidated. These are Coface Poland Insurance Service, Coface Romania Insurance Service and Coface Finance Israel.

In the last quarter of 2021, Mexico Services was also consolidated.

Exit from consolidation scope

Coface North America, Inc. (MGU) was deconsolidated on December 31, 2021.

Merger

Coface Poland CMS was absorbed by Coface Poland insurance Service.

Coface Romania CMS has been absorbed by Coface Romania Insurance Service.

Special purpose entities (SPE)

SPEs used for the credit insurance business

Coface's credit enhancement operations consist of insuring, *via* a special purpose entity (SPE), receivables securitised by a third party through investors, for losses in excess of a predefined amount. In this type of operation, Coface has no role whatsoever in determining the SPE's activity or its operational management. The premium received on the insurance policy represents a small sum compared to all the benefits generated by the SPE, the bulk of which flow to the investors.

Coface does not sponsor securitisation arrangements. It plays the role of mere service provider to the special purpose entity by signing a contract with the SPE. In fact, Coface holds no power over the relevant activities of the SPEs involved in these arrangements (selection of receivables in the portfolio, receivables management, etc.). No credit insurance SPEs were consolidated within the financial statements.

SPEs used for financing operations

Since 2012, Coface has put in place an alternative refinancing solution to the liquidity line granted by Natixis for the Group's factoring business in Germany and Poland (SPEs used for financing operations).

Under this solution, every month, Coface Finanz – a Group factoring company – sells its factored receivables to a French SPV (special purpose vehicle), the FCT Vega securitisation fund. The sold receivables are covered by credit insurance.

The securitisation fund acquires the receivables at their nominal value less a discount (determined on the basis of the portfolio's past losses and refinancing costs). To obtain refinancing, the fund issues (i) senior units to the conduits (one conduit per bank) which in turn issue ABCP (asset-backed commercial paper) on the market, and (ii) subordinated units to Coface Factoring Poland. The Coface Group holds control over the relevant activities of the FCT.

The FCT Vega securitisation fund is consolidated in the Group financial statements.

SPEs used for investing operations

The "Colombes" mutual funds were set up in 2013 to centralise the management of the Coface Group's investments. The administrative management of these funds has been entrusted to Amundi, and Caceis has been selected as custodian and asset servicing provider.

The European branches of Compagnie Française d'Assurance pour le commerce extérieur, which do not have any specific local regulatory requirements, participate in the centralized management of their assets, set up by the Compagnie française d'assurance pour le commerce extérieur. They receive a share of the global income resulting from the application of an allocation key representing the risks subscribed by each branch and determined by the technical accruals.

Fonds Lausanne was created in 2015 in order to allow Coface Re to subcribe for parts in investment funds, the management is delegated to Amundi, the custodian is Caceis Switzerland and the asset servicing provider is Caceis.

The three criteria established by IFRS 10 for consolidation of the FCP Colombes and FCP Lausanne funds are met. Units in dedicated mutual funds (UCITS) have been included in the scope of consolidation and are fully consolidated. They are fully controlled by the Group.

All of Coface entities are consolidated by full integration method.

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
Country	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2021	DEC. 31, 2021	DEC. 31, 2020	DEC. 31, 2020
Northern Europe						
Germany	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung)	-	Branch*			Branch*
Germany	Coface Finanz GmbH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Debitorenmanagement GmbH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Holding GmbH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating GmbH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Kisselberg KG	Full	100.00%	100.00%	100.00%	100.00%
Germany	Fct Vega *(Fonds de titrisation)*	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Services	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland	-	Branch*		Branch*	
Denmark	Coface Danmark	-	Branch*		Branch*	
Sweden	Coface Sverige	-	Branch*		Branch*	
Norway	Coface Norway – SUCC (Coface Europe)	-	Branch*		100.00%	100.00%
Western Europe						
France	COFACE SA	Parent company	100.00%	100.00%	100.00%	100.00%
France	Compagnie française d'assurance pour le commerce extérieur	Full	100.00%	100.00%	100.00%	100.00%
France	Cofinpar	Full	100.00%	100.00%	100.00%	100.00%
France	Cogeri	Full	100.00%	100.00%	100.00%	100.00%
France	Fimipar	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2	Full	0.00%	0.00%	100.00%	100.00%
France	Fonds Colombes 2 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *ter*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *quater*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium Services	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface Re	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 *bis*	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 3	Full	100.00%	100.00%	100.00%	100.00%

Country	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2021	PERCENTAGE INTEREST DEC. 31, 2021	PERCENTAGE CONTROL DEC. 31, 2020	PERCENTAGE INTEREST DEC. 31, 2020
Switzerland	Fonds Lausanne 3 *bis*	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 5	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 6	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Holdings	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Services	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK	-	Branch*		Branch*	
Ireland	Coface Ireland	-	Branch*		Branch*	
Central Europe						
Austria	Coface Austria Kreditversicherung Service GmbH	Full	100.00%	100.00%	100.00%	100.00%
Austria	Coface Central Europe Holding AG	Full	100.00%	100.00%	100.00%	100.00%
Austria	Compagnie française d´assurance pour le commerce extérieur SA Niederlassung Austria	-	Branch*		Branch*	
Hungary	Compagnie française d´assurance pour le commerce extérieur Hungarian Branch Office	-	Branch*		Branch*	
Poland	Coface Poland Credit Management Services Sp. z o.o.	Full	0.00%	0.00%	100.00%	100.00%
Poland	Coface Poland Insurance Services	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Factoring Sp. z o.o.	Full	100.00%	100.00%	100.00%	100.00%
Poland	Compagnie française d'assurance pour le commerce extérieur Spółka Akcyjna Oddział w Polsce	-	Branch*		Branch*	
Czech Republic	Compagnie française d'assurance pour le commerce extérieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania CMS	Full	0.00%	0.00%	100.00%	100.00%
Romania	Coface Romania Insurance Services	Full	100.00%	100.00%	0.00%	0.00%
Romania	Compagnie française d'assurance pour le commerce extérieur SA Bois-Colombes – Sucursala Bucuresti	-	Branch*		Branch*	
Romania	Coface Technologie – Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie française d´assurance pour le commerce extérieur, pobočka poisťovne z iného členského štátu	-	Branch*		Branch*	
Slovenia	Coface PKZ	Full	100.00%	100.00%	100.00%	100.00%
Lithuania	Compagnie française d'assurance pour le commerce extérieur Lietuvos filialas	-	Branch*		Branch*	
Bulgaria	Compagnie française d'assurance pour le commerce extérieur SA – Branch Bulgaria	-	Branch*		Branch*	
Russia	CJSC Coface Rus Insurance Company	Full	100.00%	100.00%	100.00%	100.00%
Mediterranean & Africa						
Italy	Coface Italy (Succursale)	-	Branch*		Branch*	
Italy	Coface Italia	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface Israel	-	Branch*		Branch*	
Israel	Coface Holding Israel	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface Finance Israel	Full	100.00%	100.00%	0.00%	0.00%
Israel	BDI – Coface (business data Israel)	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa	Full	97.50%	97.50%	97.50%	97.50%
South Africa	Coface South Africa Services	Full	100.00%	100.00%	100.00%	100.00%

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
Country	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2021	DEC. 31, 2021	DEC. 31, 2020	DEC. 31, 2020
Spain	Coface Servicios España,	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Iberica	-	Branch*		Branch*	
Portugal	Coface Portugal	-	Branch*		Branch*	
Greece	Coface Greece	-	Branch*		Branch*	
Turquey	Coface Sigorta	Full	100.00%	100.00%	100.00%	100.00%
North America						
United States	Coface North America Holding Company	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America	Full	0.00%	0.00%	100.00%	100.00%
United States	Coface Services North America	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Insurance company	Full	100.00%	100.00%	100.00%	100.00%
Canada	Coface Canada	-	Branch*		Branch*	
Latin America						
Mexico	Coface Seguro De Credito Mexico SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Holding America Latina SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Servicios Mexico SA de CV	Full	100.00%	100.00%	0.00%	0.00%
Brazil	Coface Do Brasil Seguros de Credito	Full	100.00%	100.00%	100.00%	100.00%
Chile	Coface Chile SA	Full	100.00%	100.00%	100.00%	100.00%
Chile	Coface Chile	-	Branch*		Branch*	
Argentina	Coface Argentina	-	Branch*		Branch*	
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Singapore	Coface Singapour	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	

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

ACCOUNTING PRINCIPLES

Applicable accounting standards

Pursuant to European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of Coface as of December 31, 2021 are prepared in accordance with IAS/IFRS and IFRIC interpretations as adopted in the European Union and applicable at that date.

Standards applied since January 1, 2021.

Reform of interest rates basis

The amendments related to the interest rate basis reform – Phase 2 (IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) have no significant impact on the consolidated financial statements of the Group.

IFRS 16

IFRS 16 "Leases" amendment Covid-19-Related Rent Concessions beyond June 30, 2021, adopted by the European Commission on August 30, 2021 is mandatory applicable since April 1, 2021 with possible early application. This amendment had no impact on Coface's accounts.

IFRS 17

IFRS 17 "Insurance contracts" published by the IASB on May 18, 2017 will replace IFRS 4 "Insurance contracts". IFRS 17 has been published on the European Union official newspaper on November 23, 2021. IFRS 17 has an effective date of January 1, 2023 but early application of IFRS 17 is permitted if an entity also applies IFRS 9 and IFRS 15 on or before the date of initial application of IFRS 17.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation.

So far, insurance contracts are recorded at historical costs and will be recorded at current value after the application of the standard IFRS 17. Therefore, insurance contracts values will be based on future cash flows generated, including a risk margin in order to consider the uncertainty regarding these flows. IFRS 17 introduces the concept of contractual service margin. This margin represents the benefit not earned by the insurer and will be released over time, depending on the service provided by the insurer to the policyholder.

The standard requires a higher level of granularity regarding details of calculations than before as it requires estimatation by group of contracts.

These accounting changes will modify the profile of the insurance income statement.

Given the importance of the changes made, Coface has set up a project structure, which enables, within different themes, to analyze all the dimensions of the standard: modeling, adaptation of systems and organizations, production of accounts and scales strategy, financial communication and change management.

IFRS 9

The new IFRS 9 "Financial Instruments" was adopted by the European Commission on November 22, 2016 and has been applicable retrospectively since January 1, 2018.

IFRS 9 replaces IAS 39 and defines the new rules for the classification and measurement of financial assets and liabilities, the new methodology for credit risk impairment of financial assets, and the treatment of hedging transactions at the same time. It excepts macro-hedging transactions for which a separate draft standard is under study by the IASB.

Exemption

The amendment to IFRS 4 relating to the joint application of IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" with specific measures for financial conglomerates was adopted on November 9, 2017 and is applicable since January 1, 2018. This European regulation allows European financial conglomerates to opt to postpone the application of IFRS 9 for their insurance sector until January 1, 2023 (date of application of the new IFRS 17 Insurance Contracts standard) under conditions:

- not to transfer financial instruments between the insurance sector and the other sectors of the conglomerate (with the exception of instruments at fair value through profit or loss);
- to indicate the insurance entities that apply the IAS 39 standard;
- to provide additional specific information in the attached notes.

Coface, meeting the eligibility criteria of a financial conglomerate, applies this provision for its insurance entities, which will therefore remain under IAS 39 until December 31, 2021. The entities concerned by this measure are all insurance entities and entities whose activity is directly related to insurance (service entities, consolidated funds).

Scope of application

Consequently, the entities concerned by the application of IFRS 9 are exclusively entities in the factoring business, an activity operated by Coface in Germany and in Poland.

IFRIS IC recent decisions

The IFRS IC interpretations relating to IAS 19 on the allocation of post-employment benefits to periods of service as well as IAS 38 on the costs of configuring and adapting software accessible *via* the cloud do no have any significant impact on the Group's consolidated financial statements.

Standards applied starting from January 1, 2022

The amendments related to IFRS 3, IAS 16 and IAS 37, published on May 14, 2020, will be applicable from January 1, 2022.

Consolidation methods used

In accordance with IAS 1 "Presentation of Financial Statements", IFRS 10 and IFRS 3 on Business Combinations, certain interests that are not material in relation to the Coface Group's consolidated financial statements were excluded from the scope of consolidation.

Materiality is determined based on specific threshold and on a qualitative assessment of the relevance of each entity's contribution to the consolidated financial statement of Coface.

The main thresholds applicable are as follows:

- total balance sheet: €40 millions;
- technical result: €5 millions;
- net income: +/- €2 millions.

Moreover, under the Coface Group rules, the non-consolidated companies should fully distribute all their distributable profits except in the case of regulatory requirements or exceptional items.

The consolidation methods applied are as follows:

- companies over which the Coface Group exercises exclusive control are fully consolidated;
- companies over which the Coface Group exercises significant influence are accounted for by the equity method.

All the entities of the Coface Group scope are fully consolidated.

IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" in relation to consolidated financial statements as well as SIC-12 on special purpose entities. The control of an entity must now be analysed through three aggregate criteria: the power on the relevant activities of the entity, exposure to the variable returns of the entity and the investor's ability to affect the variable returns through its power over the entity. The analysis of Special Purpose Entities (SPE's) from Coface Group is presented in the Note "Scope of consolidation".

Intercompany transactions

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

Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and it must be highly probable that the sale will take place within 12 months.

A sale is deemed to be highly probable if:

- management is committed to a plan to sell the asset (or disposal group);
- a non-binding offer has been submitted by at least one potential buyer;
- it is unlikely that significant changes will be made to the plan or that it will be withdrawn.

Once assets meet these criteria, they are classified under "Non-current assets held for sale" in the balance sheet at the subsequent reporting date, and cease to be depreciated/amortised as from the date of this classification. An impairment loss is recognised if their carrying amount exceeds their fair value less costs to sell. Liabilities related to assets held for sale are presented in a separate line on the liabilities side of the balance sheet.

If the disposal does not take place within 12 months of an asset being classified as "Non-current assets held for sale", the asset ceases to be classified as held for sale, except in specific circumstances that are beyond Coface's control.

A discontinued operation is a clearly identifiable component of an entity that either has been disposed of, or is classified as held for sale, and:

- the component represents a separate major line of business or geographical area of operations;
- without representing a separate major line of business or geographical area of business, the component is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- the component is a subsidiary acquired exclusively with a view to resale.

The income from these operations is presented on a separate line of the income statement for the period during which the criteria are met and for all comparative periods presented. The amount recorded in this income statement line includes the net income from discontinued operations until they are sold, and the post -tax net income recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

Year-end and accounting period

All consolidated companies have a December 31 year-end and an accounting period of 12 months.

Foreign currency translation

Translation of foreign currency transactions

At the orginial booking, in accordance with IAS 21, transactions carried out in foreign currencies (*i.e.*, currencies other than the functional currency) are translated into the functional currency of the entity concerned using the exchange rates prevailing at the dates of the transactions. The Group's entities generally use the closing rate for the month preceding the transaction date, which is considered as approximating the transaction-date exchange rate provided there are no significant fluctuations in rates. At each closing:

- monetary items are translated at closing rate;
- non monetary items evaluated at historical cost are translated at the exchange rate prevailing at the date of the transcation;
- non monetary items evaluated at fair value are translated at exchange rate at the date of which the fair value has been set.

Translation of the financial statements of subsidiaries and foreign branches

Coface's consolidated financial statements are presented in euros.

The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the year-end exchange rate, except for capital and reserves, which are translated at the historical exchange rate. All resulting foreign currency translation differences are recognised in the consolidated statement of comprehensive income.

Income statement items are translated using the average exchange rate for the year, which is considered as approximating the transaction-date exchange rate provided there are no significant fluctuations in rates (see IAS 21.40). All exchange differences arising on translation of these items are also recognised in other comprehensive income.

Hyperinflationary Economies

The application of IAS 29 "Financial Reporting in Hyperinflationary Economies" is required, as of July 1, 2018, for entities whose functional currency is Argentine Peso.

The Group has activities in Argentina whose contribution to the total consolidated balance sheet and net income is not significant as of December 31, 2021 neither as of December 31, 2020.

Thus, the impact of the application of this standard is also not significant at group level and was not taken into account in the financial statements as of December 31, 2021 neither as of December 31, 2020.

General principles

The insurance business

An analysis of all of Coface's credit insurance policies shows that they fall within the scope of IFRS 4, which permits insurers to continue to use the recognition and measurement rules applicable under local GAAP when accounting for insurance contracts.

Coface has therefore used French GAAP for the recognition of its insurance contracts.

However, IFRS 4:

- prohibits the use of equalisation and natural disaster provisions;
- and requires insurers to carry out liability adequacy tests.

The services business

Companies engaged in the sale of business information and debt collection services fall within the scope of IFRS 15 "Revenue from contracts with customers".

Revenue is recognised when: (i) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) it is probable that the economic benefits associated with the transaction will flow to the entity; and (iii) the amount of revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably.

The factoring business

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

Trade receivables are classified within the "Loans and receivables" category. After initial recognition at fair value, these receivables are measured at amortised cost using the effective interest method (EIM). The financing fee is recorded over the term of the factoring transactions, which is equivalent to it being included in the EIM in view of the short-term nature of the transactions concerned.

IFRS 15 "Revenue from contracts with customers" standard is also applied for factoring business according the same rules as the service business.

Classification of income and expenses for the Group's different businesses

Breakdown by function of insurance company expenses

The expenses of French and international insurance subsidiaries are initially accounted for by nature and are then analysed by function in income statement items using appropriate cost allocation keys. Investment management expenses are included under investment expenses. Claims handling expenses are included under claims expenses. Policy acquisition costs, administrative costs and other current operating expenses are shown separately in the income statement.

Factoring companies

Operating income and expenses of companies involved in the factoring business are reported as "Income from banking activities" and "Expenses from banking activities" respectively.

Other companies outside the insurance business and factoring business

Operating income and expenses of companies not involved in the insurance or factoring businesses are reported under "Income from other activities" and "Expenses from other activities", respectively.

Revenue

Consolidated revenue includes:

- premiums, corresponding to the compensation of the Group's commitment to cover the risks planned in their insurance policy: credit insurance (short term), Single Risk (medium term) and surety (medium term). The bond is not a credit insurance product because it represents a different risk nature (in terms of the underlying and the duration of the risk), but its remuneration takes the form of a premium; It responds to the definitions of insurance contracts given in IFRS 4;
- other revenues which include:
  - revenue from services related to credit insurance contracts ("fee and commission income"), corresponding to debtors' information services, credit limit monitoring, management and debt recovery. They are included in the calculation of the turnover of the credit insurance activity,
  - revenue from services which consist of providing customer access to credit and marketing information and debt collection services to clients without credit insurance contracts,
  - net income from banking activities are revenues from factoring entities. They consist mainly of factoring fees (collected for the management of factored receivables) and net financing fees (financing margin, corresponding to the amount of financial interest received from factoring customers, less interest paid on refinancing of the factoring debt). Premiums paid by factoring companies to insurance companies (in respect of debtor and ceding risk) are deducted from net banking income.

Consolidated revenue is analysed by country of invoicing (in the case of direct business, the country of invoicing is that in which the issuer of the invoice is located and for inward reinsurance, the country of invoicing is that in which the ceding insurer is located) and by business line (credit insurance, bonding, factoring, and information & other services).

Insurance operations

Earned premiums

Gross written premiums

Gross premiums correspond to written premiums, excluding tax and net of premium cancellations. They include an estimate of pipeline premiums and premiums to be cancelled after the reporting date.

The estimate of pipeline premiums includes premiums negotiated but not yet invoiced as well as premium adjustments corresponding to the difference between minimum and final premiums. It also includes a provision for future economic risks that may impact end-of-year premiums.

Premiums invoiced are primarily based on policyholders' revenue or trade receivables balances, which vary according to changes in revenue. Premium income therefore depends directly on the volume of sales made in the countries where the Group is present, especially French exports and German domestic and export sales.

Premium refunds

Premium refunds include policyholders' bonuses and rebates, gains and no claims bonus, mechanisms designed to return a part of the premium to a policyholder according to contract profitability. They also include the penalties, taking the form of an additional premium invoiced to policyholders with the loss attributed to the policy.

The "premium refunds" item includes provisions established through an estimation of rebates to be paid.

Reserves for unearned premiums

Reserves for unearned premiums are calculated separately for each policy, on an accruals basis. The amount charged to the provision corresponds to the fraction of written premiums relating to the period between the year-end and the end of the coverage period of the premium.

Gross earned premiums

Gross earned premiums consist of gross premiums issued, net of premium refunds, and variation in reserves for unearned premiums.

Deferred acquisition costs

Policy acquisition costs, including commissions are deferred over the life of the contracts concerned according to the same rules as unearned premium provisions.

The amount deferred corresponds to policy acquisition costs related to the period between the year-end and the next premium payment date. Deferred acquisition costs are included in the balance sheet under "Other assets".

Changes in deferred acquisition costs are included under "Policy acquisition costs" in the income statement.

Contract service expenses

Paid claims

Paid claims correspond to insurance settlements net of recoveries, plus claims handling expenses.

Claims provisions

Claims provisions include provisions to cover the estimated total cost of reported claims not settled at the year-end. Claims provisions also include provisions for claims incurred but not yet reported, determined by reference to the final amount of paid claims.

The provisions also include a provision for collection costs and claims handling expenses.

Specific provisions are also recorded for major claims based on the probability of default and level of risk exposure, estimated on a case-by-case basis and validated by a committee (special reserves committee).

Concerning bonding business, provisions are recorded for claims of which the Company concerned has been notified by the closing period. However, an additional provision is recorded based on a reserving guideline. This guideline is set for the four most recent attaching years. Regarding prior attaching years, this guideline is applicable until the guarantee is over. Its principle is based on a high level of risk that the guarantee could be called due to the principal (guaranteed) becoming insolvent, even if no related bonds have been called on. This additional provision is calculated based on the probability of default and the level of risk exposure.

Subrogation and salvage

Subrogation and salvage represent estimated recoveries determined on the basis of the total amount expected to be recovered in respect of all open underwriting periods.

The subrogation and salvage includes a provision for debt collection costs.

Reinsurance operations

All of the Group's inward and ceded reinsurance operations involve transfers of risks.

Inward reinsurance

Inward reinsurance is accounted for on a contract-by-contract basis using data provided by the ceding insurers.

Technical provisions are determined based on amounts reported by ceding insurers, adjusted upwards by Coface where appropriate.

Commissions paid to ceding insurers are deferred and recognised in the income statement on the same basis as reserves for unearned premiums. Where these commissions vary depending on the level of losses accepted, they are estimated at each period-end.

Ceded reinsurance

Ceded reinsurance is accounted for in accordance with the terms and conditions of the related treaties.

Reinsurers' share of technical provisions is determined on the basis of technical provisions recorded under liabilities.

Funds received from reinsurers are reported under liabilities.

Commissions received from reinsurers are calculated by reference to written premiums. They are deferred and recognised in the income statement on the same basis as ceded reserves for unearned premiums (which are unearned premiums multiplied by reinsurance rate)

Other operating income and expenses

In accordance with Recommendation no. 2013-03 issued by the ANC (the French accounting standards setter), "Other operating income" and "Other operating expenses" should only be used to reflect a major event arising during the reporting period that could distort the understanding of the Company's performance. Accordingly, limited use is made of this caption for unusual, abnormal and infrequent income and expenses of a material amount which Coface has decided to present separately in the income statement so that readers can better understand its recurring operating performance and to make a meaningful comparison between accounting periods, in accordance with the relevance principle set out in the IFRS Conceptual Framework.

Other operating income and expenses are therefore limited, clearly identified, non-recurring items which are material to the performance of the Group as a whole.

Goodwill

In accordance with the revised version of IFRS 3, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred;
- to which we add the amount of any non-controlling interest in the acquiree;
- and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree;
- less the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (generally measured at fair value).

In the case of a bargain purchase, the resulting gain is recognised in net income on the acquisition date.

If new information comes to light within the 12 months following the initial consolidation of a newly-acquired company and that new information affects the initial fair values attributed to the assets acquired and liabilities assumed at the acquisition date, the fair values are adjusted with a corresponding increase or decrease in the gross value of goodwill.

Goodwill is allocated, at the acquisition date, to the cash-generating unit (CGU) or group of CGUs that is expected to derive benefits from the acquisition. In accordance with paragraph 10 of IAS 36, goodwill is not amortised but is tested for impairment at least once a year or whenever events or circumstances indicate that impairment losses may occur. Impairment testing consists of comparing the carrying amount of the CGU or group of CGUs (including allocated goodwill) with its recoverable amount, which corresponds to the higher of value in use and fair value less costs to sell. Value in use is determined using the discounted cash flow method.

Impairment tests on goodwill and intangible assets

In accordance with IAS 36, for the purpose of impairment testing the strategic entities included in the Group's scope of consolidation are allocated to groups of CGUs.

A group of CGUs is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets (other CGUs). Paragraph 80 of IAS 36 stipulates that goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the acquirer's groups of CGUs that is expected to benefit from the synergies of the combination.

Coface has identified groups of CGUs, based on its internal organisation as used by management for making operating decisions.

The seven groups of CGUs are as follows:

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

Measuring groups of CGUs and performing goodwill impairment tests

Existing goodwill is allocated to a group of CGUs for the purpose of impairment testing. Goodwill is tested for impairment at least once a year or whenever there is an objective indication that it may be impaired.

Goodwill impairment tests are performed by testing the group of CGUs to which the goodwill has been allocated.

If the recoverable amount of the group of CGUs is less than its carrying amount, an impairment loss is recognised and allocated to reduce the carrying amount of the assets of the group of CGUs, in the following order:

- first, by reducing the carrying amount of any goodwill allocated to the group of CGUs (which may not be subsequently reversed); and
- then, the other assets of the group of CGUs *pro rata* to the carrying amount of each asset in the Group.

The recoverable amount is determined using the discounted cash flow method.

Method used for measuring the value of Coface entities

Value in use: Discounted cash flow method

Cash flow projections were derived from the three-year business plans drawn up by the Group's operating entities as part of the budget process and approved by Coface Group management.

These projections are based on the past performance of each entity and take into account assumptions relating to Coface's business line development. Coface draws up cash flow projections beyond the period covered in its business plans by extrapolating the cash flows over two additional years.

The assumptions used for growth rates, margins, cost ratios and claims ratios are based on the entity's maturity, business history, market prospects, and geographic region.

Under the discounted cash flow method, Coface applies a discount rate to insurance companies and a perpetuity growth rate to measure the value of its companies.

Fair value

Under this approach, Coface values its companies by applying multiples of (i) revenue (for services companies), revalued net assets (for insurance companies) or net banking income (for factoring companies), and (ii) net income. The benchmark multiples are based on stock market comparables or recent transactions in order to correctly reflect the market values of the assets concerned.

The multiples-based valuation of an entity is determined by calculating the average valuation obtained using net income multiples and that obtained using multiples of revenue (in the case of services companies), revalued net assets (insurance companies) or net banking income (factoring companies).

Intangible assets

Coface capitalises development costs and amortises them over their estimated useful lives when it can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the current and future availability of adequate resources to complete the development; and
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Internally generated software is amortised over its useful life, which is capped at 15 years.

Property, plant and equipment

Property, plant and equipment are measured using the amortised cost model. Coface applies this model to measure its property, plant and equipment, including buildings used in the business. IFRS requires the breakdown of these buildings into components where the economic benefits provided by one or more components of a building reflect a pattern that differs from that of the building as a whole. These components are depreciated over their own useful life.

Coface has identified the following components of property assets:

LAND	NOT DEPRECIATED
Enclosed/covered structure	Depreciated over 30 years
Technical equipment	Depreciated over 15 years
Interior fixtures and fittings	Depreciated over 10 years

Properties acquired under finance leases are included in assets and an obligation in the same amount is recorded under liabilities.

An impairment loss is recognised if the carrying amount of a building exceeds its market value.

Financial assets

Except factoring companies, the Group classifies the financial assets under IAS 39.

The Group classifies its financial assets into the following five categories: available-for-sale financial assets, financial assets held for trading, held-to-maturity investments, financial assets at fair value through income, and loans and receivables.

The date used by Coface for initially recognising a financial asset in its balance sheet corresponds to the asset's trade date.

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are carried at fair value plus transaction costs that are directly attributable to the acquisition (hereafter referred to as the purchase price). The difference between the fair value of the securities at year-end and their purchase price (less actuarial amortisation for debt instruments) is recorded under "Available-for-sale financial assets" with a corresponding adjustment to revaluation reserves (no impact on net income). Investments in non-consolidated companies are included in this category.

Financial assets held for trading

Financial assets held for trading are recorded at the fair value of the securities at year-end. Changes in fair value of securities held for trading during the accounting period are taken to the income statement.

Held-to-maturity investments (HTM)

Held-to-maturity investments are carried at amortised cost. Premiums and discounts are included in the calculation of amortised cost and are recognised over the useful life of the financial asset using the yield-to-maturity method.

Financial assets at fair value through profit or loss

Financial assets at fair value through income are accounted for in the same way as securities held for trading.

Loans and receivables

The "Loans and receivables" category includes cash deposits held by ceding insurers lodged as collateral for underwriting commitments. The amounts recognised in relation to these deposits corresponds to the cash amount actually deposited.

Non-derivative financial assets with fixed or determinable payments that are not quoted on an active market are also included in this caption. These assets are recognised at amortised cost using the effective interest method.

Loans and receivables also include short-term deposits whose maturity at the date of purchase or deposit is more than three months but less than 12 months.

Fair value

The fair value of listed securities is their market price at the measurement date. For unlisted securities fair value is determined using the discounted cash flow method.

Impairment test

Available-for-sale financial assets are tested for impairment at each period-end. When there is objective evidence that such an asset is impaired and a decline in the fair value of that asset has previously been recognised directly in equity, the cumulative loss is reclassified from equity to income through "Investment income, net of management expenses".

A multi-criteria analysis is used to assess whether there is any objective indication of impairment. An independent expert is used for these analyses, particularly in the case of debt instruments.

Impairment indicators include the following:

- for debt instruments: default on the payment of interest or principal, the existence of a mediation, alert or insolvency procedure, bankruptcy of a counterparty or any other indicator that reveals a significant decline in the counterparty's financial position (such as evidence of losses to completion based on stress tests or projections of recoverable amounts using the discounted cash flow method);
- for equity instruments (excluding investments in unlisted companies): indicators showing that the entity will be unable to recover all or part of its initial investment. In addition, an impairment test is systematically performed on securities that represent unrealised losses of over 30% or which have represented unrealised losses for a period of more than six consecutive months. This test consists of carrying out a qualitative analysis based on various factors such as an analysis of the equity instrument's market price over a given period, or information relating to the issuer's financial position. Where appropriate, an impairment loss is recognised based on the instrument's market price at the period-end. Independently of this analysis, an impairment loss is systematically recognised when an instrument represents an unrealised loss of over 50% at the period-end, or has represented an unrealised loss for more than 24 months;
- for investments in unlisted companies: an unrealised loss of over 20% over a period of more than 18 months, or the occurrence of significant changes in the technological, market, economic or legal environment that have an adverse effect on the issuer and indicate that the amount of the investment in the equity instrument will not be recovered.

If the fair value of an instrument classified as available-for-sale increases in a subsequent period, and the increase can be objectively related to an event occurring after the impairment loss was recognised in income, the impairment loss is reversed, with the amount of the reversal recognised in:

- equity, for equity instruments;
- income, for debt instruments, in an amount corresponding to the previously-recognised impairment loss.

In accordance with IFRIC 10, impairment losses recognised on equity instruments in an interim reporting period are not reversed from income until the securities concerned are divested.

Derivatives and hedging transactions

A derivative is a financial instrument (IAS 39):

- whose value changes in response to the change in the interest rate or price of a product (known as the "underlying");
- that requires no or a very low initial net investment; and
- that is settled at a future date.

A derivative is a contract between two parties – a buyer and a seller – under which future cash flows between the parties are based on the changes in the value of the underlying asset.

In accordance with IAS 39, derivatives are measured at fair value through income, except in the case of effective hedges, for which gains and losses are recognised depending on the underlying hedging relationship.

Derivatives that qualify for hedge accounting are derivatives which, from their inception and throughout the hedging relationship, meet the criteria set out in IAS 39. These notably include a requirement for entities to formally document and designate the hedging relationship, including information demonstrating that the hedging relationship is effective, based on prospective and retrospective tests. A hedge is deemed to be effective when changes in the actual value of the hedge fall within a range of 80% and 125% of the change in value of the hedged item.

- For fair value hedges, gains or losses from remeasuring the hedging instrument at fair value are systematically recognised in income. These amounts are partially offset by symmetrical gains or losses on changes in the fair value of the hedged items, which are also recognised in income. The net impact on the income statement therefore solely corresponds to the ineffective portion of the hedge.

- For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in income.

Coface's derivatives were used for hedging purposes, notably to hedge currency risks, interest rate risks and changes in fair value of equities in the portfolios of the "Colombes" funds. Coface does not carry out any hedging transactions within the meaning of IAS 39. The financial instruments that it does use are recognised at fair value through income.

Financing liabilities

This item mainly includes the subordinated debt.

Borrowings are initially recognised at fair value after taking account of directly-attributable transaction costs.

They are subsequently measured at amortised cost using the effective interest method. Amortised cost corresponds to:

- the measurement of the financial liability on initial recognition; minus
- repayments of principal; plus or minus
- cumulative amortisation (calculated using the effective interest rate) and any discounts or premiums between the initial amount and the maturity amount.

Premiums and discounts are not included in the initial cost of the financial liability. However, they are included in the calculation of amortised cost and are recognised over the life of the financial liability using the yield-to-maturity method. As and when they are amortised, premiums and discounts impact the amortised cost of the financial liability.

Accounting treatment of debt issuance costs

Transaction costs directly attributable to the issuance of financial liabilities are included in the initial fair value of the liability. Transaction costs are defined as incremental costs directly attributable to the issuance of the financial liability, *i.e.*, that would not have been incurred if the Group had not acquired, issued or disposed of the financial instrument.

Transaction costs include:

- fees and commissions paid to agents, advisers, brokers and other intermediaries;
- levies by regulatory agencies and securities exchanges;
- and transfer taxes and duties.

Transaction costs do not include:

- debt premiums or discounts;
- financing costs;
- internal administrative or holding costs.

Payables arising from banking sector activities

This item includes:

- amounts due to banking sector companies: corresponds to bank credit lines. They represent the refinancing of the credit extended to factoring clients;
- amounts due to customers of banking sector companies, corresponding to payables arising from factoring operations. They include:
  - amounts credited to factoring clients' current accounts that have not been paid out in advance by the factor, and
  - factoring contract guarantee deposits;
- debt securities. This item includes subordinated borrowings and non-subordinated bond issues. These borrowings are classified as "Payables arising from banking sector activities" as they are used for financing the factoring business line.

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

Receivables arising from factoring operations

Receivables arising from factoring operations represent total receivables not recovered at the reporting date. They are stated at nominal value, corresponding to the amount of factored invoices, including tax.

Two categories of provisions are recorded and are shown in deduction of the receivables:

- provisions booked by way of a charge to the income statement (under "Cost of risk") when it appears probable that all or part of the amount receivable will not be collected;
- provisions evaluated through expected loss or (ECL) calculation also recorded as an expense in the income statement (under "Cost of risk").

The ECL calculation, introduced by IFRS 9, relies on calculation models using the internal ratings of debtors (DRA – debtor risk assessment). The methodology for calculating depreciation (ECL – expected credit loss) is based on the three main parameters: the probability of default (PD), the loss given default (LGD) and the amount of exposure in case of default (EAD – exposure at default). The depreciation will be the product of the PD by the LGD and the EAD, over the lifetime of the receivables. Specific adjustments are made to take into account the current conditions and the prospective macroeconomic projections (forward looking)

The net carrying amount of receivables arising from factoring operations is included in the consolidated balance sheet under "Receivables arising from banking and other activities".

Cash and cash equivalents

Cash includes all bank accounts and demand deposits. Cash equivalents include units in money-market funds (SICAV) with maturities of less than three months.

Provisions for liabilities and charges

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recorded at the reporting date if a present obligation towards a third party resulting from a past event exists at that date and it is probable or certain, as of the date when the financial statements are drawn up, that an outflow of resources embodying economic benefits to that third party will be required to settle the obligation and that a reliable estimate can be made of the amount of the obligation.

Provisions are discounted when the effect of the time value of money is material.

The provisions for liabilities and charges include the provisions for tax risks (except income tax risk), for litigations with third-parties and on the vacant premises. These provisions are reviewed at each closing.

The provision for vacant premises is calculated taking into account the future rents that the Company committed to pay until the end of the lease, from which are deducted the future income expected from potential subleases.

Employee benefits

In some countries in which Coface operates, employees are awarded short-term benefits (such as paid leave), long-term benefits (including "long-service awards") and post-employment benefits, such as statutory retirement benefits.

Short-term benefits are recognised as a liability in the accounts of the Coface 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: consequently, the Company's legal or constructive obligation is limited to the amount that it agrees to pay to the fund, which will pay due amounts to the employees. These plans are generally state pension plans, which is the case in France;
- defined benefit plans, under which the employer has a legal or constructive obligation to provide agreed benefits to employees.

In accordance with IAS 19, Coface records a provision to cover its liability, regarding primarily:

- statutory retirement benefits and termination benefits;
- early retirement and supplementary pension payments;
- employer contributions to post-employment health insurance schemes;
- long-service awards.

Based on the regulations specific to the plan and country 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:
  - demographic assumptions,
  - future benefit levels (statutory retirement benefits, long service awards, etc.),
  - the probability that the specified event will occur,
  - an evaluation of each of the factors included in the calculation of the benefits, such as future salary increases,
  - 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.

Stock options

In accordance with IFRS 2 "Share-based Payment", which defines the recognition and measurement rules concerning stock options, the options are measured at the grant date. The Group uses the Black and Scholes option pricing model for measuring stock options. Changes in fair value subsequent to the grant date do not impact their initial measurement.

The fair value of options takes into account their expected life, which the Group considers as corresponding to their compulsory holding period for tax purposes. This value is recorded in personnel costs on a straight-line basis from the grant date and over the vesting period of the options, with a corresponding adjustment directly in equity.

In connection with its stock market listing, the Coface Group awarded to certain beneficiaries (employees of COFACE SA subsidiaries) bonus shares (cf. Note 11).

In accordance with the IFRS 2 rules, only stock options granted under plans set up after November 7, 2002 and which had not vested at January 1, 2005 have been measured at fair value and recognised in personnel costs.

Leases

According to IFRS 16 "Leases", applied since January 1, 2019, the definition of leasing contracts implies, on one hand, the identification of an asset and, on the other hand, the control by lessee of the right to use this asset. The control is established when the lessee has the two following rights during all the time of the use:

- the right to have almost all economical benefits coming from the asset use;
- the right to decide the use of the asset.

For the lessee, the standard imposes the accounting on the balance sheet of all leases as a right of use, registered in the tangible and intangible assets and in the liabilities, the accounting of a financial debt for rents and other payments to be made during the rental period. Coface uses the exemptions 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 US $5,000).

The right of use is amortized linearly and the financial debt is amortized actuarially over the duration of the lease. The interest expenses on the financial debt and the amortization expenses of the right to use will be made distinctly to the income statement.

Income tax

Income tax expense includes both current taxes and deferred taxes.

The tax expense is calculated on the basis of the latest known tax rules in force in each country where the results are taxable.

On January 1, 2015, COFACE SA opted for the tax integration regime by integrating French subsidiaries held directly or indirectly by more than 95% (Compagnie française d'assurance pour le commerce extérieure, Cofinpar, Cogeri and Fimipar).

Temporal differences between the values of assets and liabilities in the consolidated accounts, and those used to determine the taxable income, give rise to the recording of deferred taxes.

Deferred taxes are recorded by the liability method for temporary differences between the carrying amount of assets and liabilities at each period-end and their tax base.

Deferred tax assets and liabilities are calculated for all temporary differences, based on the tax rate that will be in force when the differences are expected to reverse, if this is known, or, failing that, at the tax rate in force at the period-end.

Deferred tax assets are recorded only when it is probable that sufficient taxable profits against which the asset can be utilised will be available within a reasonable time frame.

Receivables and payables denominated in foreign currencies

Receivables and payables denominated in foreign currencies are translated into euros at the year-end exchange rate.

Unrealised exchange gains and losses on receivables and payables denominated in foreign currencies are recorded in the consolidated income statement, except for those related to the technical provisions carried in the accounts of the subsidiaries of Compagnie française d'assurance pour le commerce extérieur (formerly COFACE SA) and those concerning consolidated companies' long-term receivables and payables whose settlement is neither planned nor likely to occur in the foreseeable future.

Exchange differences concerning receivables and payables denominated in a foreign currency and relating to a consolidated company are treated as part of Coface's net investment in that company. In accordance with IAS 21, these exchange differences are recorded in other comprehensive income until the disposal of the net investment.

Segment information

Coface applies IFRS 8 for segment information reporting, which requires an entity's operating segments to be based on its internal organisation as used by management for the allocation of resources and the measurement of performance.

The segment information used by management corresponds to the following geographic regions:

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

No operating segments have been aggregated for the purposes of published segment information.

The Group's geographic industry sector segmentation is based on the country of invoicing.

Related parties

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

Estimates

The main balance sheet items for which management is required to make estimates are presented in the table below:

ESTIMATES	NOTES	TYPE OF INFORMATION REQUIRED
Goodwill impairment	1	Impairment is recognised when the recoverable amount of goodwill, defined as the higher of value in use and fair value, is below its carrying amount. The value in use of cash-generating units is calculated based on cost of capital, long-term growth rate and loss ratio assumptions.
Provision on receivables on banking activity	4	Depreciation of receivables on banking activity includes provision evaluated through expected credit loss (ECL) (introduced by IFRS 9)
Provision for earned premiums not yet written	17	This provision is calculated based on the estimated amount of premiums expected in the period less premiums recognised.
Provision for premium refunds	17; 22	This provision is calculated based on the estimated amount of rebates and bonuses payable to policyholders in accordance with the terms and conditions of the policies written.
Provision for subrogation and salvage	17; 23	This provision is calculated based on the estimated amount potentially recovered on settled claims.
Claims reserves	17; 23; 42	It includes an estimate of the total cost of claims reported but not settled at year end.
IBNR provision	17; 23; 42	The IBNR provision is calculated on a statistical basis using an estimate of the final amount of claims that will be settled after the risk has been extinguished and after any action taken to recover amounts paid out.
Pension benefit obligations	14	Pension benefit obligations are measured in acordance with IAS 19 and annually reviewed by actuaries according to the Group's actuarial assumptions.

The policies managed by the Coface Group's insurance subsidiaries meet the definition of insurance contracts set out in IFRS 4. In accordance with this standard, these contracts give rise to the recognition of technical provisions on the liabilities side of the balance sheet, which are measured based on Group principles pending the implementation of IFRS 17 in 2023 that deals with insurance liabilities.

The recognition of technical provisions requires the Group to carry out estimates, which are primarily based on assumptions concerning changes in events and circumstances related to the insured and their debtors as well as to their economic, financial, social, regulatory and political environment. These assumptions may differ from actual events and circumstances, particularly if they simultaneously affect the Group's main portfolios. The use of assumptions requires a high degree of judgement on the part of the Group, which may affect the level of provisions recognised and therefore have a material adverse effect on the Group's financial position, results, and solvency margin.

For certain financial assets held by the Group there is no active market, there are no observable inputs, or the observable inputs available are not representative. In such cases the assets' fair value is measured using valuation techniques which include methods or models that are based on assumptions or assessments requiring a high degree of judgement. The Group cannot guarantee that the fair value estimates obtained using these valuation techniques represent the price at which a security will ultimately be sold, or at which it could be sold at a given moment. The valuations and estimates are revised when circumstances change or when new information becomes available. Using this information, and respecting the objective principles and methods described in the consolidated and combined financial statements, the Group's management bodies regularly analyse, assess and discuss the reasons for any decline in the estimated fair value of securities, the likelihood of their value recovering in the short term, and the amount of any ensuing impairment losses that should be recognised. It cannot be guaranteed that any impairment losses or additional provisions recognised will not have a material adverse effect on the Group's results, financial position and solvency margin.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 1 GOODWILL

In accordance with IAS 36, goodwill is not amortised but is systematically tested for impairment at the year-end or whenever there is an impairment indicator.

Breakdown of goodwill [(1)] by region:

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,339	8,345
Mediterranean & Africa	23,374	22,541
North America	6,145	5,687
Latin America	0	0
TOTAL	**155,529**	**154,245**

The change in goodwill increased of €1,284 thousand; this increase is due to the change in exchange rates.

Impairment testing methods

Goodwill and other non-financial assets were tested for impairment losses at December 31, 2021. Coface performed the tests by comparing the value in use of the groups of cash-generating units (CGU) to which goodwill was allocated with their carrying amounts.

The value in use corresponds to the present value of the future cash flows expected to be generated by an asset or a CGU. This value is determined using the discounted cash flows method, based on the three-year business plan drawn up by subsidiaries and validated by Management. Cash flows are extrapolated for an additional two years using normalized for insurance entities loss ratios and target cost ratios. Beyond this five-year period, the terminal value is calculated by projecting the final year cash flows to perpetuity. For service entities, a gross margin ratio (operating result/turnover) is applied.

The main assumptions used to determine the value in use of the groups of CGUs are a long-term growth rate of 1.5% for all entities and the weighted average cost of capital.

The table below summarizes the key assumptions used for goodwill impairment testing at December 31, 2021:

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Cost of capital	11.1%	11.1%	11.1%	11.1%	11.1%
Perpetual growth rat	1.5%	1.5%	1.5%	1.5%	1.5%
Contribution to consolidated net assets	583.4	473.7	207.7	321.4	71.0

The assumptions used in 2020 were as follows:

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Cost of capital	11.5%	11.5%	11.5%	11.5%	11.5%
Perpetual growth rate	1.5%	1.5%	1.5%	1.5%	1.5%
Contribution to consolidated net assets	587.5	474.0	214.5	304.9	54.8

Sensitivity of impairment tests

Sensitivity analysis were performed on impairment tests, based on the following sensitivity factors:

- long-term growth rate sensitivity: the impairment tests were stressed for a 0.5-point decrease in the perpetual growth rate applied. The analysis showed that such a 0.5-point decrease would not have any impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the year ended December 31, 2021;

(1) There is no goodwill in Asia-Pacific region. In Latin America, the goodwill is fully impaired.

- cost of capital sensitivity: the impairment tests were stressed for a 0.5-point increase in the cost of capital applied. The analysis showed that such a 0.5-point increase would not have any impact on the outcome of the impairment tests and therefore on the Group's consolidated financial statements for the year ended December 31, 2021;
- cost and loss ratios sensitivities for the last two years of the business plan (2025 and 2026): additional impairment tests were performed based on a 2-point increase in the loss ratio and a 1-point increase in the cost ratio. The outcome of a 1 to 2-point increase in the assumptions used would have no impact on the results of the original impairment tests and therefore on the Group's consolidated financial statements for the year ended December 31, 2021.

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

Outcome of impairment tests

(in millions of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA
Contribution to consolidated net assets (1)	583.4	473.7	207.7	321.4	71.0
Value in use of CGU	936.9	668.3	417.7	639.2	122.1
Sensitivity: Long-term growth rate (0.5) point (2)	911.4	653.6	399.8	620.2	118.3
Sensitivity: WACC +0.5 point (2)	901.3	648.3	395.7	612.3	116.9
Sensitivity: Loss/Cost Ratio 2026 +1 point (2)	923.1	604.3	409.2	618.8	114.1
Sensitivity: Loss/Cost Ratio 2026 +2 points (2)	909.3	540.2	400.6	598.4	106.0

(1) The contribution to the consolidated Group's net assets corresponds to the book value.
(2) The sensitivity analyses were carried out on the Contribution to the consolidated Group's net assets.

NOTE 2 OTHER INTANGIBLE ASSETS

	DEC. 31, 2021	DEC. 31, 2020
(in thousands of euros)	NET VALUE	NET VALUE
Development costs and software	71,648	74,141
Purchased goodwill	2,529	2,062
Other intangible assets	246	404
TOTAL	**74,423**	**76,607**

	DEC. 31, 2021		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	236,507	(164,859)	71,648
Purchased goodwill	4,072	(1,543)	2,529
Other intangible assets	2,930	(2,684)	246
TOTAL	**243,509**	**(169,086)**	**74,423**

	DEC. 31, 2020		
(in thousands of euros)	GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	226,421	(152,280)	74,141
Purchased goodwill	3,680	(1,618)	2,062
Other intangible assets	2,944	(2,539)	404
TOTAL	**233,045**	**(156,437)**	**76,607**

The Group's intangible assets consist mainly of development costs (IFRS 17, Woodstock, Others).

These investments amounted to €14.4 million in 2021 financial year compared to €24.5 million in 2020 financial year.

Change in the gross amount of intangible assets

(in thousands of euros)	DEC. 31, 2020	SCOPE ENTRY	INCREASES	DECREASES	CURENCY TRANSLATION VARIATION	DEC. 31, 2021
Development costs and software	226,421	9	11,460	(3,900)	2,517	236,507
Purchased goodwill	3,680	(0)	(0)	(0)	392	4,072
Other intangible assets	2,944	(0)	20	(14)	(21)	2,930
TOTAL	**217,615**	**9**	**11,480**	**(3,914)**	**2,888**	**243,509**

(in thousands of euros)	DEC. 31, 2019	SCOPE ENTRY	INCREASES	DECREASES	CURENCY TRANSLATION VARIATION	DEC. 31, 2020
Development costs and software	210,814	557	24,725	(8,949)	(726)	226,421
Purchased goodwill	3,873	(0)	(0)	(0)	(193)	3,680
Other intangible assets	2,928	(0)	92	(6)	(71)	2,944
TOTAL	**217,615**	**557**	**24,817**	**(8,955)**	**(990)**	**233,045**

Change in accumulated amortisation and impairment of intangible assets

(in thousands of euros)	DEC. 31, 2020	SCOPE ENTRY	ADDITIONS	REVERSALS	CURENCY TRANSLATION VARIATION AND OTHER	DEC. 31, 2021
Accumulated amortization – development costs and software	(152,089)	(9)	(14,517)	3,745	(1,837)	(164,707)
Accumulated impairment – development costs and software	(190)	0	0	0	40	(150)
Total amortisation and impairment – development costs and software	**(152,280)**	**(9)**	**(14,517)**	**3,745**	**(1,797)**	**(164,859)**
Accumulated amortization – purchased goodwill	(1,618)	-	196	0	(120)	(1,543)
Accumulated impairment – purchased goodwill	0	-	0	0	0	0
Total amortization and impairment – purchased goodwill	**(1,618)**	**0**	**196**	**0**	**(120)**	**(1,543)**
Accumulated amortization – other intangible assets	(2,539)	-	(101)	13	(56)	(2,683)
Accumulated impairment – other intangible assets	0	-	0	0	0	0
Total amortization and impairment – other intangible assets	**(2,539)**	**0**	**(101)**	**13**	**(56)**	**(2,684)**
TOTAL	**(156,437)**	**(9)**	**(14,422)**	**3,758**	**(1,973)**	**(169,087)**

NOTE 3 INSURANCE BUSINESS INVESTMENTS

3.1 Analysis by category

At December 31, 2021, the carrying amount of available-for-sale (AFS) securities amounted to €3,115,154 thousand, securities held for trading ("trading securities") came to €15 thousand and held-to-maturity (HTM) securities was €2,421 thousand.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments, guaranteeing it recurring and stable income.

The distribution of the bonds portfolio by rating at December 31, 2021 was as follows:

- bonds rated "AAA": 11.2%;
- bonds rated "AA" and "A": 54,2%;
- bonds rated "BBB": 29,2%;
- bonds rated "BB" and lower: 5,4%.

	DECEMBER 31, 2021					DEC. 31, 2020				
(in thousands of euros)	AMORTIZED COST	REVALU-ATION	NET VALUE	FAIR VALUE	UNREAL-IZED GAINS AND LOSSES	AMORTIZED COST	REVALU-ATION	NET VALUE	FAIR VALUE	UNREAL-IZED GAINS AND LOSSES
AFS securities	**2,876,416**	**238,738**	**3,115,154**	**3,115,154**		**2,672,996**	**223,318**	**2,896,314**	**2,896,314**	
Equities and other variable-income securities	191,074	194,077	385,151	385,151		153,192	145,980	299,172	299,172	
Bonds and government securities	2,489,251	28,029	2,517,280	2,517,280		2,300,679	66,185	2,366,864	2,366,864	
o/w direct investments in securities	*2,087,552*	*25,285*	*2,112,837*	*2,112,837*		*1,853,153*	*58,531*	*1,911,685*	*1,911,685*	
o/w investments in UCITS	*401,699*	*2,745*	*404,444*	*404,444*		*447,525*	*7,654*	*455,179*	*455,179*	
Shares in non-trading property companies	196,091	16,633	212,724	212,724		219,125	11,155	230,280	230,280	
HTM securities										
Bonds	1,833		1,833	2,421	588	1,872		1,872	2,587	715
Fair value through income – trading securities										
Money market funds (UCITS)	15		15	15		67		67	67	
Derivatives (positive fair value)		**10,458**	**10,458**	**10,458**			**7,237**	**7,237**	**7,237**	
(derivatives negative fair value for information)		*(3,480)*	*(3,480)*	*(3,480)*			*(26)*	*(26)*	*(26)*	
Loans and receivables	**91,683**		**91,683**	**91,683**		**77,167**		**77,167**	**77,167**	
Investment property	**695**	**(407)**	**288**	**288**		**695**	**(407)**	**288**	**288**	
TOTAL	**2,970,642**	**248,788**	**3,219,430**	**3,220,019**	**588**	**2,752,797**	**230,148**	**2,982,945**	**2,983,660**	**715**

(in thousands of euros)	GROSS DEC. 31, 2021	IMPAIRMENT	NET DEC. 31, 2021	NET DEC. 31, 2020
AFS securities	**3,153,343**	**(38,187)**	**3,115,154**	**2,896,314**
Equities and other variable-income securities	417,584	(32,433)	385,151	299,172
Bonds and government securities	2,517,280	(0)	2,517,280	2,366,864
o/w direct investments in securities	*2,112,837*	*(0)*	*2,112,837*	*1,911,685*
o/w investments in UCITS	*404,444*		*404,444*	*455,179*
Shares in non-trading property companies	218,479	(5,754)	212,724	230,280
HTM securities				
Bond	1,833		1,833	1,872
Fair value through income – trading securities				
Money market funds (UCITS)	15		15	67
Derivatives (positive fair value)	**10,458**		**10,458**	**7,237**
(for information, derivatives with a negative fair value)	*(3,480)*		*(3,480)*	*(26)*
Loans and receivables	**91,683**		**91,683**	**77,167**
Investment property	**288**		**288**	**288**
TOTAL	**3,257,619**	**(38,187)**	**3,219,430**	**2,982,945**

Impairments

(in thousands of euros)	DEC. 31, 2020	ADDITIONS	REVERSALS	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2021
AFS securities	**43,457**	**1,526**	**(6,823)**	**27**	**38,187**
Equities and other variable-income securities	38,848	380	(6,823)	27	32,432
Bonds and government securities	0	0	0		0
Shares in non-trading property companies	4,608	1,146			5,754
Loans and receivables	**95**	**0**	**(95)**		**0**
TOTAL	**43,552**	**1,526**	**(6,918)**	**27**	**38,187**

Impairment of AFS securities is reversed when the securities are sold.

No impairment has been booked because with regard to Covid crisis.

Change in investments by category

	DEC. 31, 2020	DEC. 31, 2021					
(in thousands of euros)	CARRYING AMOUNT	INCREASES	DECREASES	REVALUATION	IMPAIRMENT	OTHER MOVEMENTS	CARRYING AMOUNT
AFS securities	**2,896,314**	**828,284**	**(669,875)**	**14,267**	**5,297**	**40,867**	**3,115,154**
Equities and other variable-income securities	299,172	51,832	(19,874)	46,989	6,443	589	385,151
Bonds and government securities	2,366,864	776,451	(628,113)	(38,200)		40,278	2,517,280
Shares in non-trading property companies	230,280		(21,888)	5,478	(1,146)		212,724
HTM securities							
Bonds	1,872	6	(46)				1,833
Fair value through income – trading securities	**67**		**(49)**			**(3)**	**15**
Loans, receivables and other financial investments	**84,692**	**67,921**	**(39,063)**	**(1,339)**	**95**	**(9,877)**	**102,430**
TOTAL	**2,982,945**	**896,211**	**(709,032)**	**12,929**	**5,392**	**30,987**	**3,219,430**

The line Fair value though income – trading securities refers to monetary UCITS.

Derivatives

The structural use of derivatives is strictly limited to hedging. The nominal value of the hedge is thus limited to the amount of underlying assets held in the portfolio.

During 2021, most of the transactions carried out concerned systematic currency hedging *via* the conclusion of swaps or forward currency transactions for bonds issued mainly in USD and present in the investment portfolio.

Investments in equities were subject to systematic partial hedging through purchases of put options. The hedging strategy applied by the Group is aimed at protecting the portfolio against a sharp drop in the equities market in the eurozone.

Regarding the bond portfolio, *ad hoc* interest rate hedges were set up in 2021 by certain managers, in order to hedge the interest rate risk. A few *ad hoc* interest rate risk hedging operations have been implemented on negotiable debt securities in the monetary portfolio.

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

3.2 Financial instruments recognised at fair value

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

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

Securities classified as level 1 represent 82% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis and is readily available (AFS securities);
- government bonds and bonds indexed to variable interest rates (HTM securities);
- French units in money-market funds, SICAV (trading securities).

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

Securities classified as level 2 represent 7% of the Group's portfolio. This level is used for the following instruments:

- unlisted equities;
- loans and receivables due from banks or clients and whose fair value is determined using the historical cost method.

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

Securities classified as level 3 represent 12% of the Group's portfolio. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as at December 31, 2021 by level in the fair value hierarchy

			LEVEL 1	LEVEL 2	LEVEL 3
(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	FAIR VALUE DETERMINED BASED ON QUOTED PRICES IN ACTIVE MARKETS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE OBSERVABLE INPUTS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE UNOBSERVABLE INPUTS
AFS securities	**3,115,154**	**3,115,154**	**2,613,799**	**130,593**	**370,761**
Equities and other variable-income securities	385,151	385,151	227,091	23	158,036
Bonds and government securities	2,517,280	2,517,280	2,386,710	130,570	0
Shares in non-trading property companies	212,724	212,724			212,724
HTM securities					
Bonds	1,833	2,421	2,421		
Fair value through income – trading securities					
Money market funds (UCITS)	15	15	15		
Derivatives	**10,458**	**10,458**	**9,876**	**473**	**109**
Loans and receivables	**91,683**	**91,683**		**91,683**	
Investment property	**288**	**288**			**288**
TOTAL	**3,219,430**	**3,220,019**	**2,626,111**	**222,749**	**371,158**

Movements in Level 3 securities as at December 31, 2021

		GAINS AND LOSSES RECOGNIZED IN THE PERIOD		TRANSACTIONS FOR THE PERIOD				
(in thousands of euros)	AT DEC. 31, 2020	IN INCOME	DIRECTLY IN EQUITY	PURCHASES/ ISSUES	SALES/ REDEMP-TIONS	CHANGES IN SCOPE OF CONSO-LIDATION	EXCHANGE RATE EFFECTS	AT DEC. 31, 2021
AFS securities	**386,055**	**(1,368)**	**9,995**	**2,385**	**(26,842)**	**(613)**	**1,149**	**370,761**
Equities and other variable-income securities	155,775	(222)	4,516	2,385	(4,954)	(613)	1,149	158,036
Shares in non-trading property companies	230,280	(1,146)	5,478		(21,888)			212,724
Derivatives	**109**						**(0)**	**109**
Investment property	**288**							**288**
TOTAL	**386,452**	**(1,368)**	**9,995**	**2,385**	**(26,842)**	**(613)**	**1,149**	**371,159**

Breakdown of financial instrument fair value measurements as at December 31, 2020 by level in the fair value hierarchy

			LEVEL 1	LEVEL 2	LEVEL 3
(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	FAIR VALUE DETERMINED BASED ON QUOTED PRICES IN ACTIVE MARKETS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE OBSERVABLE INPUTS	FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE UNOBSERVABLE INPUTS
AFS securities	**2,896,314**	**2,896,314**	**2,442,488**	**67,771**	**386,055**
Equities and other variable-income securities	299,172	299,172	143,373	23	155,775
Bonds and government securities	2,366,864	2,366,864	2,299,116	67,747	
Shares in non-trading property companies	230,280	230,280			230,280
HTM securities					
Bonds	1,872	2,587	2,587		
Fair value through income – trading securities					
Money market funds (UCITS)	67	67	67		
Derivatives	**7,237**	**7,237**	**715**	**6,413**	**109**
Loans and receivables	**77,167**	**77,167**		**77,167**	
Investment property	**288**	**288**			**288**
TOTAL	**2,982,945**	**2,983,660**	**2,445,858**	**151,350**	**386,452**

Movements in Level 3 securities as at December 31, 2020

		GAINS AND LOSSES RECOGNIZED IN THE PERIOD		TRANSACTIONS FOR THE PERIOD			
(in thousands of euros)	AT DEC. 31, 2019	IN INCOME	DIRECTLY IN EQUITY	PURCHASES/ ISSUES	SALES/ REDEMPTIONS	EXCHANGE RATE EFFECTS	AT DEC. 31, 2020
AFS securities	**390,308**	**(10,159)**	**5,355**	**8,424**	**(1,488)**	**(1,825)**	**386,055**
Equities and other variable-income securities	154,835	(5,559)	9,389	1,653	1,841	(1,825)	155,775
Shares in non-trading property companies	235,473	(4,600)	(4,034)	6,771	(3,329)		230,280
Derivatives	**109**			**0**		**0**	**109**
Investment property	**288**				**0**		**288**
TOTAL	**390,705**	**(10,159)**	**5,355**	**8,424**	**(1,488)**	**(1,825)**	**386,452**

SPPI Financial assets at December 31, 2021 (IFRS 9)

(in thousands of euros)	FAIR VALUE	FAIR VALUE VARIATION
Direct investments in securities – SPPI financial assets	2,070,379	(17,922)
Direct investments in securities – No SPPI financial assets	42,456	32
Direct investments in securities	**2,112,835**	**(17,891)**
Loans and receivables – SPPI financial assets	91,683	0
Loans and receivables	**91,683**	**0**
Cash and cash equivalents – SPPI financial assets	362,441	0
Cash and cash equivalents	**311,183**	**0**
SPPI FINANCIAL ASSETS	**2,524,502**	**(17,922)**
NO SPPI FINANCIAL ASSETS	**42,456**	**32**
TOTAL	**2,566,958**	**(17,891)**

(in thousands of euros)	GROSS VALUE	FAIR VALUE
SPPI financial assets without a low credit risk	**104,618**	**110,351**

NOTE 4 RECEIVABLES ARISING FROM BANKING ACTIVITIES

Breakdown by nature

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Receivables arising from banking sector	2,690,125	2,326,941
Non-performing receivables arising from banking sector	34,440	37,490
Allowances for receivables arising from banking sector	(34,440)	(37,490)
TOTAL	**2,690,125**	**2,326,941**

Breakdown by age

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

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

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

(in thousands of euros)	DEC. 31, 2021 NOT DUE	DUE -3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	2,235,128	453,181	587	1,194	34	2,690,125
Non-performing receivables arising from banking and other activities			1,134	22,794	10,513	34,440
Allowances for receivables arising from banking and other activities			(1,134)	(22,794)	(10,513)	(34,440)
Total receivables arising from banking and other activities	**2,235,128**	**453,181**	**587**	**1,194**	**34**	**2,690,125**
Claims reserve as hedge for factoring receivables						
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**2,235,128**	**453,181**	**587**	**1,194**	**34**	**2,690,125**

(in thousands of euros)	DEC. 31, 2020 NOT DUE	DUE -3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	1,583,412	743,529	0	0	0	2,326,941
Non-performing receivables arising from banking and other activities	0	0	3,690	27,854	5,946	37,490
Allowances for receivables arising from banking and other activities	0	0	(3,690)	(27,854)	(5,946)	(37,490)
Total receivables arising from banking and other activities	**1,583,412**	**743,529**	**0**	**0**	**0**	**2,326,941**
Claims reserve as hedge for factoring receivables						
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**1,583,412**	**743,529**	**0**	**0**	**0**	**2,326,941**

NOTE 5 INVESTMENTS IN ASSOCIATES

At December 31, 2021, there is no investment in associated companies.

NOTE 6 TANGIBLE ASSETS

(in thousands of euros)	DEC. 31, 2021 NET VALUE	DEC. 31, 2020 NET VALUE
Buildings used for operational purposes	19,542	21,196
Other property, plant and equipment	14,869	14,041
Right-of-use assets for lessees	71,398	77,528
TOTAL	**105,809**	**112,765**

(in thousands of euros)	DEC. 31, 2021 GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used for operational purposes	85,281	(65,738)	19,542
Other property, plant and equipment	48,184	(33,315)	14,869
Right-of-use assets for lessees	125,797	(54,399)	71,398
TOTAL	**259,262**	**(153,452)**	**105,809**

(in thousands of euros)	DEC. 31, 2020 GROSS AMOUNT	AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used for operational purposes	85,281	(64,085)	21,196
Other property, plant and equipment	49,332	(35,291)	14,041
Right-of-use assets for lessees	113,330	(35,802)	77,528
TOTAL	**247,943**	**(135,178)**	**112,765**

Change in the gross amount of property, plant and equipment

(in thousands of euros)	DEC. 31, 2020	SCOPE ENTRY	INCREASES	DECREASES	CURRENCY TRANSLATION VARIATION	DEC. 31, 2021
Land used for operational purposes	7,140	(0)	(0)	(0)	(0)	7,140
Buildings used for operational purposes	78,141	(0)	(0)	(0)	(0)	78,141
Right-of-use assets for lessees – Buildings leasing	92,588	501	4,341	(464)	1,386	98,352
Total buildings used for operational purposes	**177,869**	**501**	**4,341**	**(464)**	**1,386**	**183,633**
Operating guarantees and deposits	3,668	(0)	38	(20)	63	3,749
Other property, plant and equipment	45,665	331	4,209	(5,970)	201	44,436
Right-of-use assets for lessees – Equipment leasing	20,742	212	6,360	(6)	137	27,445
Total other property, plant and equipment	**70,075**	**543**	**10,607**	**(5,996)**	**401**	**75,629**
TOTAL	**247,943**	**1,044**	**14,948**	**(6,460)**	**1,787**	**259,262**

(in thousands of euros)	DEC. 31, 2019	SCOPE ENTRY	INCREASES	DECREASES	CURRENCY TRANSLATION VARIATION	DEC. 31, 2020
Land used for operational purposes	7,140	(0)	(0)	(0)	(0)	7,140
Buildings used for operational purposes	78,141	(0)	(0)	(0)	(0)	78,141
Right-of-use assets for lessees – Buildings leasing	88,009	(0)	6,295	(100)	(1,616)	92,588
Total buildings used for operational purposes	**173,290**	**0**	**6,295**	**(100)**	**(1,616)**	**177,869**
Operating guarantees and deposits	3,540	(0)	167	(3)	(36)	3,668
Other property, plant and equipment	52,656	82	1,947	(8,192)	(828)	45,665
Right-of-use assets for lessees – Equipment leasing	15,909	(0)	4,889		(56)	20,742
Total other property, plant and equipment	**72,105**	**82**	**7,003**	**(8,195)**	**(920)**	**70,075**
TOTAL	**245,395**	**82**	**13,298**	**(8,295)**	**(2,536)**	**247,943**

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

(in thousands of euros)	DEC. 31, 2020	SCOPE ENTRY	ADDITIONS	REVERSALS	CURRENCY TRANSLATION VARIATION AND OTHER	DEC. 31, 2021
Accumulated amortization – Building used for operational purposes	(64,085)	(0)	(1,653)	(0)	(0)	(65,738)
Accumulated amortization – Right-of-use assets for lessees – Buildings leasing	(24,632)	(193)	(12,164)	25	(402)	(37,366)
Buildings used for operational purposes	(88,717)	(193)	(13,817)	25	(402)	(103,104)
Accumulated amortization other property, plant & equipment	**(35,135)**	**(175)**	**(3,454)**	**5,782**	**(146)**	**(33,127)**
Accumulated impairment other property, plant & equipment	(157)	(0)	(30)	(0)	(1)	(188)
Accumulated amortization – Right-of-use assets for lessees – Equipment leasing	(11,170)	(72)	(5,703)	6	(93)	(17,032)
Other property, plant and equipment	**(46,462)**	**(247)**	**(9,187)**	**5,788**	**(240)**	**(50,348)**
TOTAL	**(135,179)**	**(440)**	**(23,004)**	**5,813**	**(642)**	**(153,452)**

(in thousands of euros)	DEC. 31, 2019	ADDITIONS	REVERSALS	RECLASSIFY	CURRENCY TRANSLATION VARIATION AND OTHER	DEC. 31, 2020
Accumulated amortization – Building used for operational purposes	(62,919)	(1,607)	(0)	441	(0)	(64,085)
Accumulated impairment – Buildings used for operational purposes	(0)	(0)	441	(441)	(0)	(0)
Accumulated impairment – Right-of-use assets for lessees – Buildings leasing	**(12,652)**	**(12,615)**	**27**	**(0)**	**608**	**(24,632)**
Buildings used for operational purposes	(75,571)	(14,222)	468	(0)	608	(88,717)
Accumulated amortization other property, plant & equipment	(38,380)	(3,589)	6,362	(0)	472	(35,135)
Accumulated impairment other property, plant & equipment	(2,015)	(8)	1,796	(0)	70	(157)
Accumulated amortization – Right-of-use assets for lessees – Equipment leasing	(5,653)	(5,545)	(0)	(0)	28	(11,170)
Other property, plant and equipment	**(46,048)**	**(9,142)**	**8,158**	**(0)**	**570**	**(46,462)**
TOTAL	**(121,619)**	**(23,364)**	**8,626**	**(0)**	**1,178**	**(135,179)**

Market value of buildings used in the business

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Carrying amount	19,542	21,196
Market value	73,332	72,699
UNREALISED GAINS	**53,790**	**51,503**

Buildings held by Coface Group do not represent any unrealised losses; no impairment is therefore recorded at December 31, 2021.

NOTE 7 RECEIVABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS

Breakdown by nature

(in thousands of euros)	DEC. 31, 2021 GROSS	DEC. 31, 2021 PROVISION	DEC. 31, 2021 NET	DEC. 31, 2020 GROSS	DEC. 31, 2020 PROVISION	DEC. 31, 2020 NET
Receivables from policyholders and agents	306,927	(37,472)	269,455	289,824	(37,915)	251,909
Earned premiums not written	116,894	(0)	116,894	90,499	(0)	90,499
Receivables arising from reinsurance operations, net	124,910	(221)	124,689	174,374	(221)	174,153
TOTAL	**548,731**	**(37,693)**	**511,038**	**554,697**	**(38,136)**	**516,561**

Breakdown by age

	DEC. 31, 2021					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO5 YEARS	+5 YEARS	TOTAL
TOTAL RECEIVABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS	**373,406**	**79,808**	**48,025**	**9,313**	**487**	**511,038**

	DEC. 31, 2020					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
TOTAL RECEIVABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS	**363,147**	**106,217**	**29,453**	**16,980**	**766**	**516,561**

The risk of liquidity linked to insurance receivables is considered to be marginal as:

- the insurance business operates on a reverse production cycle: premiums are earned before claims are paid out;
- furthermore, Coface primarily bills its clients on a monthly or quarterly basis, which allows it to recognise its receivables with a short-term maturity of less than or equal to three months.

NOTE 8 OTHER ASSETS

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020	VARIATION
Deferred acquisition costs	38,900	35,494	3,406
Trade receivables arising from other activities	59,489	62,390	(2,901)
Current tax receivables	75,682	49,853	25,829
Other receivables	175,609	181,332	(5,724)
TOTAL	**349,679**	**329,069**	**20,610**

The line "Other receivables" mainly includes:

- receivables in factoring entities towards credit-insurance entities for €31 million;
- loans granted to non-consolidated Coface entities for €13 million.

NOTE 9 CASH AND CASH EQUIVALENTS

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Cash at bank and available	345,061	378,134
Cash equivalents	17,381	22,835
TOTAL	**362,441**	**400,969**

At December 31, 2021, total cash and cash equivalents decreased sharply as a result of the return to normal in most of the markets in which Coface invests. This decrease is explained by the gradual redeployment of liquid assets towards more profitable investments, in line with the strategic investment allocation.

All cash and cash equivalents are available for use and no amounts are held in escrow accounts.

NOTE 10 SHARE CAPITAL

ORDINARY SHARES	NUMBER OF SHARES	PER VALUE	SHARE CAPITAL *(in €)*
At December 31, 2020	152,031,949	2	304,063,898
Cancellation of shares	(1,852,157)	2	(3,704,314)
At December 31, 2021	150,179,792	2	300,359,584
Treasury shares deducted	(1,147,510)	2	(2,295,020)
AT DECEMBER 31, 2021 (EXCLUDING TREASURY SHARES)	**149,032,282**	**2**	**298,064,564**

	DEC. 31, 2021		DEC. 31, 2020	
Shareholders	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Natixis	15,078,051	10,12%	64,153,881	42,86%
Arch Capital Group Ltd	44,849,425	30,09%		
Public	89,104,806	59,79%	85,536,083	57,14%
TOTAL EXCLUDING TREASURY SHARES	**149,032,282**	**100%**	**149,689,964**	**100%**

On February 10, 2021, Natixis and Arch Capital Group Ltd. announced that the transaction relating to the sale of 29.5% of the shares of COFACE SA had obtained all the necessary authorizations.

Arch Capital Group LTD holds, at the end of December 2021, 30.09% of the Coface Group's shares excluding treasury shares, and 29.86% including treasury shares.

NOTE 11 SHARE-BASED PAYMENTS

Ongoing free share plans

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

PLAN	ALLOCATION DATE	NUMBER OF SHARES GRANTED	ACQUISITION PERIOD	ACQUISITION DATE	AVAILABILITY DATE	FAIR VALUE OF THE SHARE AT THE ALLOCATION DATE	NET EXPENSE FOR THE YEAR *(in €k)*
Long-Term Incentive Plan 2018	Feb. 12, 2018	289,132	3 years	Feb. 15, 2021	Feb. 15, 2021	8.5	(1,892)
Long-Term Incentive Plan 2019	Feb. 11, 2019	368,548	3 years	Feb. 14, 2022	Feb. 14, 2022	7.9	729
Long-Term Incentive Plan 2020	Feb. 05, 2020	312,200	3 years	Feb. 06, 2023	Feb. 06, 2023	11.4	941
Long-Term Incentive Plan 2021	Feb. 10, 2021	408,403	3 years	Feb. 12, 2024	Feb. 12, 2024	8.6	838

Change in the number of free shares

PLAN	NUMBER OF FREE SHARES AT DEC. 31, 2020	NUMBER OF NEW FREE SHARE GRANTS IN 2021	NUMBER OF FREE SHARES CANCELLED IN 2021	NUMBER OF FREE SHARES ACQUIRED IN 2021	NUMBER OF SHARES TO BE ACQUIRED AT DEC. 31, 2021
Long-Term Incentive Plan 2018	288,132		(288,132)		(0)
Long-Term Incentive Plan 2019	367,308		(7,440)		359,868
Long-Term Incentive Plan 2020	312,200		(2,550)		309,650
Long-Term Incentive Plan 2021		408,403	(5,000)		403,403

The total number of shares allocated to the Long-Term Incentive Plan 2021 amounts to 467,754 shares; only 455,103 shares were affected nominatively to beneficiaries including 408,403 shares (including 5,000 canceled to date) and 46,700 performance units.

The free shares allocated under the LTIP 2018 plan were not delivered to the beneficiaries following the non-fulfilment of the performance conditions attached to this plan.

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

Free shares under the Long-Term Incentive Plan are definitely granted based upon presence in the Group and performance achievement.

Measurement of free shares

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

The plans were measured on the assumptions below:

- discount rate corresponding to a risk-free rate on the plans' duration;
- income distribution rate set at 60%.

Based on these assumptions, a total of €616 thousand was expensed under the implemented plans at December 31, 2021.

NOTE 12 REVALUATION RESERVES

(in thousands of euros)	INVESTMENT INSTRUMENTS	RESERVES – GAINS AND LOSSES NOT RECLASSIFIABLE TO INCOME STATEMENT	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At January 1, 2021	235,988	(33,000)	(24,621)	178,367	(116)	178,251
Fair value adjustments on available-for-sale financial assets reclassified to income	(9,184)		1,821	(7,363)	(0)	(7,363)
Fair value adjustments on available-for-sale financial assets recognised in equity	23,487		(5,873)	17,614	1	17,615
Change in reserves – gains and losses not reclassificable to income statement (IAS 19R)	(0)	2,348	(726)	1,622		1,622
Transactions with shareholders	(0)		(0)	(0)	(0)	(0)
AT DECEMBER 31, 2021	**250,291**	**(30,652)**	**(29,399)**	**190,240**	**(115)**	**190,125**

(in thousands of euros)	INVESTMENT INSTRUMENTS	RESERVES – GAINS AND LOSSES NOT RECLASSIFIABLE TO INCOME STATEMENT	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At January 1, 2020	214,812	(34,700)	(20,866)	159,246	(117)	159,129
Fair value adjustments on available-for-sale financial assets reclassified to income	958		(396)	562	(0)	562
Fair value adjustments on available-for-sale financial assets recognised in equity	20,218		(2,957)	17,261	1	17,262
Change in reserves – gains and losses not reclassificable to income statement (IAS 19R)		1,700	(402)	1,298		1,298
Transactions with shareholders	(0)		(0)	(0)	(0)	(0)
AT DECEMBER 31, 2020	**235,988**	**(33,000)**	**(24,621)**	**178,367**	**(116)**	**178,251**

NOTE 13 PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Provisions for disputes	2,275	2,143
Provisions for pension and other post-employment benefit obligations	61,473	63,619
Other provisions for liabilities and charges	22,000	30,546
TOTAL	**85,748**	**96,307**

(in thousands of euros)	DEC. 31, 2020	SCOPE ENTRY	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLAS-SIFICA-TIONS	CHANGES IN OCI	CURRENCY TRANS-LATION VARIATION	DEC. 31, 2021
Provisions for employee	1,815	(0)	336	(0)	(124)			(4)	2,023
Provisions for other disputes	328	(0)	175	(0)	(16)	(202)		(33)	252
Provisions for disputes	**2,143**	**(0)**	**512**	**(0)**	**(140)**	**(202)**	**(0)**	**(37)**	**2,275**
Provisions for pension	**63,619**	**136**	**4,069**	**(3,567)**	**(392)**	**(0)**	**(2,349)**	**(45)**	**61,473**
Provisions for liabilities	16,642	(0)	478	(0)	(7,513)	(0)	(0)	206	9,813
Provisions for restructuring	11,039	(0)	3,847	(2,882)	(2,302)			19	9,721
Provisions for free share allocation plan	(0)	(0)	(0)	(0)	(0)			(0)	(0)
Provisions for taxes (excl. income taxes)	630	(0)		(0)		202		(125)	707
Other provisions for liabilities	2,235	(0)	25	(377)	(125)			1	1,759
Other provisions for liabilities and charges	**30,546**	**(0)**	**4,350**	**(3,259)**	**(9,939)**	**202**	**(0)**	**101**	**22,000**
TOTAL	**96,307**	**136**	**8,934**	**(6,826)**	**(10,471)**	**(0)**	**(2,349)**	**18**	**85,748**

(in thousands of euros)	DEC. 31, 2019	SCOPE ENTRY	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLAS-SIFICA-TIONS	CHANGES IN OCI	CURRENCY TRANS-LATION VARIATION	DEC. 31, 2020
Provisions for employee	2,554	(0)	207	(0)	(911)			(35)	1,815
Provisions for other disputes	215	(0)	283	(0)	(0)	(92)		(78)	328
Provisions for disputes	**2,769**	**(0)**	**490**	**(0)**	**(911)**	**(92)**		**(113)**	**2,143**
Provisions for pension	**66,447**	**560**	**3,565**	**(4,514)**	**(533)**	**(0)**	**(1,700)**	**(206)**	**63,619**
Provisions for liabilities	17,942	(0)	(0)	(0)	(1,202)			(98)	16,642
Provisions for restructuring	10,532	(0)	6,070	(3,484)	(2,094)	(0)		15	11,039
Provisions for free share allocation plan	(0)	(0)	(3,355)	1,178	1,577	92	(0)	(0)	(0)
Provisions for taxes (excl. income taxes)	576	(0)	(0)	(0)	(0)	(0)		(38)	630
Other provisions for liabilities	2,666	(0)	919	(0)	(431)	(0)		(0)	2,235
Other provisions for liabilities and charges	**31,716**	**(0)**	**2,715**	**(1,706)**	**(2,150)**	**92**		**(121)**	**30,546**
TOTAL	**100,932**	**560**	**6,770**	**(6,220)**	**(3,954)**	**(0)**	**(1,700)**	**(440)**	**96,307**

Provisions for liabilities and charges mainly include provisions for pensions and other post-employment benefit obligations and provisions for restructuring. The other provisions for liabilities and charges are essentially made up of provisions for liabilities on subsidiaries for €9.8 million and provisions for restructuring for €9.7 million.

The main net change for the year is linked to provisions for risk reversal on subsidiaries: Coface Finance Israël for (€ -7.5 millions).

Provisions related to the strategic plan amounted to €9.3 million as of December 31, 2021. The net impact over the period corresponds to a €1.1 million reversal.

NOTE 14 EMPLOYEE BENEFITS

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Present value of benefit obligation at January 1st	***65,775***	***68,684***
Current service cost	3,381	3,187
Interest cost	560	437
Actuarial (gains)/losses	(2,521)	(2,228)
Benefits paid	(3,859)	(4,659)
Acquisitions/mergers/deconsolidations	136	560
Other	60	(207)
Present value of benefit obligation at December 31st	**63,532**	**65,774**
Change in plan assets		
Fair value of plan assets at January 1st	***2,157***	***2,237***
Revaluation adjustments – Return on plan assets	193	65
Employee contributions	6	(0)
Employer contributions	2,754	72
Benefits paid	(3,053)	(218)
Other	(0)	(0)
Fair value of plan assets at December 31st	**2,057**	**2,156**
Reconciliation		
Present value of benefit obligation at December 31st	***63,532***	***65,774***
Fair value of plan assets	2,057	2,156
(Liability)/Asset recognised in the balance sheet at December	**(61,473)**	**(63,619)**
Income statement		
Current service cost	3,381	3,187
Benefits paid including amounts paid in respect of settlements	(0)	(0)
Interest cost	560	437
Interest income	(23)	(17)
Revaluation adjustments on other long-term benefits	(343)	(575)
Other	(46)	(207)
(Income)/Expenses recorded in the income statement	**3,530**	**2,824**
Changes recognised directly in equity not reclassifiable to income		
Revaluation adjustments arising in the year	(2,349)	(1,700)
Revaluation adjustments recognised in equity not reclassifiable to income	**(2,349)**	**(1,700)**

(in thousands of euros)	DEC. 31, 2021 FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1st	***13,399***	***25,944***	***18,095***	***4,024***	***4,313***	***65,775***
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	136	136
Current service cost	699	1,711	175	194	602	3,381
Interest cost	63	273	196	28	(0)	560
Actuarial (gains)/losses	(842)	(1,696)	(183)	42	158	(2,521)
Benefits paid	(731)	(2,426)	(621)	(78)	(2)	(3,859)
Other	(0)	(0)	(0)	(0)	60	60
Present value of benefit obligation at December 31st	**12,588**	**23,805**	**17,660**	**4,210**	**5,268**	**63,532**
Change in plan assets						
Fair value of plan assets at January 1st	***(0)***	***1,202***	***955***	***(0)***	***(0)***	***2,157***
Revaluation adjustments – Return on plan assets	(0)	82	111	(0)	(0)	193
Acquisitions/mergers/deconsolidations	(0)	-	(0)	(0)	(0)	(0)
Employee contributions	(0)	6	(0)	(0)	(0)	6
Employer contributions	(0)	2,136	618	(0)	(0)	2,754
Benefits paid	(0)	(2,432)	(621)	(0)	(0)	(3,053)
Other	(0)	(0)	(0)	(0)	(0)	(0)
Fair value of plan assets at December 31st	**(0)**	**994**	**1,063**	**(0)**	**(0)**	**2,057**
Reconciliation						
Present value of benefit obligation at December 31st	***12,588***	***23,805***	***17,660***	***4,210***	***5,268***	***63,532***
Fair value of plan assets	(0)	994	1,063	(0)	(0)	2,057
(Liability)/Asset recognised in the balance sheet at December	**(12,588)**	**(22,811)**	**(16,597)**	**(4,210)**	**(5,268)**	**(61,475)**
Income statement						
Current service cost	699	1,711	175	194	602	3,381
Past service cost	(0)	(0)	(0)	(0)	(0)	(0)
Benefits paid including amounts paid in respect of settlements	(0)	(0)	(0)	(0)	(0)	(0)
Interest cost	63	273	196	28	(0)	560
Interest income	(0)	(12)	(11)	(0)	(0)	(23)
Revaluation adjustments on other long-term benefits	(42)	(299)	(6)	4	(0)	(343)
Other	(0)	(0)	(0)	(0)	(46)	(46)
(Income)/Expenses recorded in the income statement	**720**	**1,673**	**354**	**226**	**557**	**3,530**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	(800)	(1,467)	(277)	38	158	(2,349)
Revaluation adjustments recognised in equity not reclassifiable to income	**(800)**	**(1,467)**	**(277)**	**38**	**158**	**(2,349)**

(in thousands of euros)	DEC. 31, 2020 FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1st	***14,424***	***27,227***	***19,235***	***3,890***	***3,908***	***68,684***
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	560	560
Current service cost	783	1,484	200	322	399	3,187
Interest cost	59	207	150	21	(0)	437
Actuarial (gains)/losses	(911)	(410)	(758)	(131)	(17)	(2,228)
Benefits paid	(956)	(2,563)	(732)	(78)	(330)	(4,659)
Other	(0)	(0)	(0)	(0)	(207)	(207)
Present value of benefit obligation at December 31st	**13,399**	**25,944**	**18,095**	**4,024**	**4,313**	**65,774**
Change in plan assets						
Fair value of plan assets at January 1st	***(0)***	***1,313***	***925***	***(0)***	***(0)***	***2,238***
Revaluation adjustments – Return on plan assets	(0)	66	(1)	(0)	(0)	65
Acquisitions/mergers/deconsolidations	(0)	(0)	(0)	(0)	(0)	(0)
Employee contributions	(0)	(0)	(0)	(0)	(0)	(0)
Employer contributions	(0)	16	56	(0)	(0)	72
Benefits paid	(0)	(193)	(25)	(0)	(0)	(218)
Other	(0)	(0)	(0)	(0)	(0)	(0)
Fair value of plan assets at December 31st	**(0)**	**1,202**	**955**	**(0)**	**(0)**	**2,157**
Reconciliation						
Present value of benefit obligation at December 31st	***13,399***	***25,944***	***18,095***	***4,024***	***4,313***	***65,774***
Fair value of plan assets	(0)	1,202	955	(0)	(0)	2,157
(Liability)/Asset recognised in the balance sheet at December	**(13,399)**	**(24,742)**	**(17,140)**	**(4,024)**	**(4,313)**	**(63,618)**
Income statement						
Current service cost	783	1,484	200	322	399	3,187
Past service cost	(0)	(0)	(0)	(0)	(0)	(0)
Benefits paid including amounts paid in respect of settlements	(0)	(0)	(0)	(0)	(0)	(0)
Interest cost	59	207	150	21	(0)	437
Interest income	(0)	(9)	(8)	(0)	(0)	(17)
Revaluation adjustments on other long-term benefits	(86)	(442)	(23)	(23)	(0)	(575)
Other	(0)	(0)	(0)	(0)	(207)	(207)
(Income)/Expenses recorded in the income statement	**755**	**1,239**	**320**	**319**	**192**	**2,824**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	(825)	(25)	(726)	(108)	(17)	(1,700)
Revaluation adjustments recognised in equity not reclassifiable to income	**(825)**	**(25)**	**(726)**	**(108)**	**(17)**	**(1,700)**

Actuarial assumptions

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

	DEC. 31, 2021			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	1.75%	1.75%	1.75%	1.75%
Discount rate				
Supplementary retirement and other plans	1.10%	1.10%	1.10%	N/A
Statutory retirement benefits	1.10%	N/A	1.10%	1.10%
Long-service awards	1.10%	1.10%	1.10%	1.10%
Other benefits	1.10%	1.10%	N/A	1.10%
Rate of salary increases (including inflation)	2.05%	2.25%	3.00%	1.75%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.20%
Average remaining working life until retirement				
Supplementary retirement and other plans	0.00	1.13	4.00	6.40
Statutory retirement benefits	13.95	N/A	8.72	10.10
Long-service awards	13.95	14.60	18.94	6.50
Other benefits	0.00	3.09	N/A	0.00
Term (years)				
Supplementary retirement and other plans	3.03	12.41	15.61	18.62
Statutory retirement benefits	13.64	0.00	8.21	9.07
Long-service awards	7.38	9.68	10.38	10.16
Other benefits	12.23	1.64	N/A	N/A

	DEC. 31, 2020			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	1.60%	1.60%	1.60%	1.60%
Discount rate				
Supplementary retirement and other plans	0.00%	1.10%	1.10%	N/A
Statutory retirement benefits	0.50%	N/A	1.10%	1.10%
Long-service awards	0.00%	1.10%	1.10%	1,10%
Other benefits	0.00%	1.10%	N/A	1.10%
Rate of salary increases (including inflation)	1.90%	2.10%	3.00%	1.60%
Rate of increase in medical costs (including inflation)	2.50%	N/A	N/A	4.20%
Average remaining working life until retirement				
Supplementary retirement and other plans	0.00	1.16	4.20	7.40
Statutory retirement benefits	14.89	N/A	9.57	11.10
Long-service awards	14.89	14.56	18.26	7.50
Other benefits	0.00	3.34	N/A	0.00
Term (years)				
Supplementary retirement and other plans	3.72	13.17	17.28	20.20
Statutory retirement benefits	14.57	0,00	9.38	9.49
Long-service awards	8.04	10.26	10.24	10.67
Other benefits	13.88	1.68	N/A	N/A

Sensitivity tests on the defined benefit obligation

	DEC. 31, 2021			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
+0.25% increase in the discount rate	(3.32)%	(2.64)%	(2.33)%	(0.41)%
(0.25)% decrease in the discount rate	3.51%	2.75%	2.41%	0.41%
+0.25% increase in the inflation rate	1.96%	2.09%	0.20%	0.41%
(0.25)% decrease in the inflation rate	(1.63)%	(2.00)%	(0.25)%	(0.40)%
+0.25% increase in rate of increase in medical costs	3.82%	0.00%	0.00%	0.00%
(0.25)% decrease in rate of increase in medical costs	(3.23)%	0.00%	0.00%	0.00%
+0.25% increase in rate of salary increase (including inflation)	2.83%	2.77%	0.48%	0.41%
(0.25)% decrease in rate of salary increase (including inflation)	(2.35)%	(2.66)%	(0.53)%	(0.40)%

Proforma

	DEC. 31, 2020			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
+0.25% increase in the discount rate	(3.37)%	(2.74)%	(2.38)%	(0.42)%
(0.25)% decrease in the discount rate	3.57%	2.88%	2.47%	0.43%
+0.25% increase in the inflation rate	2.03%	2.02%	0.34%	0.34%
(0.25)% decrease in the inflation rate	(1.69)%	(1.72)%	(0.43)%	(0.33)%
+0.25% increase in rate of increase in medical costs	3.76%	0.00%	0.00%	0.00%
(0.25)% decrease in rate of increase in medical costs	(3.16)%	0.00%	0.00%	0.00%
+0.25% increase in rate of salary increase (including inflation)	2.89%	2.73%	0.62%	0.34%
(0.25)% decrease in rate of salary increase (including inflation)	(2.39)%	(2.35)%	(0.68)%	(0.33)%

Published data

	DEC. 31, 2020			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
+1% increase in the discount rate	(12.41)%	(11.11)%	(9.00)%	(1.68)%
(1)% decrease in the discount rate	0.16%	13.26%	10.47%	1.73%
+1% increase in the inflation rate	8.11%	9.57%	1.35%	1.34%
(1)% decrease in the inflation rate	(6.74)%	(8.16)%	(1.73)%	(1.33)%
+1% increase in rate of increase in medical costs	15.05%	0.00%	0.00%	0.00%
(1)% decrease in rate of increase in medical costs	(12.65)%	0.00%	0.00%	0.00%
+1% increase in rate of salary increase (including inflation)	11.55%	11.63%	2.48%	1.34%
(1)% decrease in rate of salary increase (including inflation)	(9.57)%	(9.97)%	(2.72)%	(1.33)%

NOTE 15 FINANCING LIABILITIES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Due within one year		
• Interest	11,930	11,756
• Amortization of expenses	(596)	(571)
Total	**11,335**	**11,185**
Due between one and five years		
• Amortization of expenses	(781)	(1,376)
• Nominal	380,000	380,000
Total	**379,219**	**378,624**
Due beyond five years		
• Amortization of expenses	(0)	(0)
• Nominal	(0)	(0)
Total	**(0)**	**(0)**
TOTAL	**390,553**	**389,810**

On March 27, 2014, COFACE SA issued a subordinated debt in the form of bonds for a nominal amount of €380 million (corresponding to 3,800 bonds with a nominal unit value of €100,000), maturing on March 27, 2024 (10 years), with an annual interest rate of 4.125%.

The per-unit bond issue price was €99,493.80, and the net amount received by COFACE SA was €376.7 million, net of placement fees and directly-attributable transaction costs.

These securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Coface Group's main operating entity.

On March 25, 2014, a joint guarantee was issued by Compagnie française d'assurance pour le commerce extérieur for €380 million, in favour of the investors in COFACE SA's subordinated bonds, applicable until the extinction of all liabilities in respect of said investors.

As at December 31, 2021, the debt presented on the line "Subordinated borrowings" of the balance sheet, amounted to €390,555 thousand, is composed of:

- nominal amount of bonds: €380,000 thousand;
- reduced by the debt issuance costs and the issue premium for €1,377 thousand;
- increased by accrued interest of €11,930 thousand.

The impact on consolidated income statement income as at December 31, 2021 mainly includes the interest related to the period for €16,420 thousand.

NOTE 16 LEASE LIABILITIES

(in thousand of euros)	DEC. 31, 2021	DEC. 31, 2020
Lease liabilities – Real estate leasing	71,433	78,354
Lease liabilities – Equipment leasing	10,497	9,771
LEASE LIABILITIES – LEASING	**81,930**	**88,124**

NOTE 17 LIABILITIES RELATING TO INSURANCE CONTRACTS

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Provisions for unearned premiums	287,499	255,380
Claims reserves	1,351,095	1,372,822
Provisions for premium refunds	220,465	175,890
Liabilities relating to insurance contracts	**1,859,059**	**1,804,092**
Provisions for unearned premiums	(51,968)	(44,891)
Claims reserves	(382,699)	(485,476)
Provisions for premium refunds	(77,520)	(73,086)
Reinsurers' share of insurance liabilities	**(512,187)**	**(603,453)**
NET TECHNICAL PROVISIONS	**1,346,872**	**1,200,639**

Provisions for claims include provisions to cover claims incurred but not reported and shortfalls in estimated provisions for claims reported. These amounted to €875 million at December 31, 2021.

NOTE 18 PAYABLES ARISING FROM BANKING ACTIVITIES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Amounts due to banking sector companies	822,962	535,447
Amounts due to customers of banking sector companies	376,788	357,384
Debt securities	1,498,775	1,425,562
TOTAL	**2,698,525**	**2,318,392**

The lines "Amounts due to banking sector companies" and "Debt securities" correspond to sources of refinancing for the Group's factoring entities – Coface Finanz (Germany) and Coface Factoring Poland.

NOTE 19 DEFERRED TAX

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Deferred tax assets	(58,345)	(49,250)
Deferred tax liabilities	120,326	110,507
NET DEFERRED TAX – LIABILITIES	**61,981**	**61,256**
Timing differences	(11,680)	(11,753)
Provisions for pensions and other employment benefit obligations	(9,022)	(9,135)
Tax loss carry forwards	(11,514)	(6,391)
Cancellation of the claims equalization provision	94,197	88,535
NET DEFERRED TAX – LIABILITIES	**61,981**	**61,256**

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

The French tax law for 2020 planned a decline in the current common law rate from 33.33% to 27.5% gradually until 2022 for companies with more than €250 million of turnover. This future rate change has been taken into account in the valuation of deferred taxes of the French entities of Coface Group.

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

Changes in deferred tax balances by region

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

(in thousands of euros)	DEC. 31, 2020	CHANGE THROUGH INCOME STATEMENT	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CURRENCY TRANSLATION VARIATION	SCOPE ENTRY	OTHER MOVEMENTS	DEC. 31, 2021
Northern Europe	57,473	2,661	23	189	(0)	480	60,826
Western Europe	23,722	(1,858)	2,922	16	(0)	308	25,110
Central Europe	77	(2,242)	92	52	(169)	75	(2,115)
Mediterranean & Africa	(18,496)	(4,949)	(0)	611	(0)	8	(22,826)
North America	2,392	(433)	1	230	(0)	7	2,197
Latin America	(2,525)	(489)	1,316	754	(173)	3,749	2,632
Asia-Pacific	(1,387)	(2,079)	(303)	(74)	(0)	(0)	(3,843)
TOTAL	**61,256**	**(9,389)**	**4,051**	**1,778**	**(342)**	**4,627**	**61,981**

(in thousands of euros)	DEC. 31, 2019	CHANGE THROUGH INCOME STATEMENT	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CURRENCY TRANSLATION VARIATION	SCOPE ENTRY	OTHER MOVEMENTS	DEC. 31, 2020
Northern Europe	49,127	4,302	83	(247)	4,206	5	57,476
Western Europe	29,088	(5,665)	(238)	31	(0)	506	23,722
Central Europe	(2,127)	1,966	(67)	(258)	(0)	561	75
Mediterranean & Africa	(24,380)	5,531	(0)	354	(0)	(0)	(18,495)
North America	2,402	(278)	489	(221)	(0)	(0)	2,392
Latin America	(6,025)	(990)	2,851	1,637	(0)	(0)	(2,527)
Asia-Pacific	(4,770)	3,033	234	116	(0)	(0)	(1,387)
TOTAL	**43,315**	**7,899**	**3,352**	**1,412**	**4,206**	**1,072**	**61,256**

The “Other movements” column mainly includes deferred taxes on changes in retirement benefits recognised as equity not reclassifiable to income and a correction on deferred tax in Brazil.

Deferred taxes related to tax losses

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

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Northern Europe	4,735	2,589
Western Europe	70	(169)
Central Europe	157	86
Mediterranean & Africa	1,308	944
North America	(0)	71
Latin America	(0)	888
Asia-Pacific	5,243	1,981
NET DEFERRED TAX – LIABILITIES	**11,514**	**6,391**

The recognition of deferred tax assets on tax losses is subject to a case-by-case recoverability analysis, taking into account the forecasts of the results of each entity. Deferred tax assets on losses are recognized at the level of entity's income tax results estimated for the period from 2022 to 2026, *i.e.* a recoverability horizon of five years.

This recognition results from a Business Tax Plan prepared by each entity on the basis of the Business Plan approved by the Management.

NOTE 20 PAYABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Guarantee deposits received from policyholders and other	35	1,676
Amounts due to policyholders and agents	57,079	83,159
Payables arising from insurance and inward reinsurance operations	**57,114**	**84,835**
Amounts due to reinsurers	226,848	326,103
Deposits received from reinsurers	2,621	3,194
Payable arising from ceded reinsurance operations	**229,469**	**329,297**
TOTAL	**286,583**	**414,133**

NOTE 21 OTHER LIABILITIES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020	VARIATION
Current tax payables	**80,712**	**70,621**	**10,091**
Derivatives and related liabilities	**3,480**	**26**	**3,455**
Accrued personnel costs	71,706	51,227	20,479
Sundry payables	176,652	197,402	(20,750)
Deferred income	7,552	7,711	(159)
Other accruals	34,829	5,879	28,950
Other payables	**290,739**	**262,219**	**28,520**
TOTAL	**374,931**	**332,865**	**42,066**

NOTES TO THE INCOME STATEMENTS

NOTE 22 REVENUE

Breakdown of consolidated revenue

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Premiums – direct business	*1,357,895*	*1,176,378*
Premiums – inward reinsurance	*104,529*	*97,389*
Gross written premiums	**1,462,424**	**1,273,767**
Premium refunds	**(121,336)**	**(78,111)**
Change of provisions for unearned premiums	**(28,451)**	**8,678**
Earned premiums	1,312,637	1,204,334
Fees and commission income	**140,691**	**143,985**
Net income from banking activities	**64,400**	**58,450**
Other insurance-related services	156	102
Business information and other services	42,266	34,523
Receivables management	7,708	9,469
Income from other activities	**50,130**	**44,094**
Revenue or income from other activities	255,221	246,530
CONSOLIDATED REVENUE	**1,567,858**	**1,450,864**

Consolidated revenue by country of invoicing

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Northern Europe	331,529	297,721
Western Europe	316,684	291,848
Central Europe	156,263	143,081
Mediterranean & Africa	429,399	394,890
North America	137,481	136,518
Latin America	73,330	67,328
Asia-Pacific	123,171	119,478
CONSOLIDATED REVENUE	**1,567,858**	**1,450,864**

Consolidated revenue by activity

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Earned premiums – Credit	*1,242,767*	*1,132,876*
Earned premiums – Single Risk	*15,839*	*21,141*
Earned premiums – Credit insurance	**1,258,606**	**1,154,017**
Fees and commission income	**140,691**	**143,985**
Other insurance-related services	**156**	**102**
Revenue of credit insurance activity	**1,399,453**	**1,298,104**
Earned premiums – Guarantees	**54,031**	**50,317**
Financing fees	26,409	26,995
Factoring fees	39,712	32,758
Other	(1,720)	(1,302)
Net income from banking activities (factoring)	**64,400**	**58,450**
Business information and other services	42,266	34,523
Receivables management	7,708	9,469
Revenue of business information and other services activity	**49,974**	**43,992**
CONSOLIDATED REVENUE	**1,567,858**	**1,450,864**

NOTE 23 CLAIM EXPENSES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Paid claims, net of recoveries	(286,097)	(541,323)
Claims handling expenses	(36,190)	(31,839)
Change in claims reserves	41,831	(50,490)
TOTAL	**(280,456)**	**(623,653)**

Claims expenses by period of occurrence

	DEC. 31, 2021			DEC. 31, 2020		
(in thousands of euros)	GROSS	OUTWARD REINSURANCE AND RETROCESSIONS	NET	GROSS	OUTWARD REINSURANCE AND RETROCESSIONS	NET
Claims expenses – current year	(800,187)	255,221	(544,966)	(905,412)	391,217	(514,195)
Claims expenses – prior years	519,731	(239,011)	280,720	281,759	(94,493)	187,266
TOTAL	**(280,456)**	**16,210**	**(264,246)**	**(623,653)**	**296,724**	**(326,929)**

Claims expenses include the conclusions of an arbitration, which occurred after the closing, on a case in the Asia-Pacific region.

NOTE 24 OVERHEADS BY FUNCTION

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Policy acquisition costs	(259,317)	(238,453)
Administrative costs	(270,990)	(261,807)
Other insurance activity expenses	(66,243)	(60,971)
Expenses from banking activities, excluding cost of risk	(13,103)	(12,833)
Expenses from services activities	(89,674)	(81,608)
Operating expenses	**(699,327)**	**(655,672)**
Investment management expenses	**(4,010)**	**(3,420)**
Claims handling expenses	**(36,190)**	**(31,839)**
TOTAL	**(739,527)**	**(690,931)**
of which employee profit-sharing	*(9,898)*	*(2,854)*

Total overheads include general insurance expenses (by function), expenses from services activities and expenses from banking activities. It came out at €739,527 thousand as at December 31, 2021 *versus* €690,931 thousand as at December 31, 2020.

In the income statement, claims handling expenses are included in "Claims expenses" and investment management expenses are shown in "Investment income, net of management expenses (excluding finance costs)".

NOTE 25 EXPENSES FROM BANKING ACTIVITIES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Charges to allowances for receivables	2,954	(97)
Reversal of allowances for receivables	(0)	(0)
Losses on receivables	(2,878)	(3)
Cost of risk	**76**	**(100)**
Operating expenses	**(13,103)**	**(12,833)**
TOTAL	**(13,028)**	**(12,933)**

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

NOTE 26 INCOME AND EXPENSES FROM CEDED REINSURANCE

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Ceded claims	118,900	180,639
Change in claims provisions net of recoveries	(104,777)	135,321
Commissions paid by reinsurers	183,686	199,126
Income from ceded reinsurance	**197,810**	**515,087**
Ceded premiums	(519,061)	(544,788)
Change in unearned premiums provisions	6,963	(14,415)
Expenses from ceded reinsurance	**(512,098)**	**(559,203)**
TOTAL	**(314,288)**	**(44,116)**

NOTE 27 INVESTMENT INCOME, NET OF MANAGEMENT EXPENSES (EXCLUDING FINANCE COSTS)

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Investment income	38,669	29,763
Change in financial instruments at fair value through income	(6,853)	1,606
o/w hedged by currency derivatives on "Colombes" and "Lausanne" mutual funds	*(0)*	*(317)*
Net gains on disposals	(1,365)	(467)
o/w hedged by currency derivatives on "Colombes" and "Lausanne" mutual funds	*154*	*(293)*
Additions to/(reversals from) impairment	3,982	(426)
Net foreign exchange gains/losses	15,534	(2,225)
o/w hedged by currency derivatives on "Colombes" and "Lausanne" mutual funds [(1)]	*(1,534)*	*(1,129)*
Investment management expenses	(7,789)	(4,775)
TOTAL	**42,177**	**23,477**

(1) The Colombes and Lausanne funds foreign exchange result covered by derivatives amounts to €(1,534) thousand. This amount is broken down into €(6,795) thousand in realized profit and €5,261 thousand in unrealized losses.

Investment income by class

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Equities	3,976	(2,894)
Fixed income	23,234	13,745
Investment properties	13,974	7,216
Sub-total	**41,184**	**18,067**
Associated and non consolidated companies	6,239	3,861
Exchange rate – change profit/loss	2,543	6,323
Financial and investment charges	(7,789)	(4,775)
TOTAL	**42,177**	**23,477**

Although derivative instruments are used to hedge the overall currency risk, the Coface Group does not apply hedge accounting for accounting purposes.

NOTE 28 OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Entry of Coface Poland Insurance into scope of consolidation	(58)	
Build to Lead restructuring expenses	(2,503)	(4,885)
Fit to Win restructuring expenses		(323)
Impairment charge of goodwill in Latin America CGU		(845)
Provisions for restructuring	(233)	(615)
Other operating expenses	(2,384)	(8,663)
Total other operating expenses	**(5,179)**	**(15,331)**
Entry of Coface Romania Insurance into scope of consolidation	495	
Entry of Coface Finance Israël into scope	457	
Entry of Coface Servicios Mexico into scope	509	
Other operating income	541	1,544
Total other operating income	**2,002**	**1,544**
TOTAL	**(3,177)**	**(13,787)**

Other operating income and expenses amounted to -€3.2 million as of December 31, 2021.

The other operating expenses are composed of:

- a debt write-off for €651 thousand;
- a optimization project for €525 thousand;
- the set-up of Tradeliner for €142 thousand.

NOTE 29 INCOME TAX EXPENSE

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Income tax	(76,900)	(36,805)
Deferred tax	9,389	(7,899)
TOTAL	**(67,511)**	**(44,704)**

The income tax expense highly increased because of the better entities results and better forecast on the following years, which allowed to activate more deferred tax related to loss carry forward.

Tax proof

(in thousands of euros)	DEC. 31, 2021		DEC. 31, 2020	
Net income	**223,817**		**82,900**	
Non-controlling interests	(57)		(4)	
Income tax expense	(67,511)		(44,704)	
Badwill	(0)		8,910	
Share in net income of associates			(0)	
Pre-tax income before share in net income of associates and badwill	**291,385**		**118,698**	
Tax rate		28.41%		32.02%
Theoretical tax	(82,782)		(38,007)	
Tax expense presented in the consolidation income statement	(67,511)	23.17%	(44,704)	37.66%
Difference	**(15,271)**	**(5.24)%**	**6,697**	**5.64%**
Impact of differences between Group tax rates and local tax rates	22,715	7.80%	10,084	8.50%
Specific local taxes	(5,875)	(2.02)%	(2,909)	(2.45)%
o/w French Corporate value added tax (CVAE)	*(1,325)*	*(0.45)%*	*(740)*	*(0.62)%*
Tax losses for which no deferred tax assets have been recognised	(3,663)	(1.26)%	(8,258)	(6.96)%
Utilisation of previously unrecognised tax loss carryforwards	5,243	1.80%	2,731	2.30%
Liability method impact	(1,600)	(0.55)%	(6,221)	(5.24)%
Other differences	(1,548)	(0.53)%	(2,124)	(4.76)%

The effective income tax rate increased of 15 points from 23.17% at December 31, 2021 compare to 37.66% at December 31, 2020.

The difference between theoretical tax and tax expense presented in the consolidated income statement comes from a positive impact of differences between Group tax rates and local tax rates. It is offset by the negative impact of tax losses for which no deferred tax assets have been recognized and the liability method impact (mainly in France).

NOTE 30 BREAKDOWN OF NET INCOME BY SEGMENT

Premiums, claims and commissions are monitored by country of invoicing. In the case of direct business, the country of invoicing is the one in which the issuer of the invoice is located and for inward reinsurance, the country of invoicing is the one in which the ceding insurer is located.

Geographic segmentation by billing location does not necessarily correspond to the debtor's location.

Reinsurance income, which is calculated and recognised for the whole Group at the level of Compagnie française d'assurance pour le commerce extérieur and Coface Re, has been reallocated at the level of each region.

Income taxes by segment have been calculated based on this monitoring framework.

Analysis of December 31, 2021 net income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN & AFRICA
Revenue	**331,407**	**312,806**	**157,506**	**430,730**
o/w earned Premium	*233,732*	*277,352*	*125,132*	*361,421*
o/w factoring	*52,111*	*793*	*11,496*	
o/w other insurance-related services	*45,564*	*34,661*	*20,878*	*69,309*
Claims-related expenses (including claims handling costs)	(42,506)	(67,677)	(23,580)	(98,850)
Cost of risk	62		14	
Commissions	(23,604)	(37,558)	(12,100)	(45,718)
Other internal general expenses	(120,070)	(98,839)	(55,396)	(127,555)
Underwriting income before reinsurance*	**145,289**	**108,732**	**66,444**	**158,607**
Income/(loss) on ceded reinsurance	(94,049)	(86,157)	(10,832)	(88,223)
Other operating income and expenses	(2,056)	(1,763)	452	(174)
Net financial income excluding finance costs	1,520	28,539	2,863	6,916
Finance costs	(1,656)	(3,174)	(879)	(2,046)
Operating income including finance costs	**49,048**	**46,177**	**58,048**	**75,080**
Badwill				
Net income before tax	**49,048**	**46,177**	**58,048**	**75,080**
Income tax expense	(11,364)	(10,699)	(13,449)	(17,395)
Consolidated net income before non-controlling interests	**37,684**	**35,478**	**44,599**	**57,685**
Non-controlling interests	(1)	(1)	(2)	(51)
NET INCOME FOR THE PERIOD	**37,683**	**35,477**	**44,597**	**57,634**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities.*

NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	GROUP TOTAL
137,481	**73,349**	**123,171**	**843,309**	**27,069**	**0**	**(868,970)**	**1,567,858**
125,571	*70,248*	*119,180*	*843,309*			*(843,308)*	*1,312,637*
							64,400
11,910	*3,101*	*3,991*		*27,069*		*(25,662)*	*190,821*
(18,060)	(6,160)	(10,169)	(245,705)		(4,592)	236,843	(280,456)
							76
(14,912)	(10,225)	(22,634)	(325,098)			325,055	(166,794)
(48,683)	(27,781)	(40,307)		(25,020)	(25,441)	36,559	(532,533)
55,826	**29,183**	**50,061**	**272,506**	**2,049**	**(30,033)**	**(270,514)**	**588,150**
(13,269)	(8,071)	(10,754)	(275,437)			272,505	(314,288)
(142)	531	(25)					(3,177)
2,649	4,160	2,490		426	(1,098)	(6,288)	42,177
(897)	(230)	(283)		(224)	(16,420)	4,332	(21,477)
44,167	**25,573**	**41,489**	**(2,931)**	**2,251**	**(47,551)**	**35**	**291,386**
							(0)
44,167	**25,573**	**41,489**	**(2,931)**	**2,251**	**(47,551)**	**35**	**291,386**
(10,233)	(5,925)	(9,613)	679	(522)	11,017	(8)	(67,511)
33,934	**19,648**	**31,876**	**(2,252)**	**1,729**	**(36,534)**	**27**	**223,874**
(1)		(1)					(57)
33,933	**19,648**	**31,875**	**(2,252)**	**1,729**	**(36,534)**	**27**	**223,817**

Analysis of December 31, 2020 net income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN & AFRICA
Revenue	**299,691**	**286,216**	**144,556**	**397,272**
o/w earned Premium	*202,081*	*251,674*	*117,343*	*329,304*
o/w factoring	*49,879*	*(939)*	*9,510*	
o/w other insurance-related services	*47,731*	*35,481*	*17,703*	*67,968*
Claims-related expenses (including claims handling costs)	(74,768)	(120,303)	(54,100)	(182,806)
Cost of risk	(32)		(68)	
Commissions	(20,319)	(35,200)	(10,382)	(42,887)
Other internal general expenses	(110,024)	(94,376)	(50,431)	(118,882)
Underwriting income before reinsurance*	**94,548**	**36,337**	**29,575**	**52,697**
Income/(loss) on ceded reinsurance	(22,158)	(27,823)	(9,748)	2,990
Other operating income and expenses	(5,507)	(6,486)	(21)	393
Net financial income excluding finance costs	7,020	(12,115)	8,412	15,405
Finance costs	(197)	(3,336)	(275)	(647)
Operating income including finance costs	**73,706**	**(13,423)**	**27,943**	**70,838**
Badwill		8,910		
Net income before tax	**73,706**	**(4,513)**	**27,943**	**70,838**
Income tax expense	(25,821)	1,581	(9,789)	(24,816)
Consolidated net income before non-controlling interests	**47,885**	**(2,932)**	**18,154**	**46,022**
Non-controlling interests	(2)		(1)	(1)
NET INCOME FOR THE PERIOD	**47,883**	**(2,932)**	**18,153**	**46,021**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities.*

NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	GROUP TOTAL
136,519	**67,328**	**119,478**	**720,282**	**29,152**		**(749,631)**	**1,450,864**
123,689	*64,749*	*115,493*	*720,282*			*(720,282)*	*1,204,334*
							58,450
12,830	*2,579*	*3,985*		*29,152*		*(29,349)*	*188,080*
(78,764)	(46,837)	(56,383)	(297,175)		(3,927)	291,410	(623,653)
							(100)
(15,055)	(8,453)	(22,493)	(273,334)			273,278	(154,845)
(45,614)	(25,192)	(38,628)		(29,191)	(25,091)	36,602	(500,827)
(2,914)	**(13,154)**	**1,974**	**149,773**	**(39)**	**(29,018)**	**(148,341)**	**171,439**
(11,052)	14,965	(13,895)	(127,169)			149,774	(44,116)
(1,300)	(866)						(13,787)
3,221	5,275	3,690		(467)	(962)	(2,576)	26,903
(1,077)	(276)	(634)		(203)	(16,222)	1,127	(21,740)
(13,122)	**5,944**	**(8,865)**	**22,604**	**(709)**	**(46,202)**	**(16)**	**118,698**
							8,910
(13,122)	**5,944**	**(8,865)**	**22,604**	**(709)**	**(46,202)**	**(16)**	**127,608**
4,597	(2,082)	3,106	(7,919)	248	16,186	6	(44,704)
(8,525)	**3,862**	**(5,759)**	**14,685**	**(461)**	**(30,016)**	**(10)**	**82,904**
							(4)
(8,525)	**3,862**	**(5,759)**	**14,685**	**(461)**	**(30,016)**	**(10)**	**82,900**

NOTE 31 EARNINGS PER SHARE

	DEC. 31, 2021		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in €k)*	EARNINGS PER SHARE *(in €)*
Basic earnings per share	149,032,282	223,817	1.50
Dilutive instruments	(0)		
DILUTED EARNINGS PER SHARE	**149,032,282**	**223,817**	**1.50**

	DEC. 31, 2020		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in €k)*	EARNINGS PER SHARE *(in €)*
Basic earnings per share	150,360,581	82,900	0.55
Dilutive instruments	(0)		
DILUTED EARNINGS PER SHARE	**150,360,581**	**82,900**	**0.55**

NOTE 32 GROUP'S HEADCOUNT

(in full time equivalent)	DEC. 31, 2021	DEC. 31, 2020
Northern Europe	693	631
Western Europe	1,012	937
Central Europe	675	655
Mediterranean & Africa	669	634
North America	206	200
Latin America	303	205
Asia-Pacific	109	134
TOTAL	**3,667**	**3,395**

At December 31, 2021, the number of employees of fully consolidated companies was 3,667 full-time equivalents FTE *versus* 3,395 at December 31, 2020, up for 272 FTEs.

NOTE 33 RELATED PARTIES

On February 10, 2021, Natixis and Arch Capital Group Ltd. announced that the transaction involving the sale of 29.5% of COFACE SA's shares had obtained all the necessary authorisations.

At December 31, 2021, Arch Capital Group Ltd. held 30.09% of the Coface Group's shares, excluding treasury stock, and 29.86% of the shares including treasury stock. Natixis is therefore no longer a related party.

Ownership structure at December 31, 2021:

	NUMBER OF SHARES	%
Arch Capital Group Ltd.	44,849,425	30,09%
Natixis	15,078,051	10,12%
Public	89,104,806	59,79%
TOTAL	**149,032,282**	**100.00%**

At December 31, 2020, Natixis held 42.86% of the Coface Group's shares, excluding treasury stock, and 42.2% of the shares including treasury stock

Ownership structure at December 31, 2020:

	NUMBER OF SHARES	%
Natixis	64,153,881	42.86%
Public	85,536,083	57.14%
TOTAL	**149,689,964**	**100.00%**

Relations between the Group's consolidated entities and related parties

At December 31, 2021, Coface's main transactions with related parties concern Arch Capital Group and its subsidiaries.

The main transactions are as follows:

- reinsurance contracts between Coface and Arch Reinsurance Group, which belongs to Arch Capital Group Ltd.;
- Coface's credit insurance cover available to Coface's sister entities;
- the collection of insurance receivables by the Group's subsidiaries on behalf of Coface;
- recharging of general expenses such as operating costs, staff costs, etc.

These transactions are described below:

Current operating income *(in thousands of euros)*	DEC. 31, 2021 ARCH REINSURANCE GROUP
Revenue (net banking income, after cost of risk)	
Claims expenses	
Expenses from other activities	
Policy acquisition costs	
Administrative costs	
Other current operating income and expenses	
Reinsurance result	(1,054)
OPERATING INCOME/(LOSS)	**(1,054)**

Related-party receivables and payables *(in thousands of euros)*	DEC. 31, 2021 ARCH REINSURANCE GROUP
Financial investments	
Other assets	
Reinsurance receivables	**(7)**
Cash and cash equivalents	
Liabilities relating to insurance contracts	
Amounts due to banking sector companies	
Reinsurance debts	(730)
Other liabilities	

At December 31, 2020, Coface's main transactions with related parties concerned Natixis and its subsidiaries.

The main transactions were:

- the financing of part of the factoring business by Natixis SA;
- financial investments made with Group BPCE and Natixis;
- Coface's credit insurance cover for Coface's sister entities;
- the collection of insurance receivables by the Group's subsidiaries on behalf of Coface;
- recharge of overheads such as operating costs, personnel costs, etc.

These transactions are described below:

CURRENT OPERATING INCOME *(in thousands of euros)*	DEC. 31, 2019		
	NATIXIS SA	NATIXIS FACTOR	ELLISPHERE
Revenue (net banking income, after cost of risk)	(908)	0	0
Claims expenses	0	0	0
Expenses from other activities	0	0	0
Policy acquisition costs	0	0	0
Administrative costs	0	0	0
Other current operating income and expenses	0	0	0
OPERATING INCOME/(LOSS)	**(908)**	**0**	**0**

RELATED-PARTY RECEIVABLES AND PAYABLES *(in thousands of euros)*	DEC. 31, 2020			
	BPCE GROUP	NATIXIS SA	NATIXIS FACTOR	ELLISPHERE
Financial investments	**49,077**	**0**		
Other assets	**0**	**0**	**0**	**0**
Cash and cash equivalents	**0**	**831**	**0**	**0**
Liabilities relating to insurance contracts	**0**		**0**	**0**
Amounts due to banking sector companies	0	32,935	0	0
Other liabilities	**0**	**0**	**0**	**0**

NOTE 34 KEY MANAGEMENT COMPENSATION

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Short-term benefits (gross salaries and wages, incentives, benefits in kind and annual bonus)	4,472	4,844
Other long-term benefits	1,241	1,425
Statutory termination benefits	(0)	(0)
Share-based payment	(0)	804
TOTAL	**5,713**	**7,073**

The Group Management Committee is composed of eight members on December 31, 2021 and of Coface CEO.

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

The line "Share-based payment" corresponds to the free performance shares' delivered in 2020 and allocated in the frame of the LTIP 2017 (fair value IFRS).

For 2021, as the performance conditions of the 2018 LTIP plan have not been met, the item "Share-based payment" is zero.

A total envelope of €406 thousand was paid out to the members of the Board of Directors, the Audit, the Risk and the Compensation Committees in 2021.

NOTE 35 BREAKDOWN OF AUDIT FEES

(in thousands of euros)	MAZARS DEC. 31, 2021	%	MAZARS DEC. 31, 2020	%	DELOITTE DEC. 31, 2021	%	DELOITTE DEC. 31, 2020	%	TOTAL DEC. 31, 2021	%	TOTAL DEC. 31, 2020	%
Statutory and IFRS Audit												
COFACE SA	(654)	34%	(320)	29%	(620)	26%	(323)	17%	(1,274)	29%	(575)	17%
Subsidiaries	(1,205)	63%	(779)	69%	(1,792)	74%	(1,531)	80%	(2,997)	69%	(2,687)	79%
Sub-total	**(1,859)**	**97%**	**(1,099)**	**98%**	**(2,412)**	**100%**	**(1,854)**	**97%**	**(4,271)**	**99%**	**(3,262)**	**96%**
Other fees than Statutory and IFRS Audit												
COFACE SA	(0)	0%	(0)	0%	(0)	0%	(0)	0%	(0)	0%	(64)	2%
Subsidiaries	(64)	3%	(23)	2%	(0)	0%	(49)	3%	(64)	1%	(84)	2%
Sub-total	**(64)**	**3%**	**(23)**	**2%**	**(0)**	**0%**	**(49)**	**3%**	**(64)**	**1%**	**(148)**	**4%**
TOTAL	**(1,923)**	**100%**	**(1,122)**	**100%**	**(2,412)**	**100%**	**(1,903)**	**100%**	**(4,335)**	**100%**	**(3,410)**	**100%**

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

NOTE 36 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	DEC. 31, 2021 TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,144,652**	**1,133,000**	**11,651**
Endorsements and letters of credit	1,133,000	1,133,000	
Property guarantees	7,500		7,500
Financial commitments in respect of equity interests	4,151		4,151
Commitments received	**1,397,644**	**853,084**	**544,561**
Endorsements and letters of credit	141,291		141,291
Guarantees	403,270		403,270
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	153,084	153,084	
Financial commitments in respect of equity interests	0		0
Guarantees received	**323,314**		**323,314**
Securities lodged as collateral by reinsurers	323,314		323,314
Financial market transactions	**211,543**		**211,543**

The endorsements and letters of credit correspond mainly to:

- a joint guarantee of €380,000 thousand in favor of COFACE SA subordinated notes' investors (10 year maturity);
- €7,000 thousand guarantee from Coface Europe;
- a guarantee from Cofinpar of €7,000 thousand;
- a joint guarantee of €739,000 thousand euros given to banks financing the factoring business.

The securities lodged as collateral by reinsurers are concerning Coface Re for €287,713 thousand and Compagnie française pour le commerce extérieur for €35,600 thousand.

	DEC. 31, 2020		
(in thousands of euros)	TOTAL	RELATED TO FINANCING	RELATED TO ACTIVITY
Commitments given	**1,029,839**	**1,018,188**	**11,651**
Endorsements and letters of credit	1,018,188	1,018,188	
Property guarantees	7,500		7,500
Financial commitments in respect of equity interests	4,151		4,151
Commitments received	**1,537,881**	**1,018,976**	**518,905**
Endorsements and letters of credit	117,702		117,702
Guarantees	398,704		398,704
Credit lines linked to commercial paper	700,000	700,000	
Credit lines linked to factoring	318,976	318,976	
Financial commitments in respect of equity interests	2,500		2,500
Guarantees received	**401,315**		**401,315**
Securities lodged as collateral by reinsurers	401,315		401,315
Financial market transactions	**163,766**		**163,766**

NOTE 37. OPERATING LEASES

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

NOTE 38. RELATIONSHIP BETWEEN PARENT COMPANY AND SUBSIDIARIES

The main operational subsidiary of the Coface Group is the Compagnie française d'assurance pour le commerce extérieur (la Compagnie). This subsidiary, which is wholly owned by the Company, is a public limited company *(société anonyme)* under French law, with share capital of €137,052,417.05, registered in the Nanterre Trade and Companies Registry under number 552,069,791.

The main flows between COFACE SA, the listed parent company, and la Compagnie are as follows:

- financing:
  - COFACE SA and la Compagnie have granted each other one ten-year loan,
  - in net terms, COFACE SA finances la Compagnie,
  - la Compagnie stands as surety for the bond issue floated by COFACE SA,
  - a two-way cash flow agreement exists between COFACE SA and la Compagnie,
  - COFACE SA delegates to la Compagnie management of its commercial paper programme and of its cash management;
- dividends:
  - la Compagnie pays dividends to COFACE SA;
- tax consolidation:
  - la Compagnie forms part of the tax consolidation group headed by COFACE SA.

The table below summarises the interim balance of la Compagnie française d'assurance pour le commerce extérieur and its principal financial flows as of December 31, 2021:

(in thousands of euros)	LISTED COMPANY	COMPAGNIE FRANÇAISE POUR LE COMMERCE EXTÉRIEUR (INCLUDING BRANCHES)	OTHER ENTITIES	ELIMINATIONS	TOTAL
Revenue	1,966	1,474,147	969,662	(877,917)	1,567,858
Current operating income	13,190	127,529	198,387	(23,067)	316,039
Net income	(5,825)	68,101	161,541		223,817
Fixed assets	1,829,457	5,443,686	1,463,610	(5,181,562)	3,555,191
Indebtedness outside the Group	390,553				390,553
Cash and cash equivalent	784	200,646	161,011		362,440
Net cash generated from operating activities	28,236	167,929	130,849		327,014
Dividends paid to the quoted company		74,794	8,980		83,774

At the end of December 2020, The table which summarised the interim balance of la Compagnie française d'assurance pour le commerce extérieur and its principal financial flows was:

(in thousands of euros)	LISTED COMPANY	COMPAGNIE FRANÇAISE POUR LE COMMERCE EXTÉRIEUR (INCLUDING BRANCHES)	OTHER ENTITIES	ELIMINATIONS	TOTAL
Revenue	1,993	1,322,475	888,543	(762,147)	1,450,864
Current operating income	10,346	80,458	104,390	(40,970)	154,224
Net income	(13,689)	4,956	91,634		82,901
Fixed assets	1,837,325	5,186,339	1,301,320	(4,998,422)	3,326,562
Indebtedness outside the Group	389,808		1		389,809
Cash and cash equivalent	545	252,426	147,999		400,969
Net cash generated from operating activities	26,380	81,726	86,251		194,358
Dividends paid to the quoted company		(0)	(0)		(0)

4

NOTE 39 EVENTS AFTER THE REPORTING PERIOD

On January 6, 2022, Natixis announced the sale of its remaining interest in COFACE SA. This sale represented approximately 10.04% of COFACE SA's share capital, or 15,078,095 shares. It was carried out by way of an ABB (accelerated book-building) at an average price of €11.55. Following this transaction, Natixis no longer held any shares in COFACE SA.

NOTE 40 RISK MANAGEMENT

The sections which are an integral part of the Group's financial statements relating to risk management are presented in the sections of Chapter 5 of paragraph 5.1 "Risk management and internal control" and 5.2 "Risk factors".

4.3 PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 Balance sheet

Assets

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Fixed assets			
Intangible assets	4.1.1	-	-
Financial assets		-	-
Interests in related companies	4.1.2	1,502,744	1,502,744
Loans to affiliates and subsidiaries	4.1.3	324,074	324,074
		1 826 819	**1 826 819**
Current assets			
French government and other authorities		9,775	4,852
Group and Subsidiaries Tax			
Coface current account		565,310	537,244
Miscellaneous receivables		8,590	17,025
	4.1.4	**583,675**	**559,121**
Investment securities			
Treasury shares	4.1.5	10,448	10,551
Cash at bank and in hand	4.1.6	784	545
Prepaid expenses	4.1.7	1,106	402
		596,012	**570,619**
Deferred charges	4.1.8	660	990
Loan repayment premiums	4.1.9	385	577
Foreign exchange assets		503	4,733
TOTAL ASSETS		**2,424,379**	**2,403,738**

Equity and liabilities

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Equity			
Capital		300,360	304,064
Share capital premiums		810,385	810,436
Other reserves		86,387	198,549
Income for the year		82,223	(18,938)
	4.2.1; 4.2.2	**1,279,355**	**1,294,110**
Provisions for liabilities and charges	**4.2.3**		
Provision for liabilities		503	4,732
Provision for charges		5,745	5,300
		6,248	**10,032**
Debts			
Bank borrowings and debts		564,783	537,692
Other bond issues		391,930	391,756
Sundry borrowings and debts		150,201	150,929
Coface current account		21,398	
Trade notes and accounts payable		1,999	7,928
Tax and social security liabilities		0	4,212
Other payables		0	
Group and Subsidiaries Tax		7,941	2,315
	4.2.4	**1,138,252**	**1,094,832**
Foreign currency translation reserve – liabilities		**523**	**4,763**
TOTAL EQUITY AND LIABILITIES		**2,424,379**	**2,403,738**

4

4.3.2 Income statement

(in thousands of euros)	Notes	DEC. 31, 2021	DEC. 31, 2020
Operating income (I)		**1,043**	**3,734**
Rebilled expenses and other income		1,043	3,734
Reversals of provisions and expense transfers		0	0
Operating expenses (II)		**3,855**	**13,550**
Other purchases and external expenses		2,660	9,938
Income tax, taxes, and similar payments		13	13
Employee-related expenses		0	102
Other expenses		851	3,166
Depreciation and amortisation		330	330
Operating income (I-II)	**5.1**	**(2,811)**	**(9,816)**
Financial income (III)		**107,128**	**14,894**
Investment income		83,773	
Other financial income		18,622	14,894
Reversal of provision for exchange		4,733	
Financial expenses (IV)		**23,695**	**25,197**
Interest and similar expenses		23,192	20,775
Charges for FX losses		503	4,422
Financial income (III-IV)	**5.2**	**83,433**	**(10,303)**
Non-recurring income (V)		**2**	**-**
On capital transactions		0	-
On management transactions		2	-
Non-recurring expenses (VI)	**5.3**	**96**	**-**
On capital transactions		0	-
On management transactions		96	-
Non-recurring income (V-VI)		**(93)**	**0**
Income tax (income)	**5.4**	**1,695**	**1,180**
NET INCOME FOR THE YEAR		**82,223**	**(18,938)**

4.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

NOTE 1 SIGNIFICANT EVENTS

Changes to shareholder structure

On the Board of Directors

On February 10, 2021, Natixis and Arch Capital Group announced that the transaction involving the sale of 29.5% of COFACE SA's shares had obtained all the necessary authorisations. In accordance with the announcements made in February 2020, the directors representing Natixis tendered their resignation. The Board then co-opted four directors appointed by Arch and Bernardo Sanchez Incera, who was then appointed Chairman of the Board. As of this date, Coface's Board of Directors is composed of 10 members, 4 women and 6 men, the majority of whom (6) are independent directors.

On July 28, 2021, the Board of Directors co-opted David Gansberg, Managing Director of Arch's global mortgage business, as a non-independent director to replace Benoît Lapointe de Vaudreuil, who is stepping down from the Board to concentrate on his current professional responsibilities.

Changes in governance

During the course of 2021, several appointments were made to strengthen Coface's management team:

- on March 24, 2021, Declan Daly was appointed Chief Operating Officer of the Coface Group with effect from April 1;
- on September 1, 2021, the following appointments were announced:
  - Antonio Marchitelli, Coface's Director for the Western Europe region, has been appointed Director in charge of Specialty Product Lines as of January 1, 2022,
  - Carine Pichon, Finance and Risk Director, will replace Antonio as Managing Director of Coface Western Europe,
  - Phalla Gervais has replaced Carine as Finance and Risk Director as of September 6, 2021,
  - Jaroslaw Jaworski has been confirmed as Coface's General Manager for the Central and Eastern Europe Region, with effect from September 1, 2021;
- on September 10, 2021, Marcele Lemos was appointed as the new Managing Director for the Latin America Region, effective Monday September 13, 2021.

Implementation of two-share buyback programmes

The Board of Directors of COFACE SA, at its meeting of March 4, 2021, decided to cancel the 1,852,157 shares bought back under the share buyback programme of October 27, 2020, and consequently to reduce the Company's share capital.

As a result, COFACE SA's share capital now stands at €300,359,584 divided into 150,179,792 shares with a par value of €2 each.

NOTE 2 ACCOUNTING PRINCIPLES

Accounting principles and policies

The financial statements for the year ended have been prepared in accordance with generally accepted accounting principles and the French General Chart of Accounts (Regulation ANC No. 2014-03 of the Accounting Regulation Committee in accordance with the principles of prudence and business continuity).

Financial assets

Equity securities are reported in the balance sheet at cost. A depreciation is recorded when the realisable value (determined according to the restated equity, income, future outlook and value in use for the Company) is less than the acquisition value.

The value in use is determined using the discounted cash flow method. Cash flow projections were derived from the three-year business plans drawn up by the Group's operating entities as part of the budget process and approved by Coface Group management.

These projections are based on the past performance of each entity and take into account assumptions relating to Coface's business line development. Coface draws up cash flow projections beyond the period covered in its business plans by extrapolating the cash flows over two additional years.

The assumptions used for growth rates, margins, cost ratios and claims ratios are based on the entity's maturity, business history, market prospects, and geographic region.

Under the discounted cash flow method, Coface applies a discount rate to insurance companies and a perpetuity growth rate to measure the value of its companies.

Receivables and payables

Receivables and payables are valued at their face value. They are depreciated through a provision to account for potential collection difficulties.

Investment securities

Units in money-market funds (SICAV) are recorded according to the FIFO (first in, first out) method. Unrealised losses or gains resulting from an evaluation of the portfolio at the close of the financial year are reintegrated (or deducted) for calculating the tax income.

Start-up costs

According to Article 432-1 of the French General Chart of Accounts, the stock market listing costs incurred by the Company may be recorded as start-up costs.

These costs are amortised over five years, with the first and last year amortised pro rata temporis in accordance with the French General Chart of Accounts instructions (Article 361-3).

Issuing charges

According to the French General Chart of Accounts (Article 361-2), the costs linked to the hybrid debt issued must be in principle distributed according to the characteristics of the loan. These costs were recorded in deferred charges and amortised on a straight-line basis for the term of the loan, i.e. 10 years.

Consistency of methods

The financial statements for the year are comparable to those of the previous year (consistency of accounting methods and time period principle).

The balance sheet, income statement and notes are expressed in euros.

NOTE 3 OTHER DISCLOSURES

a) Consolidating entity

Following the sale of COFACE SA by Natixis on February 10, 2021, COFACE SA is the consolidating entity.

b) Tax consolidation group

On January 1, 2015, COFACE SA opted for the tax consolidation regime by consolidating French subsidiaries that are more than 95% owned, whether directly or indirectly (Compagnie française d'assurance pour le commerce extérieur, Cofinpar, Cogeri and Fimipar).

The tax consolidation agreements binding the parent company to its subsidiaries are all strictly identical and stipulate that:

- each company shall calculate its tax as if there were no tax consolidation, and the parent company alone shall be liable for the payment of corporate income tax;
- the parent company shall recognise tax savings in income and shall not reallocate them to subsidiaries unless the subsidiary leaves the Group.

The option is valid for five years starting from January 1, 2015 with tacit renewal of the option every 5 years.

c) Staff and managers

COFACE SA has no staff on its payroll and has no pension commitment.

d) Off-balance sheet commitments

- Commitments received: €700 million.

700 millions syndicated loan with six banks (Société Générale, Natixis, CACIB, BNP Paribas, HSBC and BRED), undrawn at December 31, 2021.

- Commitments given: €1,239 million.

COFACE SA has given a joint and several guarantee to Coface Finanz, a company indirectly owned by COFACE SA, in respect of amounts due from Coface Poland Factoring in repayment of the loan granted to the latter, up to a maximum of This joint and several guarantee has never been exercised since 2012.

COFACE SA has issued a joint and several guarantee to cover the commitments of Coface Finanz and Coface Poland Factoring in respect of the bilateral credit lines taken out with eight banks. 739 million (631 million in 2020 and 650 million in 2019). This joint and several guarantee has never been exercised.

NOTE 4 ANALYSIS OF THE MAIN BALANCE SHEET ITEMS (IN EUROS)

4.1 Assets

4.1.1 Interests in related companies and companies with capital ties

RELATED COMPANIES *(in thousands of euros)*	DEC. 31, 2020	ACQUISITIONS	DISPOSALS	DEC. 31, 2021
Compagnie française d'assurance pour le commerce extérieur	1,337,719			1,337,719
Coface Re	165,025			165,025
	1,502,744			**1,502,744**

4.1.2 Loans to affiliates and subsidiaries

RELATED COMPANIES *(in thousands of euros)*	AMOUNT	INTEREST	TOTAL
Compagnie française d'assurance pour le commerce extérieur	314,000	10,774	324,774

On March 27, 2014, COFACE SA granted a subordinated intragroup loan to Compagnie française d'assurance pour le commerce extérieur in the amount of €314 million, maturing on March 26, 2024 (10 years) and bearing annual interest at 4.125%, payable at the anniversary date each year.

4.1.3 Other receivables

(in thousands of euros)	DEC. 31, 2021	UP TO 1 YEAR	FROM 1 TO 5 YEARS	DEC. 31, 2020
French government and other authorities	9,775	9,775		4,852
Coface current account	565,310	565,310		537,245
Coface Poland EUR current account	250	250		
Coface Finanz EUR current account	463,501	463,501		479,998
Coface Finanz USD current account	101,559	101,559		57,247
Miscellaneous receivables	8,590	5,238	3,351	17,025
Group and Subsidiary in tax consolidation	*0*	*0*		*0*
Natixis liquidity agreement	*2,529*	*2,529*		*1,647*
Kepler Mandate Share buyback	*0*	*0*		*8,750*
Other receivables	*6,060*	*2,709*	*3,351*	*6,154*
OTHER RECEIVABLES	**583,675**	**580,323**	**3,351**	**559,121**

The "Other receivables" item in miscellaneous receivables primarily consists of:

- expenses to be rebilled in connection with the award of bonus shares for €5,783,425;
- costs of €2,529,247 related to the ODDO mandate share buyback.

4.1.4 Treasury shares

Number of shares held	DEC. 31, 2020	ACQUISITIONS	DISPOSALS	DEC. 31, 2021
Liquidity agreement	168,239	2,465,702	2,549,500	84,441
Bonus share awards	1,063,069	0	0	1,063,069
Share buyback plan	1,110,677	741,480	1,852,157	0
	2,341,985	**3,207,182**	**4,401,657**	**1,147,510**

Liquidity agreement

With effect from July 7, 2014, Coface appointed Natixis to implement a liquidity agreement for COFACE SA shares traded on Euronext Paris, in accordance with the charter of ethics of the French financial markets' association (Association française des marchés financiers – AMAFI) dated March 8, 2011 and approved by the AMF on March 21, 2011.

The Group had allocated €5 million (reduced by €2 million in 2017) to the liquidity account for the purposes of the agreement, which is for a period of 12 months and has been renewed by tacit agreement annually in July since 2015 (see Note 4.1.4).

The liquidity agreement is part of the share buy-back programme decided by the Board of Directors' meeting of June 26, 2014. The liquidity agreement dated July 2, 2014, originally concluded with Natixis, was transferred as of July 2, 2018 to the company ODDO BHF for a term of twelve (12) months, automatically renewable.

Bonus share award

Since its IPO in 2014, the Coface Group has granted bonus shares to certain corporate officers or employees of COFACE SA subsidiaries.

In 2021, the Board of Directors decided to grant 408,403 free shares. This allocation completes the 2019 and 2020 plans, for which 372,268 and 312,200 shares were allocated respectively.

The 2018 plan was not allocated because the objectives were not met.

As a condition of and subject to acceptance by the General Meeting, COFACE SA will acquire the shares necessary for the allocation of these shares.

On May 14, 2019, at the General Meeting of Shareholders, the call option was once again granted to acquire 500,000 new shares in addition to the 400,000 shares previously acquired.

Under French standards, the acquisition of shares under a bonus share award constitutes a component of remuneration. The provision should be recognised in staff costs by crediting the line item "Provisions for expenses" and be spread out, where delivery of the shares is conditional upon the beneficiaries' working for the Company at the end of a future period set by the plan.

Accordingly, this charge will be recognised in the accounts using the acquisition price spread over the vesting period, namely three years. As COFACE SA did not acquire sufficient shares, it must also take into consideration the number of missing shares multiplied by the share price on the last day of the financial year to calculate the amount of this charge. At the end of 2020, the stock of "Provision for charges" amounted to €5,745,125.

At December 31, 2021, the Group's treasury shares had a gross and net value of €10,447,882 broken down as follows:

- liquidity agreement: €1,036,176;
- bonus share award: €9,411,706.

4.1.5 Cash at bank and in hand

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Natixis	784	545

4.1.6 Prepaid expenses

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Expenses related to the syndicated loan	1,106	188
Fees related to the strategy	0	109
Moody's: issuer rating	0	104
TOTAL	**1,106**	**402**

4.1.7 Deferred charges

(in thousands of euros)	GROSS 2021	AMORTISATION	NET 2021
Expenses linked to subordinated debt	990	330	660

Deferred charges include costs linked to the issuance of the subordinated debt amortised over a period of 10 years.

The residual term at December 31, 2021 is two years.

4.1.8 Loan reimbursement premiums

(in thousands of euros)	GROSS 2021	AMORTISATION	NET 2021
Premium linked to subordinated debt	577	192	385

The premium linked to subordinated debt is amortised over ten years.

The residual term at December 31, 2021 is two years.

4.2 Liabilities

4.2.1 Changes in equity

(in euros)	DEC. 31, 2020	APPROPRIATION OF EARNINGS	TRANSACTIONS FOR THE YEAR	DISTRIBUTION	INCOME FOR THE YEAR	DEC. 31, 2021
Share capital (NV = €2)	304,063,898		(3,704,314)			300,359,584
Number of shares	152,031,949		(1,852,157)			150,179,792
Share premium	810,435,517		(50,675)			810,384,842
Legal reserve	31,449,646					31,449,646
Other reserves	11,247,482		(11,247,482)			0
Retained earnings	155,852,291	(18,938,377)		(81,976,242)		54,937,672
Income for the year	(18,938,377)	18,938,377			82,223,318	82,223,318
TOTAL	**1,294,110,457**	**0**	**(15,002,471)**	**(81,976,242)**	**82,223,318**	**1,279,355,062**

4.2.2 Composition of capital

	DEC. 31, 2021		DEC. 31, 2020	
Shareholders				
Financial market and other	58.8%	88,247,383	55.7%	84,682,884
Arch Capital Group	29.9%	44,849,425	0	0
Natixis	10.0%	15,078,051	42.2%	64,153,881
Group Employee funds	0.6%	857,423	0.6%	853,199
Treasury shares	0.8%	1,147,510	1.5%	2,341,985
Number of shares	1	150,179,792	0	152,031,949
Nominal value (in euros)				

4.2.3 Provisions for liabilities and charges

(in thousands of euros)	DEC. 31, 2020	ADDITIONS	REVERSALS	DEC. 31, 2021
Provision for FX losses	4,733	503	(4,733)	503
Provision for bonus share award	5,300	5,745	(5,300)	5,745
TOTAL	**10,032**	**0**	**0**	**6,248**

4.2.4 Debts

(in thousands of euros)	UP TO 1 YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS	DEC. 31, 2021	DEC. 31, 2020
Bank borrowings and debts	**564,783**	**0**	**0**	**564,783**	**537,692**
Commercial paper: discounted fixed rate	564,491	0	0	564,491	537,368
CP accrued interest	292	0	0	292	324
Other bond issues	**11,930**	**380,000**	**0**	**391,930**	**391,756**
Subordinated bonds	0	380,000	0	380,000	380,000
Accrued interest	11,930	0	0	11,930	11,756
Sundry borrowings and debts	**201**	**150,000**	**0**	**150,201**	**150,929**
Coface borrowing (Compagnie française d'assurance pour le commerce extérieur)	0	150,000	0	150,000	150,000
Accrued interest on Coface borrowing	201	0	0	201	201
Coface cash advance and accrued interest	**21,398**	**0**	**0**	**21,398**	**0**
Trade notes and accounts payable	**1,999**	**0**	**0**	**1,999**	**7,928**
Tax and social security liabilities	**0**	**0**	**0**	**0**	**4,212**
Other debts	**7,941**	**0**	**0**	**7,941**	**2,315**
TOTAL DEBTS	**608,252**	**530,000**	**0**	**1,138,252**	**1,094,832**

After approval by the Banque de France on November 6, 2012, on November 13, 2012, COFACE SA issued commercial paper for €250 million (with a maturity of one to three months). This programme, intended to refinance the factoring portfolio in Germany, was rated F1 and P2 by the Fitch and Moody's rating agencies.

The amount raised was fully loaned to Coface Finanz through a cash agreement and all fees incurred were recharged.

Since July 28, 2017, this programme, managed by Société Générale, totalled €650 million under commercial paper and €100 million under an emergency credit line *via* six intermediary banks. During 2018, commercial paper was issued in USD. At the end of 2020, the EUR and USD portions were €480 million and €57 million respectively, equivalent to €537 million in total.

From February 2016 until March 31, 2020, the issuance rates on commercial paper were negative.

On March 27, 2014, COFACE SA completed the issue of subordinated debt in the form of bonds for a nominal amount of €380 million (corresponding to 3,800 bonds with a nominal unit value of €100,000), maturing on March 27, 2024 (10 years), with an annual interest rate of 4.125%.

Concerning the rating agencies:

- on February 10, 2021, Moody's confirmed Coface's A2 financial soundness rating (IFS) and raised the outlook for this rating, which now has a stable outlook;
- on April 20, 2021, Fitch confirmed Coface's Insurer Financial Strength (IFS) rating of 'AA-' and also removed the negative watch attached to this rating. The outlook is now stable. This rating was confirmed on December 9, 2021;
- AM Best confirmed on March 18, 2021 the financial soundness rating (FSR) 'A' (Excellent) to Compagnie française d'assurance pour le commerce internationale (the Company) as well as to Coface Re. These ratings are accompanied by a "stable" outlook.

In December 2014, COFACE SA borrowed €110 million at a rate of 2.30% over a period of 10 years from Compagnie française d'assurance pour le commerce extérieur for the acquisition of Coface Re, followed in June 2015 by a second tranche of €40 million for sending additional funds to Coface Re (see Note 4.1.2).

NOTE 5 ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

Operating income

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Operating income	**1,043**	**3,734**
Commercial paper structuring costs		916
Rebilling of insurance	598	
Other income	445	2,818
Operating expenses	**(3,855)**	**(13,550)**
Other purchases and external expenses	**(2,660)**	**(9,938)**
Statutory Auditors' fees	(969)	(666)
Insurance Policy	(592)	(579)
Other Fees	(716)	(1,188)
Financial Information	(8)	(30)
Legal advertising costs	(4)	(17)
Bank fees	0	0
Marsh Insurance	0	538
JP Morgan Fees	0	5600
Fees and commissions on services	(371)	(2,301)
Expenses related to the issuance of subordinated debt	0	(2)
Reception fees	0	(13)
Royalty fee	0	(80)
Income tax, taxes, and similar payments	**(13)**	**(13)**
Employee-related expenses	**0**	**(102)**
Social security charges on attendance fees	0	(102)
Other expenses	**(851)**	**(3,166)**
Attendance fees	(406)	(348)
Expenses linked to the bonus share award	(445)	(2,818)
Depreciation and amortisation	**(330)**	**(330)**
Amortisation of costs linked to subordinated debt	(330)	(330)
OPERATING INCOME	**(2,811)**	**(9,816)**

The "Statutory Auditors' fees" item of €968,840 includes €729,000 in statutory audit fees and €261,000 for other audits underway.

The income that was in the item "Commercial paper structuring costs" is now in the financial income item "Fees and commissions linked to the CP programme".

Financial income

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Financial income	**107,128**	**14,894**
Income from shares	**83,773**	**0**
Dividend	83 773	0
Other financial income	**18,622**	**14,894**
Loan interest	12 970	12 953
Interests linked to the CP programme and syndicated loan	3,461	708
Income on guarantees	1,377	1,234
Foreign exchange product	35	
Income of liquidity contract	779	
Reversal of provision for exchange	**4,733**	
Financial expenses	**(23,695)**	**(25,197)**
Interest and similar expenses	**(23,192)**	**(20,775)**
Fees and commissions linked to the CP programme	(2,872)	(865)
Interest on bond loan	(15,849)	(15,675)
Interest on borrowings	(3,450)	(3,450)
Others financial costs	(63)	
Interest on cash advance	0	(5)
Foreign exchange loss	(6)	(20)
Guarantee expenses	(760)	(760)
Depreciation on redemption premiums	(192)	
Charges for FX losses	**(503)**	**(4,422)**
FINANCIAL INCOME	**83,433**	**(10,303)**

The amount of dividends is made up of dividends received from Compagnie française pour le commerce extérieur for €74,793,628 and from COFACE RE in the amount of €8,979,533.

Financial expenses are mainly composed of interest on the bond issue in the amount of €380 million and on the loan taken out at the end of 2014 with Compagnie française d'assurance pour le commerce extérieur in the amount of €150 million.

Non-recurring income

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
NON-RECURRING INCOME	**2**	**0**
Miscellaneous	2	0
NON-RECURRING EXPENSES	**96**	**0**
Miscellaneous	96	0
TOTAL	**(93)**	**0**

Income tax

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Accounting income before income tax	**80,528**	**(20,118)**
Deductions:	(92,242)	(4,230)
• Dividend (parent/subsidiary regime)	(83,773)	0
• Foreign currency translation reserve – assets	(4,239)	0
• Provision for exchange	(4,229)	4,230
Reintegrations:	5,426	8,489
• Share of costs 1% on Group dividend	748	0
• Share of costs 5% on Group dividend	449	
• Foreign currency translation reserve – liabilities	4,229	4,259
Taxable income	**(6,287)**	**(15,859)**
• Corporate tax (rate 33 1/3%)	0	0
• 3% tax on dividends paid to external (outside the tax consolidation group)	0	0
Corporate tax before tax consolidation	**0**	**0**
Net income from consolidated companies	**(1,695)**	**(1,180)**
Corporate income tax (income)	**(1,695)**	**(1,180)**

The application of the tax consolidation agreement resulted in a consolidation gain of €1,695,116 for financial year 2021, compared to a gain of €1,179,988 in 2020.

Statutory Auditors’ fees

This information is available in the Coface Group consolidated financial statements as at December 31, 2021, in Note 35.

NOTE 6 INFORMATION REGARDING RELATED COMPANIES

The table below presents all items regarding related companies:

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
Balance Sheet – Assets	**2,397,748**	**2,378,924**
Interests in related companies	1,502,744	1,502,744
Loans to affiliates and subsidiaries	324,074	324,074
Compagnie française current account		(3,585)
Coface Finanz current account	565,060	537,244
Coface Poland Factoring current account	250	474
Rebilling of LTIP	5,620	17,025
Cash at bank and in hand	784	545
Prepaid expenses		402
Balance Sheet – Equity & Liabilities	**179,540**	**157,560**
Sundry borrowings and debts	150,201	153,244
Coface cash advance and accrued interest	21,398	
Group and Subsidiaries Tax	7,941	4,317
Income statement	**94,742**	**14,183**
Operating income	1,043	
Operating expenses		2,588
Financial income	99,538	15,810
Financial expenses	(5,839)	(4,215)

NOTE 7 SUBSIDIARIES AND INTERESTS

	YEAR 2021			
	TURNOVER	NET EARNINGS OR LOSS	DIVIDENDS RECEIVED OR RECOGNISED BY THE COMPANY	EXCHANGE RATE DEC. 31, 2021
		(in €)		
Compagnie française pour le commerce extérieur 1, place Costes et Bellonte 92270 Bois-Colombes	1,220,660,186	41,946,068	74,793,628	1
Coface Re SA Rue Bellefontaine 18 1003 Lausanne – SUISSE	569,939,615	57,494,589	8,979,533	1.04

	AS OF DEC. 31, 2021						
					VALUE OF SECURITIES HELD		
	CURRENCY	SHARE CAPITAL	RESERVES AND RETAINED EARNINGS	SHARE OF CAPITAL HELD	GROSS	NET	OUTSTANDING LOANS AND ADVANCES GRANTED BY THE COMPANY
			(in €)	*% (reported)*		*(in €)*	
Compagnie française d'assurance pour le commerce extérieur 1, place Costes et Bellonte 92270 Bois-Colombes	EUR	137,052,417	333,515,875	99.5%	1,337,719,300	1,337,719,300	171,599,412
Coface Re SA Rue Bellefontaine 18 1003 Lausanne – SWITZERLAND	CHF	8,320,542	265,903,000	100%	165,025,157	165,025,157	0

NOTE 8 EVENTS AFTER THE REPORTING PERIOD

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

4.5 FIVE-YEAR SUMMARY OF COMPANY RESULTS

DETAILS *(in euros)*	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
I – Year-end Capital					
a) Share capital	314,496,464	307,798,522	304,063,898	304,063,898	300,359,584
b) Number of issued shares	157,248,232	153,899,261	152,031,949	152,031,949	150,179,792
c) Number of bonds convertible into shares	-	-	-	-	-
II – Operations and income for the year					
a) Revenue excluding tax	2,844,892	358,946	2,477,628	3,734,093	1,043,302
b) Income before tax, depreciation, amortisation and provisions	20,478,344	123,473,002	132,968,042	(17,758,389)	80,528,202
c) Income tax	(1,996,620)	(1,115,937)	(978,886)	1,179,988	1,695,116
d) Income after tax, depreciation, amortisation and provisions	20,815,235	122,604,984	132,677,046	(18,938,377)	82,223,318
e) Distributed profits	53,290,817 (1)	122,332,846 (2)	0 (3)	82,900,339 (4)	225,269,688 (5)
of which interim dividends					
III – Earnings per share					
a) Income after tax, but before depreciation, amortisation and provisions	0.14	0.81	0.88	0.12	0.54
b) Income after tax, depreciation, amortisation and provisions	0.13	0.80	0.87	0.12	0.55
c) Dividend paid to each share	0.37	0.79	-	0.55	1.50
IV – Personnel					
a) Average number of employees in the year	-	-	-	-	0
b) Payroll amount	-	-	-	-	0
c) Amount of sums paid in employee benefits	-	-	-	-	0

(1) For 2017, a distribution of €0.34 per share, i.e., €52,895,439 (excluding treasury shares), was distributed as voted by the Annual Shareholders' Meeting of May 16, 2018.
(2) For 2018, a distribution of €0.79 per share, i.e., €122,332,846 (excluding treasury shares), was distributed as voted by the Annual Shareholders' Meeting of May 16, 2019.
(3) In view of the scale of the health crisis and following the vote at the Combined General Meeting of May 14, 2020, it was decided not to pay a dividend in respect of the financial year ending December 31, 2019.
(4) For 2020, a distribution of €0.55 per share, i.e., €81,976,242 (excluding treasury shares), was distributed as voted by the Annual Shareholders' Meeting of May 12, 2021.
(5) For 2021, a distribution of €1.50 per share (€225,269,688) will be submitted to the Shareholders' Meeting of May 17, 2022.

4.6 OTHER DISCLOSURES

Pursuant to Article D.441-6 of the French Commercial Code, the table below sets out the payment terms of COFACE SA's suppliers showing bills received and not paid at the end of the financial year for which payment is in arrears:

Suppliers' payment terms

	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS OR MORE	TOTAL (1 DAY OR MORE)
(A) Late payment tranches					
Number of bills affected	-	-	-	-	-
Total amount of bills affected including VAT *(in €k)*	-	-	-	-	-
Percentage of total amount of purchases during the financial year	-	-	-	-	-
(B) Bills excluded from (A) relating to disputed or unrecognised liabilities and receivables					
No bills excluded from these tables relating to disputed or unrecognised liabilities and receivables.					
(C) Reference payment terms used (contractual or legal term – Article L.441-6 or Article L.443-1 of the French Commercial Code)					

No invoices are overdue.

4.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2021

To the Annual General Shareholder's Meeting of COFACE SA.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of COFACE SA. for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Accounts Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Estimation of provisions for late claims

IDENTIFIED RISK	OUR RESPONSE
Provisions for unknown claims represent an estimation of the claims expense incurred during the year but not yet reported at the balance sheet date. They also include specific provisions recorded for claims that have not yet been proven but whose probability of occurrence is high and for which the compensation that would potentially be paid would be significant. These provisions also include a recovery reserve, assessed separately, corresponding to the amounts that will ultimately be recovered by the Group for these claims. As at December 31, 2021, these provisions amounted to €875 million in the consolidated financial statements. As indicated in the section accounting principles – Insurance operations of the notes to the Consolidated Financial Statements, these provisions are determined on the one hand by the application of deterministic statistical methods on the basis of historical data and on the other hand, by the use of assumptions arising from expert judgment to estimate the final amount of the claim (corresponding to the costs borne until the end of the claim lifecycle). The recovery reserve is determined by applying an ultimate rate to all unsettled underwriting years Thus, as the provision for unknown claims includes accounting estimates with a high degree of uncertainty, we considered this aggregate as a key audit matter.	**To assess the reasonableness of the estimation of the provision for late claims and based on information communicated to us, we implemented the following approach:** **Works carried out at central team level:** • we assessed the relevance of the method used to determine the ultimate claims charge, in conjunction with our actuaries; • we identified the risk related to the evaluation of provisions for late claims as a significant risk in the set of instructions communicated to auditors of in-scope entities and we reviewed their conclusions. **Work carried out at the level of each entity included in the audit scope:** • we reviewed the internal control framework implemented to estimate provisions for claims and the expected ultimate cost of claims, and we tested the design and the implementation; • we assessed the relevance of methods and actuarial parameters used, as well as assumptions that were retained with regards to the applicable regulation, market practices, and the entity's economic and financial context. • we assessed any changes in claims indemnification processes and procedures that could affect the assumption of reproducibility of the past in the future and we drew the consequences on assumptions used to calculate the ultimate cost of claims; • we tested the reliability of underlying claims data used in the actuarial calculations; • we performed an independent recalculation, when needed, and for some business lines we verified that Group methodology was correctly applied; • we analyzed the retrospective review of technical provisions by comparing provisions from the opening balance with actual claims.

Measurement of insurance business investments

IDENTIFIED RISK	OUR RESPONSE
Insurance business investments account for one of the most important items on the consolidated balance sheet. At December 31, 2021, the net book value of these investments amounts to €3,219 million. As indicated in the section accounting principles standards – Financial Assets, rules and methods of the notes to the Consolidated financial statements, the insurance business investments are determined at the end of the financial year, based on their classification associated with the management intention selected for each line of security by the Group. A level of judgment is required to determine this measurement for: • impairment tests realized by the Management; and • the valuation of unlisted securities, in particular non-consolidated equity investments and shares in SCI/SCPI (Real Estate Investment trust). Given the amount involved and the judgment made by the Management to detect the impairment of the securities in the portfolio, we deemed this to be a key audit matter.	**To assess the measurement of the insurance business investment, our audit work consisted mainly in verifying that the valuation used by the Management were based on an appropriate valuation method and quantified elements used, according to the type of security:** **For market-based valuations:** • we verified the stock prices used. **For evaluations based on forecast elements:** • we obtained and analyzed business plans established by the Management and assessed the relevance and the justification of the assumptions made; • we verified the consistency of the main assumptions used with the economic environment; • we compared the consistency of the forecasts retained for the previous periods with the corresponding outcomes on a sample of assets; • we compared the underlying documentation to the impairment indices, and we validated the numbers in the aforementioned document in relation to external sources.

Estimation of provisions for earned premiums not written – EPNW

IDENTIFIED RISK	OUR RESPONSE
As at December 31, 2021, earned premiums not written amounted to €117 million in the financial statements at December 31, 2021. As indicated in the section accounting principles standards – Insurance operations, rules and methods of the notes to the financial statements, earned premiums not written are determined based on an estimate of expected premiums over the period. The provision is the difference between this estimate, and invoiced premiums. This provision presents a significant risk of material misstatement given inherent uncertainties in some elements considered in the estimates. The risk particularly lies in the factors used to determine the ultimate value (i.e. once premiums would been written for their final amount) which relies on statistical methods. Thus, we consider this to be a key audit matter even though the change in the provision from one year to the another is generally limited.	**In order to assess whether the earned premiums not written estimation was reasonable and based on information communicated to us, we implemented the following audit approach:** **Works carried out at central team level:** • we assessed the relevance of the method used by Coface to determine ultimate premiums; • we identified the risk related to the evaluation of earned premiums not written as a significant risk in the set of instructions communicated auditors of in-scope entities and we reviewed their conclusions. **Work carried out at the level of each entity included in the audit scope:** • we reviewed the internal control framework related to premium estimation process and we tested the design and the implementation; • we assessed any changes in the invoicing processes and procedures that could affect the assumption of reproducibility of the past in the future and we drew the consequences on the assumptions used for the calculation of the ultimate value; • we verified the consistency of assumptions used to determine the forecasts; • we reconciled calculation bases with accounting figures; • we compared earned premiums not written booked in the opening balance of the financial year with actual results to assess the relevance of the implemented method.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report.

We precise that it is not our role to report the matters related to the sincerity and the concordance with the consolidated financial statements of Solvency II information extracted from the report required under the article L.356-23 of the Insurance Code *(Code des assurances)*.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L.225-102-1 of the French Commercial Code *(Code de commerce)*, is included in the Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be reported by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*, prepared under the responsibility of the Chief Executive Officer, complies with the singles electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of COFACE SA by the Annual General Meeting, on May 14, 2020 for Mazars and on May 3, 2007 for Deloitte & Associés. The previous auditors were Deloitte & Associés or another entity of the Deloitte network, whose original appointment details could not be determined.

As at December 31, 2021, Mazars was in the second year of total uninterrupted engagement and Deloitte & Associés was in the 15th year and 8th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Accounts Committee

We submit a report to the Audit and Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazar
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	Partner

4.8 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2021

To the Annual General Shareholders' Meeting of COFACE SA.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of COFACE SA for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of COFACE SA as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Accounts Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity securities

IDENTIFIED RISK	OUR RESPONSE
The amount of participations in affiliated companies with a participating interest amounted to €1,502.7 million. As mentioned in note 2.1 "Accounting principles standards", the equity securities appearing in the balance sheet are recognized at their acquisition date and subsequently depreciated based on their value in use. The latter is estimated by management on the basis of estimates based on forecasts. The estimate of the value in use of these securities requires the judgment of the management in its choice of items to consider, including the profitability prospects of the entities whose securities are held by COFACE SA. We considered that the depreciation of equity securities constitutes a key audit matter due to the part of management judgment involved in the evaluation of the value in use, which uses assumptions of future results taking into account the maturity of the entity, the history of the activity and the market prospects and the country in which the entity is established. The potential impact on the financial statements concerns the existence of a provision for depreciation of equity securities not recognized at the closing.	**To assess the reasonableness of the valuation of impairment provisions on equity securities, our work has focused on verifying that the value in use estimates determined by the management was based on an appropriate rationale for the valuation method and the quantified elements used. In order to do this:** • we obtained and analysed business plans and discussed with the management on its forecasts; • we analysed the consistency of the main assumptions used with the economic environment; • we compared the consistency of the forecasts used in the prior periods with the actual outcomes; • we assessed the need to recognize an impairment and, if applicable, we verified its calculation.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code *(Code de commerce)*.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 and L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code *(Code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*, prepared under the responsibility of the Chief Executive Officer, complies with the singles electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of COFACE SA by the Annual General Meeting, on May 14, 2020 for Mazars and on May 3, 2007 for Deloitte & Associés. The previous auditors were Deloitte & Associés or another entity of the Deloitte network, whose original appointment details could not be determined.

As at December 31, 2021, Mazars was in the second year of total uninterrupted engagement and Deloitte & Associés was in the 15th year and 8th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Accounts Committee

We submit a report to the Audit and Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazar
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	Partner

5 RISK
CATEGORIES

16 MAIN
RISK FACTORS

RISK GOVERNANCE
& INTERNAL CONTROL SYSTEM

3 LINES
OF RISK MANAGEMENT

5

MAIN RISK FACTORS AND RISK MANAGEMENT WITHIN THE GROUP

5.1 SUMMARY OF MAIN RISKS

The Group operates in a rapidly evolving environment that gives rise to numerous external risks, in addition to the risks inherent in the conduct of its businesses. This chapter identifies the significant risk factors to which the Group believes it is exposed and explains how they are managed.

The table below presents the main risks to which Coface is exposed. It was prepared using the risk map, which is reviewed annually by management and the Board of Directors. The risk map is based on a qualitative risk analysis aimed at assessing the probability of occurrence and potential impact of each risk factor, taking into account the corresponding level of control implemented within the Group.

In 2021 as in 2020, despite the ongoing pandemic, the Coface Group was able to maintain its effective risk management, as remote management and working did not undermine the Group's efficiency or agility.

RISK CATEGORIES	MAIN RISK FACTORS	PROBABILITY OF OCCURRENCE	IMPACT	CHANGE IN THESE RISKS BETWEEN 2020 AND 2021
Credit risk	Risk related to the management of the Group's exposure in its insurance business	igh	High	→
	Risk of debtor insolvency	High	High	→
	Risk related to technical provisions	High	High	→
Financial risk	Interest rate risk	High	Medium	↑
	Equity risk	Medium	Medium	→
	Real estate risk	Medium	Medium	→
	Liquidity risk	Medium	Medium	↓
	Foreign exchange risk	Medium	Medium	→
Strategic risk	Risks related to market conditions	High	Medium	→
	Risks related to changes in the regulations governing the Group's activities	Medium	Medium	↓
	Risk of deviating from the strategic plan	Medium	Medium	↓
	Reputational risk	Medium	Medium	→
Reinsurance risk	Residual reinsurance risk	Medium	Medium	→
Operational and compliance risk	Risks related to information systems and cybersecurity	High	High	→
	Model risk	Medium	Medium	→
	Compliance risk	High	High	→

Before making a decision to invest in the Company's shares, prospective investors should consider carefully all the information set out in this document, including the risks described below. As of the date of this report, these risks, were they to occur, are those the Group believes could have a material adverse effect on the Group, its business, its financial position, its solvency, its operating results or outlook, and which are material in making an investment decision. Prospective investors should nonetheless note that the risks described in this chapter may not be comprehensive, and that there may be additional risks that are not currently known or whose occurrence, as of the date of the Document, is not considered likely to have a material adverse effect on the Group, its business, its financial position, its operating results or outlook.

5.2 DEFINITION AND MEASUREMENT OF RISKS

Risk factors related to the Issuer

/ BREAKDOWN OF THE GROUP'S OVERALL EXPOSURE BY BUSINESS LINES (IN €BN)

	2021		2020	2019
Per product	*(in €bn)*	*(%)*	*(in €bn)*	*(in €bn)*
Trade Credit Insurance	587.6	97%	486.4	537.2
Bonding	13.5	2%	12.9	13.7
Single Risk	2.7	0%	3.1	3.6
Others*	4.3	1%	-	-
TOTAL	**608.1**	**100%**	**502.4**	**554.5**

* *On Dec-21, Latitudine (kind of monitored DCL) exposure of Coface Italy and reinsurance business are integrated in risk management tools*

The data and charts on exposures provided below relate to trade credit insurance, which accounts for 97% of total amounts outstanding.

5.2.1 Credit risk

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

Exposure to certain countries with high corporate default rates or the concentration of exposures in fragile economic sectors could have a material impact on the Group's loss ratio, operating income, liquidity and solvency margin.

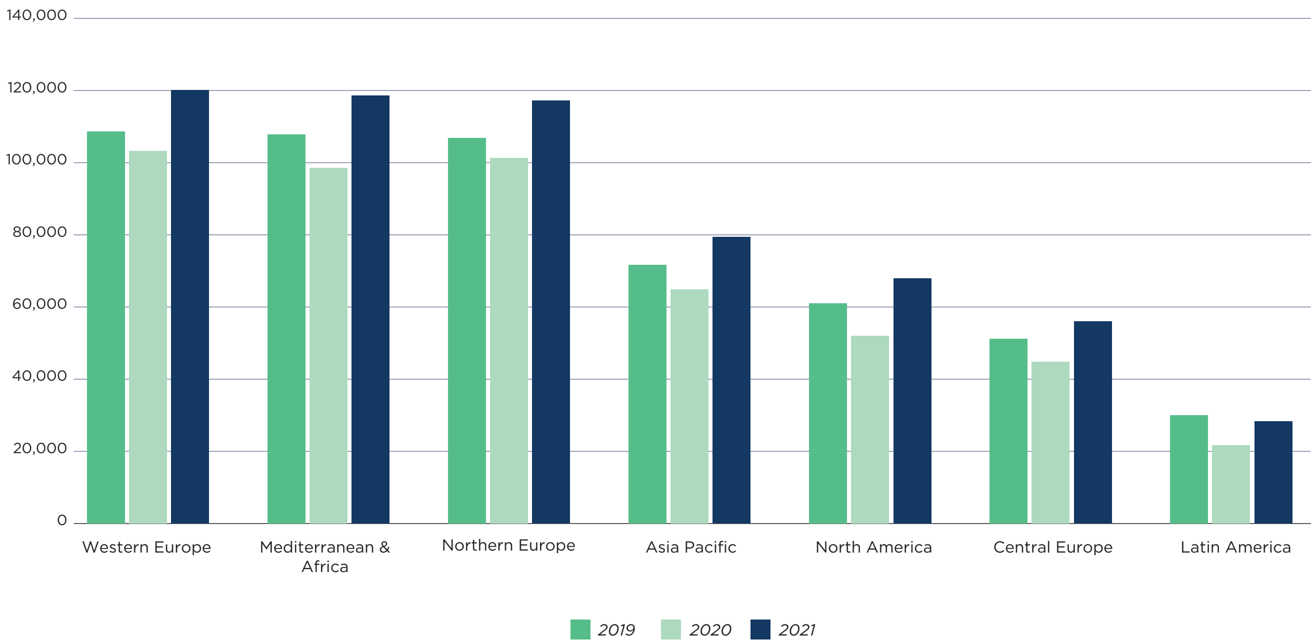
As part of its trade credit insurance activities, the Group allocates its exposures between clients operating in a wide range of economic sectors and established in different countries around the world. In this regard, it manages its exposures and determines the maximum amount of risk that it is willing to accept for each group of debtors based on the underlying level of risk related to the economic sector concerned and/or the location of those groups of debtors.

Until the first quarter of 2020, Coface recorded steady growth in its exposures, in line with the Fit to Win strategic plan. However, targeted measures to reduce exposures were undertaken in 2020 worldwide, as a result of the generalized slowdown, the highest reduction of exposure being recorded in Latin America, followed by North America and Central Eastern Europe.

The actions implemented throughout 2020 were exceptional in terms of scale and scope, leading to adjustments across all sectors particularly in the transport and metals sectors, resulting in an overall decrease in credit risk of €51 billion (around 10%) over the year, from €537 billion to €486 billion.

The chart below shows a breakdown by region for the periods ended respectively December 31, 2019, 2020 and 2021, and the reductions in exposures carried out in 2020 due to the pandemic. The reduction in exposures was greater in North America, Latin America (down 28%) and Central Europe due to the economic slowdown and the uncertainty surrounding the local situation, while reductions in exposures in Northern and Western Europe were limited (down approximately 5%) due to the massive government support plans set up in these regions.

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

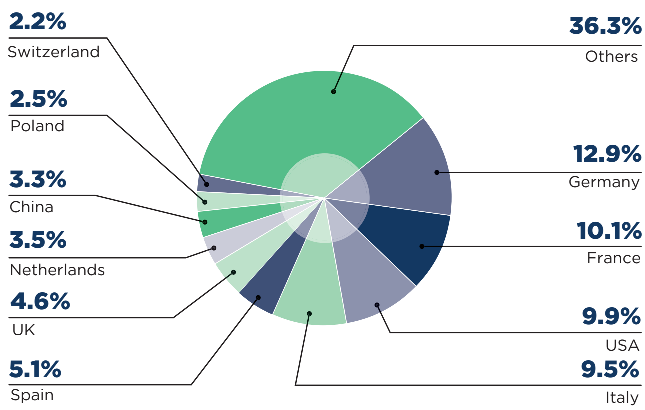


The Group significantly increased its exposure in 2021 as the Covid-19 pandemic receded. At December 31, 2021, the Group's credit insurance exposure amounted to €588 billion.

The geographical breakdown of risk is monitored according to the Group's country risk assessment, which estimates the average credit risk of companies in a given country using a risk scale ranging from A1 (best grade) to E (lowest grade). The overall decrease in exposures in 2020 led to a slight increase in the concentration of the Group's risks in countries with the highest ratings.

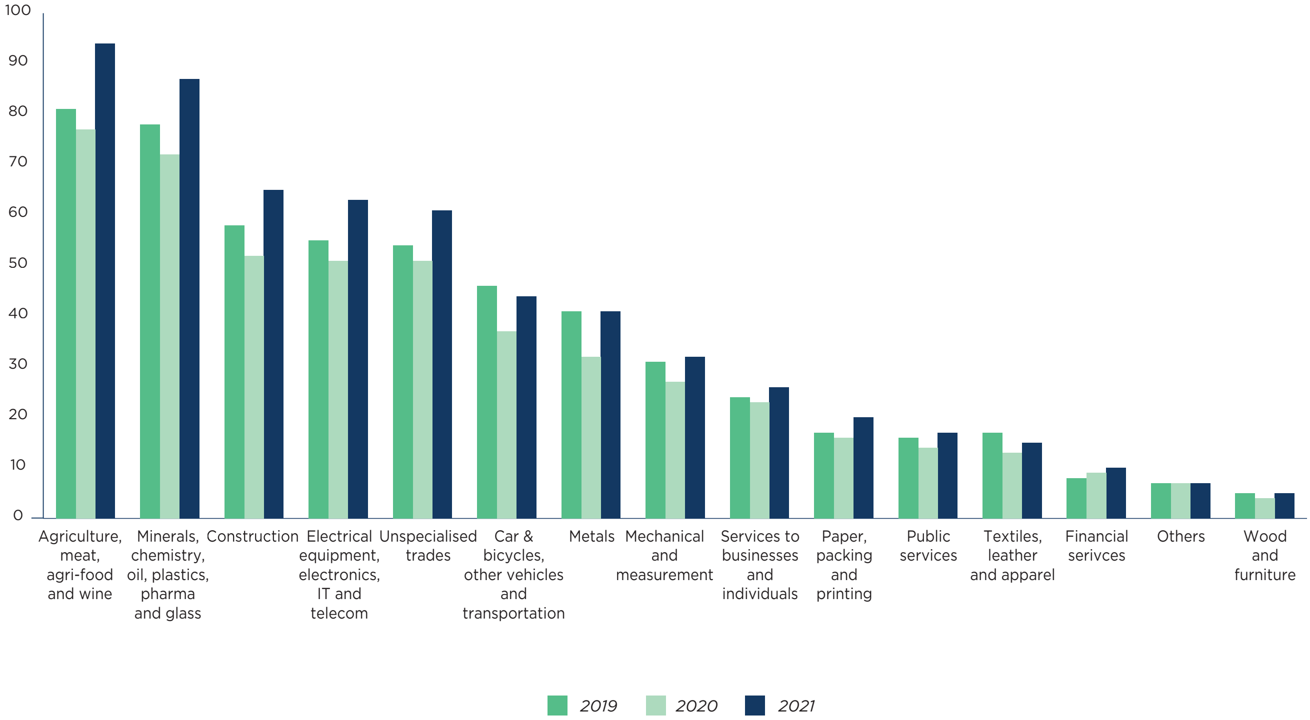
At December 31, 2021, the top ten countries accounted for 63.7% of credit insurance exposures, compared with 64.6% at December 31, 2020. Germany, which accounts for nearly 12.9% of the Group's risks, remains the country in which the Group has the biggest exposure. More than 80% of the debtors covered by credit insurance policies are located in OECD countries.

/ BREAKDOWN OF THE GROUP'S TRADE CREDIT INSURANCE EXPOSURE BY COUNTRY AT DECEMBER 31, 2021



The Group's exposure by economic sector is well balanced. The reduction in exposure during the Covid-19 pandemic was greater in certain sectors. As such, the combined share of the transport and metals sectors in the Group's overall exposure decreased by nearly 2% between 2019 and 2020. In 2021, the Group's exposure to the metals sector increased slightly, while exposure to the transportation sector remained stable. Exposure to the agricultural sector, which is the largest sector for Coface, was stable at 16% of the Group's total exposure.

/ BREAKDOWN OF THE GROUP'S TRADE CREDIT INSURANCE EXPOSURE BY ECONOMIC SECTOR AT DECEMBER 31, 2021 (IN €BN)



At December 31, 2021, more than 95% of the Group's total exposure consisted of short term risks. The maximum credit term stipulated in its policies rarely exceeds 180 days.

However, an adverse change in the economic cycle (at a global, sector, geographical or country level) resulting from (i) a financial or health crisis, such as that observed in Latin America in 2019 and globally with the Covid-19 pandemic in 2020; (ii) a failure of the Group's management systems, processes or governance; or (iii) a poor assessment of the risks associated with an economic sector, geographic area or country, could lead to delays in the reduction of exposures and/or an overestimation of exposures to that economic sector, geographic area or country. In such an event, the Group's credit risk would increase and it could therefore experience a sharp rise in paid claims, which would have an impact on its loss ratio, operating income, liquidity and solvency margin.

b) Risk of debtor insolvency

An overestimation of the quality of our debtors, poor management of the concentration of debtors or a delay in assessing certain adverse economic developments could lead to the granting of inappropriate limits to companies that may encounter financial difficulties and potentially default on their payment obligations towards our policyholders, thereby increasing the claims submitted to the Group.

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

The default risk of debtors (or policyholders' clients) is analysed according to the concentration of exposures to group of debtors. The Group provides unpaid receivables risk insurance covering over two million debtors worldwide. At December 31, 2021, the Group's average exposure to individual debtors was relatively low, with an average risk per debtor close to €250,000.

The table below shows a breakdown of the Group's policyholders at December 31, 2021 according to the total outstanding credit risk incurred by the Group. Analysis of the number of debtors by amounts outstanding reveals a low risk concentration profile. For example, debtors to which the Group's exposure totals more than €5 million account for less than 50% of the Group's total exposure.

TOTAL EXPOSURE BY AMOUNT OUTSTANDING*	OUTSTANDINGS* (in millions euros) DEC. 31, 2021
1 - 100,000	41,192
€101,000 – €200,000	26,818
€201,000 – €400,000	35,688
€401,000 – €800,000	45,457
€801,000 – €1.5 million	47,377
€1.5 million – €5 million	106,621
€5 million – €50 million	197,070
€50 million – €200 million	60,161
€200 million and more	27,204
TOTAL	**587,589**

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

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

c) Risk related to technical provisions

The Group uses actuarial techniques and calculations to value technical reserves that may not correspond to actual experience and could have an adverse impact on the Group's financial position and solvency margin.

At December 31, 2021, the Group's loss ratio (before reinsurance) was very low at 21.4%, compared with 51.8% at December 31, 2020, mainly due to the measures taken by governments to limit the impact of the Covid-19 pandemic on the economy and to support companies whose activities have suffered during the crisis.

Technical reserves of insurance policies are recorded on the liabilities side of the balance sheet. These reserves are measured in accordance with IFRS. They are an estimate of the amount of claims the Group is committed to pay (and the administrative fees relating to these claims):

- a reserve for claims payable is recorded for claims incurred, whether or not they have been reported to Group (reserve risk);
- the Group also establishes a reserve for unearned premiums (premium risk).

In order to build up technical reserves for claims, the Group makes estimates based on various modelling techniques, using internal and external tools. Modelling results and the related analyses are subject to the various assumptions, expert judgements, modelling errors and limitations inherent in any statistical analysis. Differences may be observed retrospectively between the Group's estimates and the real cost of actual claims (see also "Operational and compliance risks – Model risk" below).

The technical reserves recognised in the IFRS financial statements cover simulated differences in reserve risk with a sufficient margin.

Furthermore, the Group's internal risk policy specifies that the level of reserves (all business lines and years combined) must at least equal the 90% quantile of the distribution of reserves for claims, in other words, the level of reserves must cover 90% of potential ultimate claims.

At December 31, 2021, accounting reserves exceeded the 90% quantile, thereby protecting the Group against a ten-year reserve shortfall.

However, poor data quality, a deterioration in the economic environment not reflected in the projections or the use of inaccurate or incomplete models may lead to situations in which the actual experience deviates from the estimates, which may have an adverse effect on the Group's financial position and solvency margin.

5.2.2 Financial risk

a) Interest rate risk

Interest rate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or the volatility of interest rates.

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

	AS AT DECEMBER 31					
	2021		2020		2019	
Investment portfolio (fair value)*	*(in €m)*	*(%)*	*(in €m)*	*(%)*	*(in €m)*	*(%)*
	233	7.6%	149	5.3%	175	6.1%
Bonds	2,115	69.0%	1,914	67.6%	2,119	74.4%
Loans, deposits and other financial investments**	507	16.4%	540	19.0%	319	11.2%
Investment property	213	6.9%	231	8.1%	236	8.3%
TOTAL	**3,068**	**100.0%**	**2,834**	**100.0%**	**2,848**	**100.0%**

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

During the pandemic, the Group decided to increase its investments in money market instruments in order to limit the decline in the value of its portfolio and to allow the payment of potential claims. As a result, loans, deposits and other financial investments accounted for 19% of the Group's portfolio at the end of 2020, compared with 11.2% at the end of 2019. At December 31, 2021, the Group rebalanced its portfolio in line with its strategic allocation and pre-crisis allocation, with bonds representing 69% of the total portfolio, compared with 67.6% at the end of 2020 and 74.4% at the end of 2019. Investments in bonds allow the Group to limit the volatility of its portfolio value.

At December 31, 2021, the fair value of the Group's investment portfolio amounted to €3,068 million (excluding non-consolidated subsidiaries). The Group's investment policy aims to respect legal and regulatory requirements while generating regular income with limited risk.

As the impact of the Covid-19 pandemic on the economy began to recede, the Group slightly increased its exposure to emerging sovereign debt, high yield debt and equities at December 31, 2021. Its exposure to real estate decreased by 1.2 points between the end of 2020 and the end of 2021. This share of the portfolio will be reallocated to infrastructure equity funds in 2022.

The bond portfolio is mainly invested in government bonds (40.7% at end-December 2021) and investment grade corporate bonds (55.2% at end-December 2021) [(1)]. These investments were made in accordance with a clear risk policy with a particular focus on issuer quality, issue sensitivity, and the spread of issuers and geographic regions in the investment mandates granted to the Group's dedicated asset managers.

	AS AT DECEMBER 31, 2021	
BREAKDOWN BY RATING OF BONDS IN THE BOND PORTFOLIO (FAIR VALUE)	*(in €m)*	*(as a%)*
AAA	236	11.2%
AA - A	1146	54.2%
BBB	618	29.2%
BB - B	115	5.4%
CCC and below	0	0.0%
TOTAL	**2,115**	**100.0%**

Through its bond investments, the Group is exposed to interest rate risk, which includes (i) interest rate risk reflected in the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or interest rate volatility and (ii) credit spread risk reflected in the sensitivity of the value of assets, liabilities and financial instruments to changes in credit spreads against the interest rates at which sovereign bonds are issued.

The modified duration of the Group's bond portfolio is capped at 5 [(2)] in the Group's internal investment policy. The bond portfolio's modified duration at December 31, 2021, was 4.01. The Group's exposure to interest rate risk and, consequently, to spread risk, therefore remains limited.

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

(1) *According to the Standard & Poor's rating scale, all bonds rated at least BBB- are considered investment grade, and bonds with a rating of BB+ or lower are considered to be high yield debt.*
(2) *A bond's modified duration measures its loss of value in the event of a rise in interest rates. Thus, a bond with a modified duration of 4 will see its market value decrease by 4% if interest rates rise by 1%.*

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

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

The Group estimates that an increase in interest rates of 100 basis points would have an impact of €84.8 million on the fair value of its portfolio (excluding hedging activities).

Any significant fluctuation in the value of the Group's bond portfolio due to a change in interest rates may have a material adverse effect on the Group's ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

b) Equity risk

Equity risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities.

At December 31, 2021, equity investments accounted for 7.6% of the Group's investment portfolio, compared with 5.3% at the end of 2020. This exposure is concentrated in the eurozone, in line with the Group's core business. These investments were partially hedged on the Euro Stoxx 50 index [1]. These hedges may be adjusted according to the investments and the amount of unrealised losses or gains on the shares held.

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

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

/ SENSITIVITY OF THE PORTFOLIO TO CHANGES IN EQUITY MARKETS AS OF DECEMBER 31, 2021

(in millions of euros)	MARKET VALUE AS AT DEC. 31, 2021	IMPACT OF A 10% DECLINE IN THE EQUITY MARKETS [(1)]	IMPACT OF A 20% DECLINE IN THE EQUITY MARKETS [(1)]
Equities	233	(23.3)	(46.6)

(1) Excluding any hedging impact.

Any significant change in the value of the Group's equity instruments due to a decline in the equity markets may therefore have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

c) Real estate risk

Real estate risk represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of real estate assets.

The Group's current real estate portfolio consists of property used for its operating activities and investments having real estate as their underlying assets. At December 31, 2021, the fair value of the Group's real estate exposure was €286.3 million, with €73.3 million in real estate assets used for its operations and €213 million in real estate investment funds invested in real estate assets linked to various economic sectors in Europe. Investment in real estate investment funds accounts for a limited portion of the Group's investment portfolio (6.9%) due to the low liquidity of this asset class.

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

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

(1) This position is hedged using derivatives, the change in value of which is recognized directly in the income statement under IFRS, as the Group has not opted for hedge accounting within the meaning of IFRS for this transaction and this underlying asset.

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

/ SENSITIVITY OF THE PORTFOLIO TO A DECLINE OF THE REAL ESTATE MARKET AS AT DECEMBER 31, 2021

(in millions of euros)	MARKET VALUE AS AT DEC. 31, 2021	IMPACT OF A 10% DECLINE IN THE REAL ESTATE MARKET	IMPACT OF A 20% DECLINE IN THE REAL ESTATE MARKET
Real estate	213	(21.3)	(42.6)

Any significant change in the value of the Group's real estate portfolio due to real estate market trends may therefore have an adverse effect on the value of the Group's portfolio and on its ability to manage this portfolio on favourable terms, which may have an impact on the Group's cash flows, solvency margin and financial position.

d) Liquidity risk

Adverse conditions on the capital markets could have a significant impact on the Group's ability to fund its factoring business.

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

Through this business, the Group acquires and finances its clients' trade receivables, thereby generating a significant liquidity requirement insofar as it does not have an internal source of financing. For example, the liquidity used to fund this activity amounted to more than €2.3 billion at December 31, 2021. To finance its factoring activity on a sustainable basis, the Group has a diversified and resilient refinancing programme, consisting of a commercial receivables securitisation programme of up to €1,100 million, and a commercial paper programme for up to €700 million (*versus* €650 million at December 31, 2020) as well as several credit lines and overdraft facilities for a maximum of €1,064 million. The Group's refinancing programme is oversized and guaranteed for a much longer maturity than the underlying short-term trade receivables it finances, and includes back-up facilities for its market financing solutions such as commercial paper and securitisation programmes.

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

Liquidity tensions related to the payment of claims to policyholders may cause the value of the Group's portfolio to fall. Indeed, major disposals required within a few days and carried out in a hurry on certain less liquid assets or with high execution costs could impact the value of the portfolio in sudden or unfavorable market scenarios.

The Group's investment portfolio must be sufficiently liquid to meet significant cash requirements at all times. For this reason, it consists mainly of debt products (which represent the bulk of the Group's overall asset allocation) with a fixed rate and short duration, in line with the Group's liabilities. In addition, the Group allocates a significant portion of its assets to highly liquid money market instruments, which accounted for 16.5% of the investment portfolio at December 31, 2021 (loans, deposits and other financial investments), corresponding to €507 million at this date. Under current market conditions and according to the Group's assessment, this amount could be fully available in less than 15 days.

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

	AS AT DECEMBER 31, 2021	
BREAKDOWN OF THE BOND PORTFOLIO BY DURATION	*(in €m)*	*(in €m)*
< 1 year	312	14.7%
1-3 years	571	27.0%
3-5 years	489	23.1%
5-10 years	629	29.7%
> 10 years	116	5.5%
TOTAL	**2,115**	**100.0%**

At December 31, 2021, 41.7% of the bond portfolio had a duration of less than three years.

The short duration of the bond portfolio provides the Group with a regular supply of cash that can be used for operating needs if necessary, or for regular reinvestment in market securities.

As an insurer, the Group must regularly pay claims and has implemented liquidity management policies for its investment portfolio as well as clear rules for monitoring a reinsurer's default risk. However, in certain circumstances where the Group would have to simultaneously incur many large claims and/or in the event that some of its reinsurers fail to meet their obligations, the Group may face liquidity problems and be forced to carry out larger-than-expected asset disposals, potentially creating a loss of value in this portfolio, which could impact its solvency margin and/or net income.

e) Foreign exchange risk

Given its global presence, the Group is exposed to exchange rate fluctuations that may affect its profitability, financial position, liquidity and solvency margin.

Foreign exchange risk is the risk of loss resulting from adverse changes in exchange rates. It could have an impact on the Group's operating income (for example, turnover from subsidiaries or liabilities denominated in specific currencies) and on the value of the Group's assets (for example, through direct investments in assets denominated in foreign currencies).

At December 31, 2021, 36.2% of the Group's consolidated turnover was denominated in currencies other than the euro (mainly the currencies of the United States of America, the United Kingdom, Singapore and Hong Kong) thus subjecting the Group to foreign exchange risk.

Most of the Group's investments are denominated in euros. At December 31, 2021, more than 71% of its investments were denominated in euros and the exposure to foreign exchange risk (mainly in US dollars, Singapore dollars, pounds sterling and Hong Kong dollars) was therefore limited.

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

- *Operations*: fluctuations in exchange rates may have consequences on the Group's operating income due to the translation of foreign currency transactions, the settlement of balances denominated in foreign currencies and a mismatch between monetary assets and liabilities in foreign currencies. To reduce the impact of this mismatch, the Group uses derivatives to hedge its positions against foreign exchange fluctuations in sensitive currencies, particularly during periods of heightened volatility on the capital markets. However, it is never possible to perfectly align monetary assets and liabilities and a potential impact on profits and losses may be recorded as a result of fluctuations in exchange rates and due to the fact that these transactions, if any, are recorded outside of hedge accounting within the meaning of IFRS;
- *Conversion*: the Group publishes its consolidated financial statements in euros, but some of its income and expenses, as well as its assets and liabilities, are denominated in currencies other than the euro. As a result, fluctuations in the exchange rates used to convert these currencies into euros may have a significant impact on reported turnover from one year to the next.

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

5.2.3 Strategic risk

a) Risks related to market conditions

An economic slowdown caused by a financial crisis, political instability or pandemic in some countries could increase corporate insolvency rates, which could lead to higher credit losses for the Group, impairment losses on its investments or other difficulties.

The Group's strategic plan for 2020-2023 is based on (i) a core economic scenario developed by its research teams and (ii) assumptions arising from this scenario.

The plan, as well as the Group's results and solvency, could be significantly affected by economic and financial conditions in Europe and other countries around the world. There remains a threat of a global economic depression for health, cyclical and/or trade reasons (for example, persistent tensions between the US and China) and a lasting macroeconomic downturn could affect the Group's activities and results.

In 2020, the Covid-19 pandemic and government measures taken to address the pandemic caused significant economic disruptions, leading to a severe, albeit short-lived, global recession and a collapse in financial markets. Many governments took substantial measures to protect businesses and consumers from this crisis. From the end of the first half of 2020, there were signs of a rebound in China. The rebound picked up over the rest of 2020 and accelerated in the first half of 2021, before stabilising in the third quarter. However, the various consequences of the crisis continue to be felt, and the gradual withdrawal of government support could harm certain companies and governments. Fortunately, economic players have built up financial reserves and have become accustomed to living with restrictions on movement, which could still be reintroduced, though to a lesser extent than previously.

The Covid-19 pandemic and related government measures have increased the likelihood and magnitude of the market risks arising from the above-mentioned factors. The spread of the pandemic, which led governments around the world to impose quarantine and containment measures, restrictions on business activity, travel restrictions and other social distancing measures, has caused considerable disruptions to global trade and supply chains more broadly, which has significantly reduced economic activity. However, many governments, particularly in advanced economies, but also in emerging countries, adopted strong fiscal and monetary policies to protect domestic businesses and consumers. Consumers have been protected from unemployment and corporate liabilities have been reduced. With the exception of a few sectors such as tourism and aviation, a rebound occurred as the Covid-19 pandemic receded and some sectors such as electronics or pharmaceuticals could even take advantage of the situation to improve their earnings. In addition, the crisis has had negative consequences, such as maritime and air transport problems, which are affecting supply chains, labour shortages (a part of labour force has not returned to their previous employment), which is pushing up wages in some countries and sectors, as well as delaying investment in production capacity. In addition, governments have begun to withdraw their support. However, advanced economies that are facing the prospect of greater selectivity in the financial markets are maintaining their monetary policies. Although the pandemic is not over and the risk of further restrictions cannot be ruled out, any such measures are likely to be less drastic than previously and economies have learned to adapt to them, which should limit the disruption caused. At a later stage, with the gradual normalization of their monetary policies, advanced economies could be affected by a change in the financial markets, as some of them, especially those already fragile before the crisis, may have been encouraged to take out loans with low interest rates. To date, the Group has experienced a low level of claims, but since it has taken out public support schemes, these public support schemes have reduced its profits by 160 million euro in 2021, after a negative impact of 6 million euro in 2020.

The extent to which the economic consequences of the Covid-19 crisis will continue to affect the Group's operating income and financial position will depend on several factors, including the extent and pace of the withdrawal of government support in advanced economies for sectors still affected, such as air transport and aeronautics (for a breakdown of the Group's exposure by economic sector, see risk factor 1.1.1 "*Risk related to the management of the Group's exposure in its insurance business*"), the pace of monetary policy normalization by their central banks, the duration of supply chain disruptions, the extent of input price increases in production processes be encouraged, and the timing and effectiveness of COVID-related vaccination programs.

Meanwhile, the current low interest rate environment is reaching unknown levels and, if interest rates rise, the current level of global debt would become a source of financial instability. Current monetary policy appears to have reached a point where any further easing would probably have minimal economic impact. These trends could result in a period of high volatility in the financial markets, including waves of corporate insolvencies and potential sovereign defaults in vulnerable countries, a decline in the value of the main asset classes (bonds, equities, real estate) and even liquidity crises in certain cases, which could have a significant impact on the value of the Group's asset portfolio.

b) Risks related to changes in the regulations governing the Group's activities

If the Group is unable to comply to the regulatory changes, new accounting standards or tax reforms, this could have a negative impact on its business or its financial position.

A significant portion of the Group's business is subject to the obtaining of approvals and licences issued by the public authorities in charge of supervising and controlling credit insurance and factoring activities. Under its strategy of sustained and profitable growth, the Group is developing new activities in certain countries and must obtain all the approvals, licences and authorisations necessary to carry out these activities. For example, in 2019 the Group launched a new credit insurance offering in Greece through a local branch that had to obtain the necessary local and European authorisations for its activities.

Any major difficulty encountered in obtaining such authorisations could delay or jeopardise its establishment in these new countries. Similarly, the non-renewal, suspension or loss of these authorisations could have a material adverse effect on its business, operating results, financial position and outlook.

In addition, the patchwork of regulatory regimes, capital standards and reporting requirements resulting from work on new capital requirements, as well as possible changes to solvency and capital adequacy requirements, such as the regulatory framework established by Solvency II or the forthcoming Insurance Recovery and Resolution Directive, could increase non-compliance risk, operational complexity and regulatory costs.

Tighter controls and higher capital requirements aimed at further strengthening the protection of policyholders and/or financial stability could affect the calculation of the local solvency margin and have a material adverse impact on the Group by increasing its external financing requirements and, as such, raising its funding costs. Insurance supervisors have broad administrative powers over many aspects of the insurance industry and the Group is unable to predict the timing or form of future regulatory initiatives.

In addition, changes in accounting standards (in particular the implementation of IFRS 17) could have a significant impact on the Group by affecting the accounting treatment of certain assets, liabilities and cash flows and thereby modifying the consolidated financial statements from one year to the next. These changes in accounting standards may change investors' perception of the Group's results and financial statements without being related to changes in the Group's activities.

The changes in tax laws and regulations or their interpretation may have a negative impact on the Group's performance, including its financial results and business model. In particular, legislative or regulatory changes can reduce the risk appetite of the third person and impact different Group's activities.

c) Risk of deviating from the strategic plan

Failures in the management or implementation of the strategic plan could have a negative impact on the Group's results or competitiveness.

Under the leadership and oversight of senior management, the 2020-2023 strategic plan was developed in consultation with the Group's regions and functional departments to ensure it was relevant and to engage its operational teams.

The strategic plan includes the following objectives for the Group:

- a combined ratio of 80%;
- a return on average tangible equity of 9.5%;
- a solvency capital requirement ratio of between 155% and 175%;
- a payout ratio equal to or greater than 80%.

A dedicated organisational structure was set up to monitor execution of the plan and thus minimise the risk of deviating from its objectives. This organisation is headed by the Group's Operations Department, with the support of the Finance Department.

In addition to risk factors arising from market conditions, risks associated with the achievement of the Group's strategic objectives could arise from the emergence of other risk factors that may have an impact on the Group, such as the strategy or development of the others Credit-Insurance stakeholders, internal factors such as a product launch that does not find a market or that generates excessive risks, delays in investment, adaptation or transformation projects, or shortcomings in the management of the strategic plan.

If the plan is not completed on schedule, the Group may have to modify one or more of the strategic indicators it provides to the market, which could have an impact on its ability to pay dividends to its shareholders and on the perception of its activities by the capital markets and investors in general, thereby putting pressure on the market value of its financial instruments and having a negative impact on its results or competitiveness.

d) Reputational risk

Adverse events affecting the Group's reputation may compromise the Group's ability to take on a risk, sell services and/or obtain competitive reinsurance terms.

Reputational risk is the risk that an internal or external event adversely affects stakeholders' perception of and confidence in the Group. It may also arise if there is a divergence between stakeholders' expectations and the Group's results.

Errors in the management of its investment portfolio or mismanagement of its exposures to certain geographical areas, economic sectors or debtors, particularly in a situation of economic uncertainty (see risk factor 1.1.1 "*Risk related to the management of the Group's exposure in its insurance business*"), serious IT failures affecting, for example, clients or partners or causing data leaks (see risk factor 1.5.1 "*Risks related to information systems and cyber security*"), or inadequate management of its environmental, social and governance policy could generate reputational risk for the Group and affect its ability to underwrite a risk and/or obtain competitive reinsurance terms. The deterioration of the Group's reputation may also affect its ability to finance its activities, particularly its factoring business, or increase its financing cost. Due to these factors, a deterioration in the Group's reputation could affect its solvency margin, cash flows and operating income.

5.2.4 Reinsurance risk

a) Residual reinsurance risk

Under certain adverse circumstances, reinsurance treaties may not be renewed in full or extended in line with the development of the Group's activities, which may have an adverse impact on the Group's solvency margin and operating income.

The main reinsurance risk is a lack of coverage available on the market, which would reduce the Group's risk appetite for future uncovered extreme credit events.

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

The Group has structured its reinsurance programme as follows:

- two proportional treaties covering 23% of its exposure. The renewal dates for these two-year quota share treaties are 12 months apart, so half of the coverage is granted for the following year regardless of the outcome of the renewal in progress. Proportional coverage aims to protect the Group against a significant increase in the frequency of claims;

- after the quota shares, the residual exposure is covered by two excess of loss treaties aimed at covering the Group against the default of a significant exposure or the accumulation of losses related to small and medium-sized exposures. This coverage aims to protect the Group against an exceptional risk with a very high adverse financial impact;
- in the long term, the Group's residual exposure is also covered by a two year stop loss reinsurance treaty covering the Group against a combination of exceptional events.

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

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

5.2.5 Operational and compliance risk

a) Risks related to information systems and cyber security

Like any company, the Group is exposed to cyber attacks or other security vulnerabilities in its IT systems and infrastructure, or in those of its third-party service providers, which could disrupt its activities, cause significant financial losses, harm its reputation and expose it to possible sanctions from the regulatory authorities.

As dependency on technology and digital infrastructure, software and models increases, the risks associated with information systems and cyber security are important for the Group. Information system risks may occur in project, design or production phases, any may be caused by technical or human errors, negligence or a lack of control or skills. Cyber security risks are mainly caused by internal or external malicious acts, for example, cyber attacks. These actions and the risks associated with the information system could lead to a breach of the confidentiality, integrity or availability of the Group's in-house or outsourced information systems.

The Group is exposed to cyber attacks or major failures in information systems affecting its systems or those of its third-party service providers, which may disrupt its activities. These attacks may vary greatly in terms of their sophistication and execution. The main objectives of the information systems infrastructure are credit insurance, factoring, sureties and financing systems and data. Immediate impacts include:

- *Data leakage*: data could be stolen or made public in breach of the Group's regulatory or contractual obligations;
- *Data diddling*: the basic data application could be deleted or corrupted, resulting in business interruption, loss of business and extended disruption due to the complexity of returning to a normal situation;
- *Ransomware*: key infrastructure components (such as Active Directory [(1)]) could be attacked, leading to the circulation of the Group's internal information around the world. The Group may receive ransom demands and its activity could be suspended for several weeks;
- system failure: systems and applications could be slowed or interrupted, resulting in lost productivity and repair costs;
- *DDoS (Distributed Denial of Service)*: the Group may be the target of DDoS attacks resulting from malicious attempts to disrupt the normal traffic of its internet centres or portals by overloading the systems or their surrounding infrastructure with internet traffic from multiple sources. The Group's data centres or internet portals could become unavailable in the event of a successful DDoS attack.

Any of the above could cause significant damage to the Group's systems or data and could therefore lead to financial losses for the Group, harm its reputation and give rise to client complaints. This type of cyber-attack may also result in a breach of the Group's legal responsibility vis-à-vis its executives and could also give rise to regulatory sanctions depending on the sensitivity of the data or the location of the system that is successfully attacked.

(1) The main objective of Active Directory is to provide centralised identification and authentication services to a network of computers using Windows, macOS or Linux systems.

b) Model risk

The Group uses a number of models to carry out its activities. In certain circumstances, some models may no longer behave as expected, resulting in an inadequate assessment of its level of loss.

In performing its activities, the Group uses a number of models such as macroeconomic or stochastic models, debtor default prediction models, financial risk projection models to calculate premiums, and a partial internal model to calculate its regulatory capital requirement.

These models are based on estimates and assumptions that may prove incorrect. Some data may be incomplete or imperfect, and execution systems and procedures may have limitations or weaknesses, which could lead to errors in the pricing of insurance premiums in relation to the risk incurred for a given debtor, in the Group's assessment of the quality of its exposure in certain geographical areas or economic sectors, in the establishment of technical provisions or in the Group's management of its asset portfolio. As a result, if the models no longer behave as initially expected, this could have an impact on the Group's loss ratio, financial forecasts, solvency margin, cash flows, earnings and reputation.

c) Compliance risk

The Group is exposed to the risk of violation of economic sanctions and the breach of laws and regulations covering corruption, money laundering and terrorist financing or external frauds, which could expose it to regulatory fines, financial losses and reputational harm.

As an international group supervised in particular by the French Prudential Supervision and Resolution Authority (**ACPR**), the Group must comply with French, national and international laws, regulations, and professional and ethical standards relating in particular to economic sanctions, anti-money laundering and counter-terrorist financing measures, the fight against corruption, and other local compliance and financial crime regulations applicable to its activities. The Group and its subsidiaries and branches must comply with economic sanctions issued by various sources such as the United Nations, the European Union and its members and the Office of Foreign Assets Control (**OFAC**) of the US Department of the Treasury. These sanctions have various material and territorial implications. In particular with regard to anti-corruption laws and regulations, the Group must comply with the provisions of the Sapin II law in France, the US Foreign Corrupt Practices Act (**FCPA**) and other laws such as the UK Bribery Act.

Due to its global activities in more than 100 countries, the Group is exposed to the risk of violation of economic sanctions and the breach of anti-corruption, anti-money laundering and counter-terrorist financing laws and regulations in the countries in which it operates. Any breach of these laws and regulations could expose the Group to regulatory fines, financial losses and reputational harm that could have a direct and material impact on its business.

In addition, the Group is exposed to external fraud, which may take various forms, including cyber attacks and fraud committed by its policyholders' debtors. An act of fraud could generate a direct loss for the Group if it succeeds in circumventing the control or protection measures in place.

5.3 RISK GOVERNANCE

Within the framework of the Group's activity, risk-taking reflects the search for business opportunities and the strategy of developing the Company in an environment intrinsically subject to numerous hazards. The essential goal of the risk management function is to identify the risks to which the Group is exposed and to set up an efficient internal control system to create value.

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

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

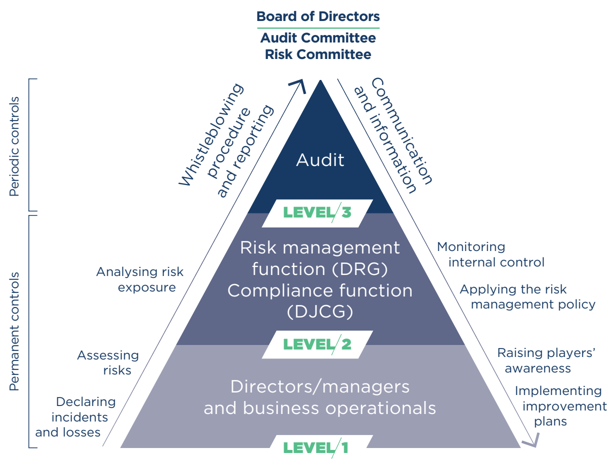
Lastly, this system provides managers with access to the information and tools required for the proper analysis and management of these risks. It also ensures the accuracy and relevance of the Group's financial statements as well as the information disclosed to financial markets.

5.3.1 Internal control system

Risk governance uses an internal control system compliant with the provisions of the Solvency II Directive and the French decree of November 3, 2014 on the internal control of companies active in banking, payment services and investment services and subject to ACPR supervision.

It is divided into three risk lines of defence as presented below:

/ RISK MANAGEMENT LINES OF DEFENCE



First line: risk assessment and incident management

The operational functions are in charge of the proper assessment of the risks generated by their activities as well as for level one controls that enable them to ensure the correct execution of their operations. To do this, they have their own governance, most often based on risk-taking delegation systems and operational committees where risks are assessed and decisions made in accordance with the Group's operating rules. Their risk assessment and management work is laid out by the control functions on an annual basis, in particular through level one control plans.

Second line: independent control by the risk management function and the compliance function

The risk management and compliance functions establish a strong risk management culture within the Company and are responsible for ensuring that the risks identified by the operational functions are effectively managed, in particular through the preparation of a risk map and level two control plans.

These two functions work closely together with the support of a dense network of more than one hundred risk and/or compliance officers in the Group's various countries. To do this, they have a centralised tool used in all entities to manage and launch level one and level two control plans, record operational or compliance incidents, update the risk map and business continuity plans and monitor action plans intended to address identified weaknesses.

Third line: the audit function

The internal audit function provides an independent assessment of the efficiency of the risk management mechanism and more broadly, of all the Group's activities and processes, following a multi-year audit plan.

Role of the key functions

The Solvency II regulatory framework grants the Chief Executive Officer and, as applicable, the Deputy Chief Executive Officer, the status of executive directors of a group. It authorises the appointment by the Board of Directors of one or more other executive directors. In the case of COFACE SA, the effective managers are Xavier Durand, Chief Executive Officer, and Phalla Gervais, Director of Finance and Risk Management.

Each key function is controlled by the Chief Executive Officer or the effective manager and operates under the ultimate responsibility of the Board of Directors. It has direct access to the Board for reporting any major problem in its area of responsibility. This right is enshrined in the Board of Directors' charter.

The professional qualifications, knowledge and experience of the heads of key functions should be adequate to enable sound and prudent management, and they must be of good repute and integrity.

Key functions are free of influences that may compromise their capacity to carry out the tasks assigned to them in an objective, loyal and independent manner.

Since 2017, regional audit, risk and compliance functions report to managers in charge of these functions at Group level. Similarly, subject to compliance with local regulations, the same reporting line by function has been established between country and regional managers.

Risk management function

Under the responsibility of the Chief Risk Officer, the risk management function, including the internal control function, covers all the Group's risks and reports to the Group Risk and Compliance Committee.

It is tasked with assessing the relevance and effectiveness of the internal control system. Regarding Solvency II, it works closely with the actuarial function and is responsible for drafting reports and for prudential oversight. To perform its duties, the risk management function has direct access to Board meetings.

It ensures that risk policies are defined in accordance with regulatory requirements and monitors their application. The policies are reviewed annually by senior management, then approved by the Board of Directors. They are then communicated to all the Group's entities, thereby helping to forge a common risk culture.

The risk management function, including the internal control function:

- implements and monitors the risk management system;
- monitors the Group's overall risk profile and identifies and assesses emerging risks;
- reports on risk exposure and advises the Board of Directors on risk management matters;
- defines and monitors the Group's appetite [1] for such risks: the risk appetite takes five dimensions into account through 14 indicators;
- validates the partial internal model and other operational models;
- updates the mapping of risks to which Coface is exposed, working closely with the operational functions;
- contributes to improving and formalizing level one control activities implemented by operational staff;
- performs level two checks on operational risks, with the exception of non-compliance risks;
- ensures that continuity plans are regularly tested in all entities;
- collects data on incidents and losses from the various entities.

The Group's Risk Management Department leads a network of seven regional risk managers for each region. The regional risk managers also lead a network of correspondents in the countries within their geographic scope. Specifically, these correspondents are responsible for performing the centrally established level two controls at local level, verifying compliance with Group rules and monitoring the progress of action plans.

Compliance function

The compliance function is in charge of developing best practices and preventing non-compliance risk within all Coface Group companies.

The compliance function's scope includes:

- financial crime prevention:
  - prevention of money laundering and terrorist financing,
  - compliance with embargoes, asset freezes and other international financial sanctions,
  - fraud prevention, prevention of active/passive corruption and influence peddling (Sapin II law);
- protection of clients and third parties:
  - business ethics,
  - relations with suppliers;
- data protection and confidentiality;
- professional ethics (management of conflicts of interest);
- prevention of agreements or arrangements between competitors;
- compliance with laws and regulations applicable to insurance activities.

Internal audit function

The Group's Internal Audit Department is placed under the responsibility of the Group Audit Director, who is also in charge of the internal audit key function. The Audit Director attends the Group General Executive Committee meetings in an advisory capacity and reports to the Group's Chief Executive Officer.

The structure of the internal audit function is based on a reporting line to the Group Audit Director.

(1) *The risk appetite represents the risk levels the Group wants to and can accept, with the purpose of reaching its strategic objectives and achieving its business plan.*

An internal audit policy defines the purview of the function. The key objectives of this function include evaluating all or a selection of the points below, according to the scope of each assignment, and reporting on them:

- the quality of the financial position;
- the level of risks effectively incurred;
- the quality of organisation and management;
- the consistency, adequacy and proper functioning of risk assessment and control systems, and their compliance with regulatory requirements;
- the reliability and integrity of accounting information and management information, including information linked to Solvency II issues;
- compliance with laws, regulations and the Group's rules (compliance). Auditing checks the quality and relevance of the procedures implemented to ensure compliance with laws, regulations and professional standards applicable to the audited activities in France and abroad, and with the Group's policies, decisions by its corporate bodies, and its internal rules;
- the quality, effectiveness and smooth operation of the permanent control mechanism and other components of the governance system;
- the quality and level of security offered by the information systems; and
- the effective implementation of the recommendations of prior audit missions, whether they derive from the proceedings of the Group's audit function or from external audits by the supervisory authorities.

Assignments are set out in an audit plan approved by the Board of Directors and cover the entire Group scope over a limited number of financial years. An audit assignment ends with a written report and recommendations which are implemented under the supervision of the audit function.

The independence of the audit function is inherent in its mission. There should be no interference in the definition of its field of action, in the fulfilment of its proceedings or in the disclosure of the results of those proceedings.

The Group Audit Director has full authority to refer matters to the Chairman of the Audit Committee and has free access to the Audit Committee. If necessary, and after consulting the Chief Executive Officer and/or the Chairman of the Audit Committee, the Group Audit Director may inform the ACPR (French Prudential Supervision and Resolution Authority) of any breaches observed.

The Group Audit Department has no operational activity. It neither defines nor manages the mechanisms that it controls. The internal auditors have no other responsibility under any other function. Lastly, the Group Audit Department has access to all the information required to carry out its duties.

Actuarial function

The actuarial function is performed by the Director of the Actuarial Department, who has reported to the Chief Financial Officer since July 1, 2016. It is tasked with advising senior management and supporting its efforts to ensure the Group's long term solvency and profitability and with overseeing compliance with Solvency II requirements, such as the recording of reserves. To perform its duties, the actuarial function has direct access to Board meetings.

The actuarial function is the point of reference for actuarial matters for several Group departments (Finance, Information, Commercial, Marketing and Claims & Collections) in all Group entities. In particular, it informs the Board of Directors on the appropriateness of the calculation of technical provisions.

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

- coordinating the calculation of technical provisions;
- ensuring the appropriateness of the methodologies, underlying models and assumptions used in the calculation of technical provisions;
- assessing the adequacy and quality of data used in the calculation of technical provisions;
- comparing best estimates against experience;
- informing the administrative, management or supervisory bodies of the reliability and adequacy of the calculation of technical provisions;
- overseeing the calculation of technical provisions in the cases specified in Article 82 of the Directive (approximations related to data quality issues in the estimation of technical provisions);
- expressing an opinion on the overall underwriting policy;
- expressing an opinion on the adequacy of reinsurance arrangements; and

contributing to the effective implementation of the risk management system referred to in Article 44. In particular, it ensures compliance with reserving and underwriting policies and the correct implementation of reinsurance.

5.3.2 Accounting control system

The accounting control system assigns some of the responsibility for controls to the Chief Financial Officer (CFO) of each region.

Local CFOs are responsible for:

a) the local accounting system (compliance with local regulations and Group rules);

b) IFRS financial statements as reported in the Group consolidation tool (compliance with IFRS regulations and Group rules);

c) financial risks, in particular compliance with the principle of matching of assets and liabilities in order to limit the financial risks on their balance sheets.

At Group level, the Group CFO is responsible for:

a) the quality of financial information;

b) the definition and monitoring of the investment policy;

c) the management of financial risks and the implementation of the rules for managing other risks, with the support of the Risk Department; and

d) the management of solvency, in particular relating to the Solvency II framework.

The Group's Accounting and Tax Department provides the regions with a control and reporting tool that enables proper oversight of reconciliations between management applications and the accounting tool.

Since the closing of Q1 2018, quarterly level one controls have been formalised within the ENABLON tool, with:

- a list of controls to be carried out each quarter as well as instructions on the details and supporting documents requested;
- the results of controls carried out by the entities;
- proof of the controls performed.

This tool improves the tracking and formalisation of level one controls carried out on accounting processes in each country. An assessment of the controls is carried out every quarter.

This process provides a full audit trail and produces standardised, reliable data across the Group and the Company.

Processing of accounting and financial information

The Group's Accounting and Tax Department, reporting to the Finance Department, guarantees the quality of the financial information and is responsible for the control of the Group's accounting and tax information. It is also responsible for the production of the consolidated financial statements, the Company financial statements, and the tax declarations of French entities (COFACE SA, parent company, Compagnie française d'assurance pour le commerce extérieur, Cofinpar, Fimipar and Cogéri).

Its detailed tasks are broken down into:

- maintaining the general and ancillary accounts of entities located in France;
- accounting for operations, control and justification of operations;
- closing the quarterly accounts;
- producing consolidated financial statements;
- producing reports and presenting the accounts: producing financial statements, internal reports and tax declarations;
- relations with the Statutory Auditors;
- preparing Group standards, regulatory oversight and strategic projects;
- setting rules and drafting of Group accounting rules;
- drafting and monitoring accounting procedures;
- monitoring changes in accounting and tax regulations;
- assisting, training and providing technical support to subsidiaries and branches;
- analysis and impact studies of changes in scope for the consolidated financial statements;
- the accounting control system: monitoring the proper application of the standards and procedures in the Group;
- Group taxation.

Coordination with the Group's entities is based on the Group's functional matrix principles, under which the entities are delegated certain responsibilities pertaining to their scope. As such, the consolidated entities are responsible for producing the following, in accordance with their local standards and IFRS:

a) accounting information;

b) tax information;

c) regulatory information;

d) corporate information.

They also monitor the production of consolidation packages according to the Group's standards and procedures.

Common tool for general accounting, consolidation and management control reporting

The monthly management control reports and quarterly accounting packages prepared under French standards and IFRS are entered into the same tool. The quality of the information received is improved through automatic reconciliation statements.

Furthermore, since June 2018, the procedure for preparing company financial statements under French accounting standards has been simplified with elimination of the entry of packages under both French standards and IFRS for all branches. The Company financial statements are now prepared from IFRS packages.

Additional controls are carried out at quarterly closing dates, especially using summary accounts and comparisons with management data. Consistency checks are carried out with the data received from management control reporting.

Overall controls are performed on consolidation operations: analytical review of the balance sheet and income statement, closure of the Company's equity, consistency check on the most significant items and entities, closure of the net book value of all branches, checking of intra-group transactions and their reconciliation, specific verification of reinsurance income and specific checks on the breakdown of expenses by destination. This analytical review allows for a verification of the overall consistency of the accounts.

Disclosure requirements for financial and accounting information

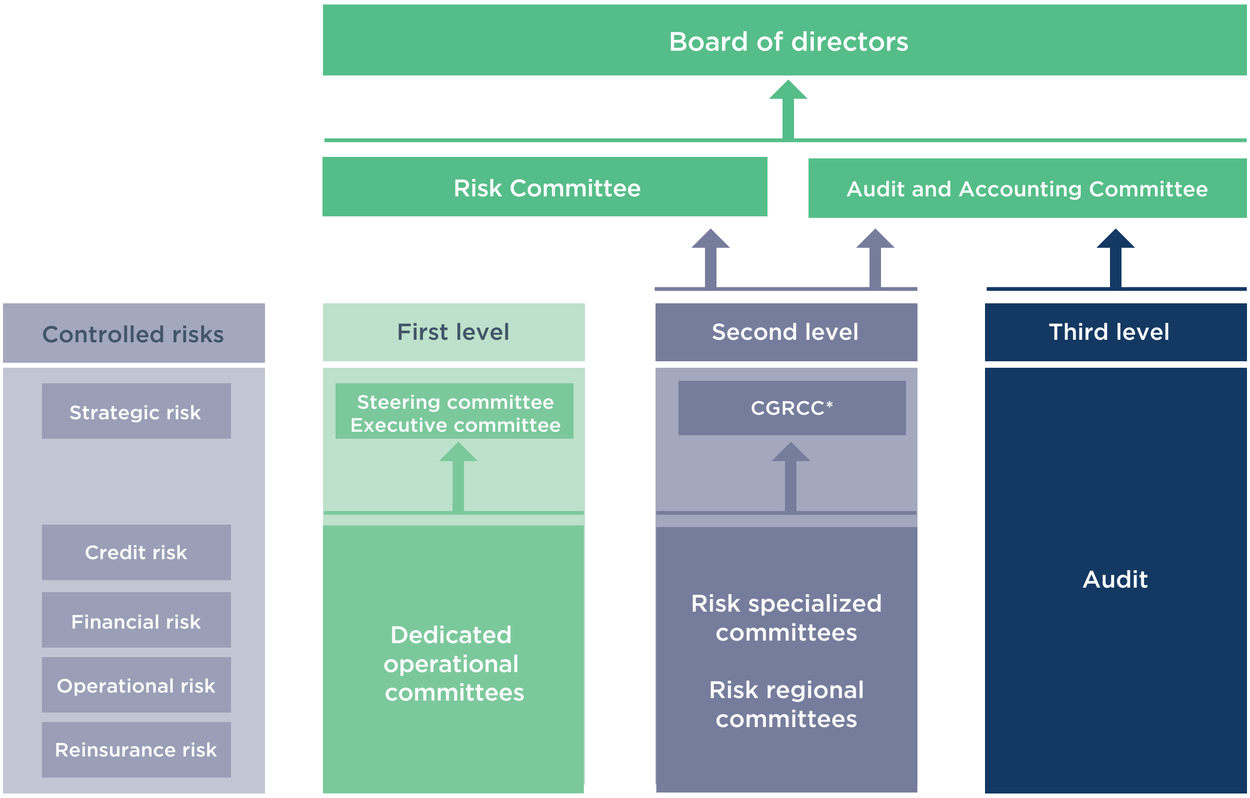
The Financial Communications Department, which reports to the Group Finance Department, produces, with the support of other departments, the financial information released to the financial markets, analysts and investors. The departments concerned provide the Financial Communications Department with contributions and reviews that help it mitigate the risk of material error or the release of inaccurate information.

5.3.3 Governance of the internal control system

Governance structure

The Group has implemented a risk management and control system that revolves around clear governance supported by a dedicated organisation based on the key functions described above. This is illustrated in the diagram below, which shows the link between the three lines of defence as described above and the committees that report to Coface's Board of Directors and senior management.

/ GOVERNANCE STRUCTURE



** Coface Group Risk and Compliance Committee (CGRCC)*

Section 2.1.3 details the duties and activities of the Board of Directors and its specialised committees.

Governance under the authority of senior management relies on the Coface Group Risk and Compliance Committee, which in turn draws on specialised Risk Committees at the head office to address the major risk categories (credit, financial, strategic, operational and reinsurance risk). In addition, each of the seven regions where Coface operates has a regional Risk Committee, on which the Group is represented by the Chief Risk Officer and the Chief Compliance Officer.

The Group Risk and Compliance Committee is chaired by the Chief Executive Officer and meets at least every quarter with the members of the Group Management Committee, the Group's strategic and operational management body, the Group Chief Risk Officer, the Group Chief Compliance Officer, the Group Audit Director and the Head of the Actuarial Department. Representatives of the operational or functional departments concerned also attend depending on the matters at hand.

Below is a summary of the Committee's main duties and actions during 2021:

MAIN DUTIES OF THE GROUP RISK AND COMPLIANCE COMMITTEE	MAIN TOPICS REVIEWED IN 2021
• Review of the main risk management policies and procedures • Review of ORSA assumptions and results for the purpose of their approval by the Board of Directors • Proposal and monitoring of risk appetite limits • Monitoring of the Group's risk exposure in all its dimensions • Review of the main conclusions of sub-committee meetings • Acknowledgement of the work performed by the compliance function • Regular approval of the performance and results of the partial internal model The Group Risk and Compliance Committee reports on its work to the Audit and Accounts Committee or to the Risk Committee, as appropriate.	• Validation of Solvency II risk policies and regulatory reports (SFCR, RSR, ORSA) • Review and adaptation of ORSA scenarios and consideration of emerging risks • Review of risk appetite indicators and their relevance • Validation of the risk map • Monitoring the impact of the health crisis on our main risks and in particular their impact on solvency levels through stress tests, incorporating a "long Covid" scenario. • Monitoring of the Group's insurance coverage • Presentation of the results of permanent controls relating to operational and compliance risk • Presentation of information on data quality within the Company • Each committee provided an update on the use-tests relating to Coface's partial internal model, notably through the review of risk appetite indicators • Monitoring cyber risk: exposure and strategy • Validation of compliance policies and regulatory reports (anti-money laundering questionnaires, internal control report on anti-money laundering and counter-terrorist financing compliance) • Follow-up of audits and closure of audit recommendations • Validation of the fraud risk map • Presentation of the level one and level two permanent control plan relating to non-compliance risk, the results of controls and associated action plans • Monitoring the Compliance Department's actions in terms of anti-money laundering and counter-terrorist financing, anti-corruption, fraud prevention, personal data protection and reviewing the main conclusions of the Fraud Committee and the Personal Data Protection Committee • Monitoring of compliance training completion rates • Monitoring of compliance key performance indicators and compliance incidents as well as the remediation plans implemented • Presentation of sanctions decisions issued by the ACPR's Sanctions Committee and related complaints

In 2021, given the ongoing Covid crisis, Coface's management and the Board of Directors paid particular attention to the adequacy and relevance of risk appetite indicators. The Group Risk and Compliance Committee and the Board's Risk Committee were therefore responsible for reviewing all indicators and discussions took place throughout the year. As a result, the tolerance level for exposures to poorly rated countries was reduced in early 2020 and a better risk/return management indicator was introduced for the investment portfolio. Coface's partial internal model was also fully used to review our concentration risk on debtors or groups of debtors, which led the Board of Directors to make changes in this area. Lastly, our operational resilience indicators were strengthened.

Specific governance related to the Covid crisis

In 2021, the Group continued to manage the Covid crisis largely in the same way as in the previous year, with its staff working remotely, which enabled it to maintain its business without any major problems.

5.4 OUTLOOK

The Group does not expect the situation to return fully to normal in 2022 and its teams will continue to monitor the economic situation, which is deteriorating in emerging countries in particular, and the geopolitical situation, which could disrupt its business activity.

In this context, it will continue to manage its debtor risk carefully and prudently and, if necessary, will implement action plans to contain these risks, as it did in 2020. The structure of the reinsurance programme over several years offers good visibility for the management of debtor risk. With regard to financial and investment portfolio risks, the Group does not intend to significantly change its refinancing structure, which has proven its resilience, or its investment allocation, on which it will continue to act prudently. It will continue to invest in strengthening its risk management programmes, including cyber risk, non-compliance risk and ESG (Environmental, Social and Governance) risks, in order to address the changes that are under way in these areas.

CSR STRATEGY INTEGRATED
INTO THE BUILD TO LEAD STRATEGIC PLAN

REDUCING THE CARBON FOOTPRINT OF THE INVESTMENT PORTFOLIO
BY 20% UNTIL 2025 (BASED ON YEAR 2020)

4,538 EMPLOYEES
IN 57 COUNTRIES

84/100
GENDER EQUALITY INDEX AT GROUP LEVEL

ONGOING CARBON FOOTPRINT ASSESSMENT (INCL. SCOPE 3)
TO COMMIT TO NET ZERO

6

STATEMENT ON NON-FINANCIAL PERFORMANCE

Coface's purpose is to facilitate trade in domestic and export markets. Supporting the development of "B2B" trade brings with it a responsibility that the Group places at the centre of its governance, operations and communication through its **"For Trade"** baseline. At Coface, we believe **in trade as a positive force for the world** and we want to actively contribute to it.

The Coface Group has made a commitment to cooperate in the field of corporate, environmental and social issues for several years now. In 2003, it joined the **United Nations Global Compact**, through which it supports in its sphere of influence the ten principles of the Global Compact relating to human rights, international labour standards and the fight against corruption. Coface's human resources (HR) policy reflects its economic and corporate plan. It contributes to and accelerates the Coface Group's strategic transformations, while controlling its environmental impact and ensuring the engagement of its employees.

Recognition from non-financial agencies

AGENCIES	RATING AND ASSESSMENT
Moody's ESG Solutions	**57/100** Robust
ISS ESG	**C in 2021** Prime status (1st decile of insurers)

In accordance with the requirements relating to the statement on non-financial performance, the Company this year is presenting its business model in the section entitled "Overview of Coface" (Chapter 0), as well as the main non-financial risks and challenges relating to its business (see next page).

To reinforce its responsibility policy and make it a key component of its business activities, the Coface Group carried out its first mapping of non-financial risks in 2018. This mapping process was reiterated and improved in 2021 to refine the consideration of these risks in the Group's overall strategy. This exercise rounds out the risk mapping already monitored by the Group and presented in Chapter 5.

The process of non-financial risk mapping is detailed in paragraph 6.6.1.

The following table summarises the main non-financial risks identified by Coface. The nature of these risks and the policies implemented to address them, as well as the main indicators monitored by Coface, are detailed in this chapter.

Cross-reference table for the Universal Registration Document (URD):

BUSINESS MODEL	DESCRIPTION	URD REFERENCE
Main activities of the Group, organisation, business model, strategy and objectives		0

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI	URD REFERENCE
R.1 – Investment in non-responsible assets from an environmental, governance or social point of view • Asset depreciation and reputational risk	• Investment policy	• Overall ESG rating of portfolio **C** • Percentage of portfolio rated F **0.65%** • Carbon emissions from the portfolio **98** Teq/€m invested	6.2.3
R.2 – Environmental impact of risks covered by Coface (debtor portfolio) • Reputational risk	• *No policy at this stage*	• *No published KPIs* – GBA tracked internally	6.2.5
R.3 – Discontinuity of Coface operations relative to environmental risks • Risk of disruption to Coface business	• business continuity plan including the procedure to be implemented in the event of a problematic situation (call tree, operational priorities, etc.)	• Number of times business continuity plan implemented as part of a climate event **0**	6.2.6
R.4 – Non-satisfaction of clients and partners • Risk to brand credibility and loss of market share, pressure on prices	• Programme to improve service quality	• *No published KPIs* – NPS tracked internally	6.2.1

BUSINESS MODEL	DESCRIPTION		URD REFERENCE
R.5 – Acts of bribery involving Coface employees or third parties in connection with Coface business • Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation	• Anti-Corruption Code • Code of conduct • Employee training and awareness programme • Corruption risk mapping • Third-party assessment system • Alert system	• Number of corruption allegations reported to Compliance **0**	6.2.8 a. II. + Chapter 5
R.6 – Tax evasion (transfer of assets with the aim of evading a tax burden and/or lack of transparency in tax management) • Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation	• Group tax policy adapted at regional level through seven regional tax correspondents and KYC (Know Your Customer)	• Number of alerts under DAC6 regulation, for the European Union **0**	6.2.8 b.
R.7 – Non-protection of data and cybersecurity • Risk of financial loss, damage to operational systems and Company image, data leakage	• Numerous Group policies, including cybersecurity risk management; IT and cybersecurity risk mapping and control; an independent cybersecurity review; identity access management; IT asset management; project security; cybersecurity in supplier relationships; and cybersecurity for third parties.	• Cybersecurity taken into in purchasing **58%,** in projects **100%** and ability of Coface teams to detect cybersecurity incidents **51%**	6.2.8 c. + Chapter 5
R.8 – Lack of diversity, inclusion and equal opportunities • Risk of voluntary or unintentional discrimination of certain groups that may result in legal sanctions, reputational risk and a decline in the Company's performance	• Group Human Resources strategy including a "D&I" component	• Percentage of female employees **54%**; **41%** of managers and **34%** of Senior Management • Number of nationalities among employees **74** • Gender Index **84/100** • "My Voice Pulse" score on "D&I" issues **8.1/10**	6.3.3
R.9 – Lack of attractiveness, loyalty and engagement of employees • Risk of hiring failures, high turnover and employee disengagement potentially leading to reputational risk and a decline in the Company's performance	• Group Human Resources strategy including a "Talent" component • Short-term assignment policy • International occupational mobility policy • Compensation policy	• Number of employees n international mobility **86** • Turnover rate of employees identified as high-potential **5%** • Senior management: percentage of internal candidates *vs.* external • **77% of internal staff *vs.* 23% of external staff** • "My Voice Pulse" engagement score **7.4/10**	6.3.4
R.10 – Impacts of Coface's own activities on the environment • Reputational risk	• *No policy at this stage*	• Energy consumption **947 Teq CO_2** • Train travel **9 Teq CO_2**, plane travel **134 Teq CO_2** • Fuel consumption **1,387 Teq CO_2**	6.4

For greater clarity, the risk number will be referred to at the beginning of each chapter (R.1, R.2, etc.). These figures in no way correspond to a prioritisation of risks.

The non-financial performance report has been drawn up to meet the requirements of Articles L.225-102-1 and R.225-104 to R.225-105-2 of the French Commercial Code.

6.1 OVERVIEW OF COFACE'S CSR STRATEGY

The CSR strategy is an integral part of the Build to Lead strategic plan.

In March 2021, Coface created the position of Group CSR Manager. The role of the latter is to enhance Coface's CSR strategy and roll it out in coordination with the various departments. The Group CSR Manager reports directly to Carole Lytton, Group General Secretary.

Work on enhance the CSR strategy was organised at the beginning of 2021 and Coface decided to map the pillars of its CSR strategy relative to the UN Sustainable Development Goals (SDGs), a global reference in this area, so as to focus on desired global impacts.

The Group has prioritised 11 of the 17 SDGs, most of them selected for their relevance to Coface's business and the management of its employees.

Other SDGs, for example "quality of education", have been strongly prioritised given the management team's sensitivity to these issues. The "quality of education" theme has been chosen as a priority in the Company's future commitments with organisations around the world.

COFACE CORPORATE SOCIAL RESPONSIBILITY

3 pillars built on a culture of responsibility,
based on the United Nations' Sustainable Development Goals

The approach has been restructured around three pillars:

- a ***responsible insurer*** that harnesses its core businesses to contribute to a better world;
- a ***responsible employer*** that takes into account the development and engagement of employees;
- a ***responsible enterprise*** whose goal is to actively reduce its environmental footprint.

These three pillars are underpinned by a foundation called "**driving the culture**", aimed at structuring the Group's ESG approach and developing a solid responsible culture among all Coface stakeholders through a communication plan. This last pillar is essential to the success of the first three.

The pillars will be explained in more detail in the sections below.

In 2022, Coface plans to continue raising the awareness of its internal stakeholders and finalise a governance memorandum to further structure the various CSR roles and responsibilities of these entities (committees, management, regional and local representatives, etc.).

Coface also plans to organise ESG-focused events, including the Global Leaders meeting, and special client events.

A major challenge in coming years will most likely be the structuring of CSR data, which affects virtually all Company departments, the aim being to respond more efficiently to increasing requirements on reporting.

6.2 COFACE, A RESPONSIBLE INSURER

A RESPONSIBLE INSURER

Main pillar themes:	
Client satisfaction	***R.4***
Commercial exclusion policy	
Environmental and social impact of investments	***R.1***
Environmental risk taken into account in credit risk assessment (financial risk)	
Environmental impact of the debtor portfolio	***R.2***
Discontinuity of Coface's operations relative to environmental risks	***R.3***
Subcontracting and suppliers	
Fair practices:	
• Compliance (professional ethics, anti-corruption, fraud and money laundering, international sanctions and personal data)	***R.5***
• Tax evasion	***R.7***
• Cybersecurity	***R.6***

Convinced that the heart of its impact lies in the way it does business, Coface has decided to undertake several structural projects internally.

6.2.1 Client satisfaction

Coface's purpose is to facilitate B2B trade in domestic and export markets alike. All the items of value provided by Coface as a credit insurer – macro-economic risk analysis, the selection and supervision of commercial counterparties, insurance protection in the event of non-payment and the reduction of unpaid amounts through active recovery – contribute to this purpose. In times of economic difficulties, the increase in risks nevertheless leads to a tightening of the Group's underwriting policy, which inevitably impacts client satisfaction. This risk is regularly echoed in the economic press, as was the case during the economic crisis caused by the COVID-19 outbreak in 2020.

The Group's management in the various phases of the economic cycle hinges on striking the right balance between sound risk management and support of the business flows of insured clients. However, persistent client dissatisfaction could indicate a deviation from the Group's stated purpose, leading to a loss of market share, pressure on prices, a deterioration in the Company's results and at the same time a reduction in the Group's contribution to the smoothness of B2B trade. Which is why it is essential to manage and measure this risk.

To address the risk of a deterioration in client satisfaction, Coface has implemented a policy on the continuous improvement of service quality. This policy is based on operational programmes using techniques such as Lean Management, UX-UI and the Customer Journey. It is measured through a series of KPIs (including the Net Satisfaction Score, Net Promoter Score and Customer Experience Index) monitored on a monthly basis by the Service Quality Board, a cross-functional body responsible for managing service quality and client satisfaction.

This Group priority was confirmed by the appointment in 2021 of a Chief Operating Officer tasked with reinforcing Coface's programme on operational excellence and service quality and further improving the client experience.

To measure client satisfaction, the Group has chosen the Net Promoter Score (NPS) as a key indicator. Also known as the net recommendation rate, the NPS gives a voice to clients, calling on them to rate their likelihood of recommending the Company on a scale of 0 to 10. This indicator is interesting because it indicates an attachment to the Company and is forward-looking.

The NPS is measured as a monthly moving average over three consecutive months. After falling at the beginning of the pandemic, Coface's NPS rose to a satisfactory level owing to the Group's ability to adapt and had improved significantly by April 2021.

This trend is to be seen in light of the Group's increased coverage levels [1] since the beginning of 2021, a result of the improvement in the economic environment and the confirmation of a historically low rate of corporate bankruptcy. It should be noted that this growing support is recognised by clients even though the increase in prices in many sectors mechanically increased the levels of coverage requested.

6.2.2 Commercial exclusion policy

In commercial terms, Coface is duty bound to demonstrate irreproachable ethical standards, in particularly through its **commercial exclusion policy**. The latter reflects the Group's determination to avoid non-ethical and/or non-responsible business activities, contribute to the Paris Agreement by withdrawing from thermal coal, and manage reputational risk.

This policy has been strengthened over the past two years.

For example, in thermal coal, a sector with a substantial contribution to climate change, Coface has made several commitments as part both of its trade credit insurance business and its single-risk and surety-bond activities:

- Coface has stopped providing single-risk credit insurance policies and surety bonds for thermal coal extraction or thermal coal generation projects;
- Coface does not issue policies to insure sales of thermal coal by commodity traders;
- Coface does not issue insurance policies to transport, freight and logistics companies seeking to generate over 50% of their business through thermal coal.

In addition:

- business conducted under the trade credit insurance policies issued by Coface or its partners must not directly include activities related to fatal drugs (non-pharmaceuticals), gambling, pornography, or trade in endangered species;
- similarly, in addition to the underwriting framework for the strictly controlled defence industry as part of CSR directives (anti-personnel mines or cluster bombs, etc.) and the Group's compliance rules (list of country risk levels, KYC), an extremely restrictive underwriting policy is implemented in the defence industry sector in terms both of sensitive countries and sensitive equipment:
  - a sensitive country is a non-OECD country, or any country not qualified as a full democracy or a "flawed" democracy (*i.e.* a hybrid regime and authoritarian regime) by *The Economist* in its democracy index [2],
  - sensitive equipment is constituted by fatal equipment (including weapons, ammunition, missiles, mortar canons, tanks, armed vehicles, rockets, war ships and submarines, and electronic missile guidance equipment).

Trucks, unarmed helicopters, bullet-proof vests, surveillance systems and other equipment are not considered as sensitive equipment.

6.2.3 Environmental and social impact of investments

The Group is exposed to changes in environmental standards and the corresponding regulations that could impact its investment activities, financial performance and reputation.

Through its insurance activities, Coface is required to invest part of its premiums in diversified investment vehicles to cover potential future claims.

In addition to the financial risks that these investments entail, Coface may invest in environmental or socially non-responsible assets such as the shares or bonds of companies failing to comply with environmental and social criteria, as well as real estate and infrastructure projects that could harm biodiversity. These risks could lead to a significant temporary or long-term depreciation of assets and undermine the trust of Coface's partners and clients, which in turn could generate a drop in revenue, the withdrawal of investors or a negative impact on the Company's image.

(1) Coverage rate: for each insured client, the ratio of "guarantee amounts granted to requested guarantee amounts".
(2) https://en.wikipedia.org/wiki/Democracy_Index

Global strategy and approach

Coface's investment strategy is based on two pillars:

- a financial framework that respects a strategic asset allocation to achieve objectives of profitability, capital consumption and portfolio liquidity;
- a socially responsible investment framework aimed at improving the portfolio's carbon footprint, restricting non-responsible investments and expressing environmental concerns through a voting rights policy.

To invest available funds in investments complying with its financial risk framework, Coface called upon Amundi, the European leader in Asset Management, to which it has delegated the management of its investment portfolio since 2016. Mindful of the potential social and/or environmental impact of its investments, Coface has asked Amundi to assist with its ESG approach in this investment portfolio. Because it operates in an international environment with divergent SRI practices and standards, the Group wanted to rely on a single repository; it therefore relies on Amundi's teams to implement and calculate SRI indicators for its portfolio.

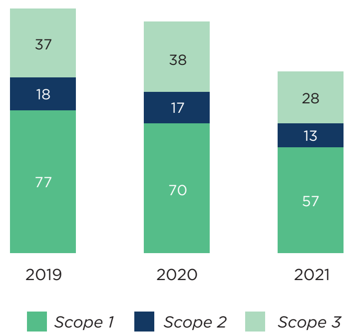
Decarbonisation strategy

Coface uses Amundi's methodology to measure the carbon footprint of its portfolio in three scopes:

- Scope 1: all direct emissions from sources owned or controlled by the Company;
- Scope 2: all indirect emissions resulting from the purchase or production of electricity, steam or heat;
- Scope 3: all other indirect emissions, upstream and downstream of the value chain. For reasons of data robustness, Coface has chosen to use only part of Scope 3 in this reporting: upstream emissions linked to first-tier suppliers. First-tier suppliers are those with whom the Company has a privileged relationship and on whom it can directly influence.

Coface measures its carbon footprint in absolute and relative terms, compared with a benchmark portfolio that is close to the portfolio's strategic allocation [(1)].

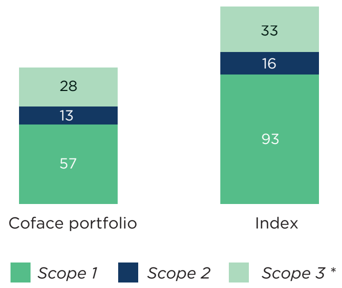
/ CARBON EMISSIONS PER MILLION EUROS INVESTED (TONS EQUIV. CO2/€M)



Source : Amundi

In 2021, the portfolio's overall carbon footprint stood at just under 98 tons of CO_2 equivalent per million euro invested (70 tons in Scopes 1 and 2), down nearly 22% compared with 2020 (-19.5% decrease in Scopes 1 and 2). This decrease underscores Coface's ongoing efforts to shrink the carbon footprint of its investments.

For Scopes 1 and 2 and relative to the benchmark portfolio, the composition of which is described below, Coface's CO_2 emission per million euro invested was over 35% lower in 2021.



Index: 85% ML EURO BROAS +10% MSCI EMU +5% THE BOFA ML GLOBAL HY

This indicator measures the portfolio's emissions in tons of CO_2 equivalent per million euros invested. It is an indicator of the emissions induced by the investment in this portfolio

* First tier suppliers only.

Coface's commitment for 2025 is to reduce the carbon footprint of its portfolio by 20% compared with 2020.

Sector strategy

Coface has initiated three initiatives to further reduce the environmental impact of its portfolio: exclusion measures, restrictive measures and an indicator monitoring the ESG impact of its portfolio.

Exclusion measures

Given its operations, Coface complies with the Ottawa and Oslo conventions and has excluded the following activities from its investments:

- anti-personnel mines;
- cluster bombs;
- chemical weapons;
- biological weapons;
- depleted uranium weapons;
- violation of one or more of the 10 principles of the Global Compact.

Restrictive measures

In terms of investment activity, Coface has stopped investing directly in:

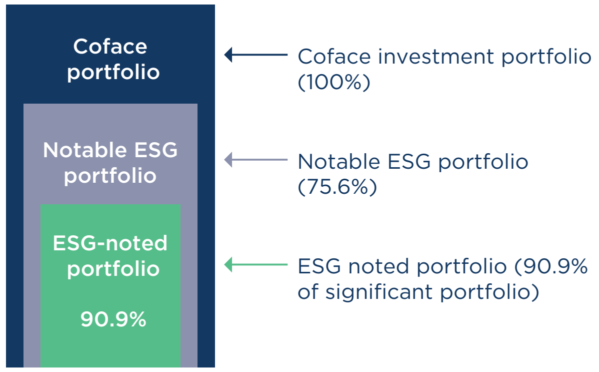
- companies that develop or plan to develop new mines, power plants or infrastructure relating to thermal coal;
- companies extracting 100 MT of thermal coal or more, with no goal to reduce this extraction;

(1) The benchmark portfolio is composed as follows: 85% ML EURO BROAD +10% MSCI EMU +5% THE BOFA ML GLOBAL HY.

- companies generating over 25% of their revenues from thermal coal extraction;
- companies generating 25% to 50% of total revenue from thermal coal extraction and electricity generation from thermal coal and whose ESG rating calculated by Amundi has deteriorated significantly;
- companies generating over 50% of revenue from thermal coal extraction and electricity generation from thermal coal;
- companies manufacturing complete tobacco products (revenue > 5%).

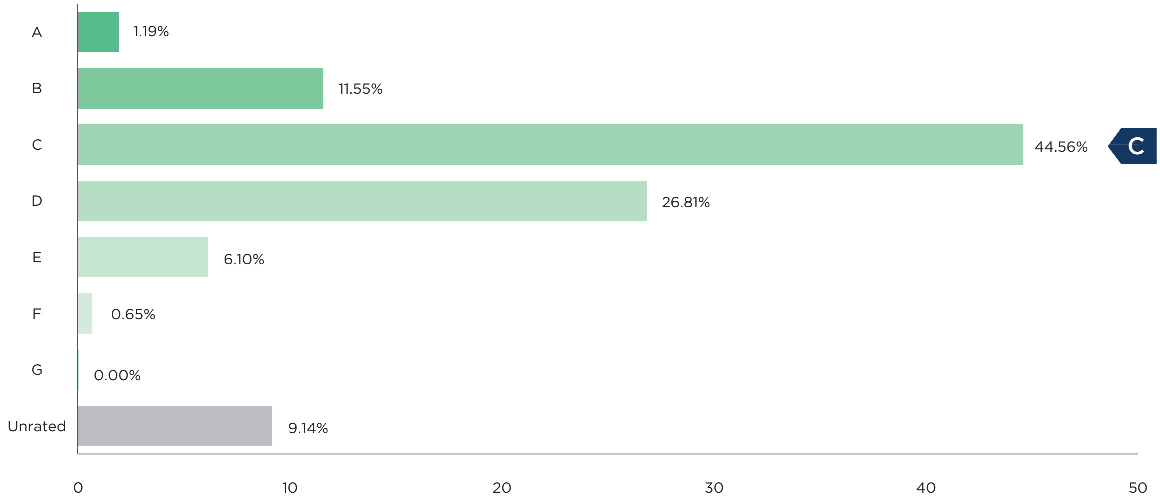
An indicator monitoring the ESG quality of the portfolio

Since 2017, Amundi has produced a quarterly report on the average ESG rating of the Coface portfolio (A to G rating) and a breakdown of assets by ESG rating. The score is based on 37 criteria, including 16 generic criteria and 26 specific sector criteria.



75.6% of Coface's global investment portfolio is considered suitable for ESG rating (mainly excluding investments in money market instruments and mortgage investments).

Of the "notable" part of the portfolio, nearly 91% was rated and, at December 31, 2021, the overall ESG rating of the investment portfolio was C, an improvement on the C- rating at end-2020.



Since 2018, Coface decided not to invest directly in securities issued by a G-rated issuer and **in 2021 decided to limit the weight of F-rated assets to less than 3% of its rated portfolio.** At December 31, 2021, this indicator stood at **0.65%.**

Engagement strategy

Coface, through delegated managers voting at the Shareholders' Meetings of companies held in the portfolio, contributes to and encourages dialogue with the management teams on best practices based on the initiatives implemented on these topics through the managers selected by Coface.

Amundi provides an annual report on Voting Rights, containing the following information:

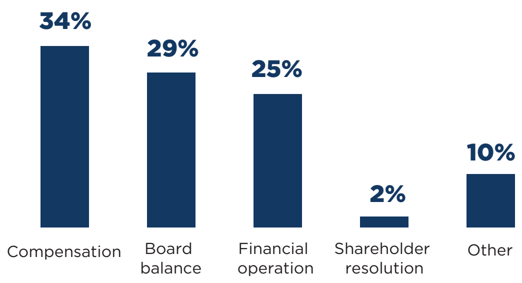
- overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and main opposition topics);
- the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (broken down by company, country and opposition topic).

Prior to these votes and where necessary, Coface can initiate discussions with Amundi's specialised teams to gather analyses on proposed resolutions and discuss the associated vote recommendations.

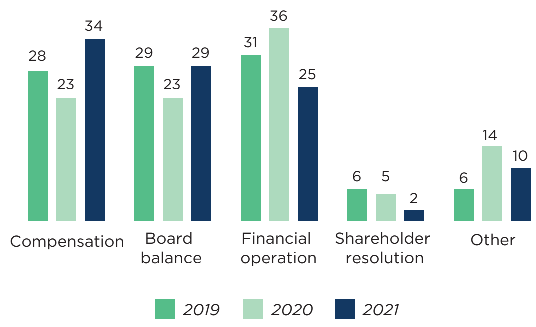
Amundi transmits its voting policy annually to the Group, to include the best corporate governance, social responsibility and environmental practices. Coface reviews this policy annually and ensures that it reflects its commitments.

The percentage of opposition votes exercised by Amundi on behalf of Coface at Shareholders' Meetings held in 2021 are presented in the table below by topic:

/ OPPOSITION VOTES ON SHARE POSITIONS HELD DIRECTLY (%)



/ HISTORICAL OPPOSITION VOTES ON DIRECT EQUITY DIRECTLY HELD EQUITY POSITIONS (%)



Source : Amundi

Coface expressed more opposition votes in 2021 than in 2020 on compensation (34% *vs.* 30%). These votes reflect Coface's concerns about the need to align the interests of the Management with those of shareholders.

6.2.4 Environmental risk taken into account in credit risk assessment (financial risk)

As a credit insurance expert, Coface carries risks on companies operating in numerous countries and business sectors.

As such, the environmental vulnerability of debtors that may lead to an increase in the volume of claims to be paid is taken into account in the management of credit risk.

For example, from a macroeconomic perspective, Coface **integrates environmental risks into its methodology for assessing country risk**. Two key risks for companies have been identified:

- **physical risk** measures the frequency of occurrence of exceptional weather events (such as the fires in Brazil and Australia in 2019). It depends on the country's exposure to this type of event (measured notably by taking into account long-term projections of agricultural yields, rising temperatures in the country, rising sea levels, etc.) and its sensitivity, measured by indicators of geographical, demographic and social structure (such as the share of the rural population and the population over 65, and the poverty rate) and the dependence on other countries for goods that will become rarer with climate change (share of imports in total farming produce, water and energy);
- **transition risk**: faced with these future climate changes and in an effort to avoid some of them, governments are taking action (such as anti-pollution standards in the automotive sector in Europe and China) and the population is changing its consumption behaviour. While these regulatory and behavioural changes will have beneficial effects in the medium term, in the short term they are likely to jeopardise companies having failed to prepare for these changes in production and consumption methods. Transition risk is measured based on the frequency of the country's government's participation in conferences on environmental change, the treatment of this issue in the national media, and the number of measures taken by the government to effectively combat global warming and pollution (national emissions level, energy efficiency of the main business sectors and investments in the energy transition).

The exposure index is used to measure the extent to which a country can be vulnerable to climate disruption and captures the physical impact of climate risk. The sensitivity index, based on topographic and demographic variables as well as the country's economic structure (*i.e.* sensitivity of the country's main sectors of activity to a climate shock), makes it possible to assess the impact of a climate shock.

These two indices combined are used to assess a country's vulnerability to climate hazards and are based on six sectors essential to a country's proper functioning: food, access to water, the health system, ecosystem services, human habitat, and infrastructure. A country is considered to be highly exposed if a climate hazard can significantly limit access to drinking water, cause food insecurity, or if the quality of infrastructure is not sufficient to respond to this type of crisis. At the same time, a country is considered to be highly sensitive where its economy relies heavily on imports.

In addition, the Coface teams assess the financial risk represented by each debtor through an internal rating, the DRA, reflecting the likelihood of default in the short and medium term.

New environmental initiatives and regulations may have a broad array of impacts:

- *varying degrees of strategic reorientation;*
- *change in industrial process;*
- *change of suppliers, etc.*

These impacts may call for substantial investment that impact Company profitability either temporarily or sustainably, at the risk of market loss or sanctions, for example.

These aspects form part of the entire set of information taken into account by Coface when analysing risk and deciding on coverage.

For example, the impacts of the current changes in the automotive sector are vary substantially from one player to the next. Large carmakers are investing huge sums to alter their ranges (for some companies, in addition to considerable penalties for past activities). These manufacturers are demonstrating a strong capacity for change and resilience to changes in the market. The same cannot be said of small and less flexible subcontractors that are already under pressure in terms of finances, lack the capacity to make these changes, and whose business is structurally on the way out.

This resilience assessment is fully integrated into financial analysis and the usual credit risk monitoring tools.

6.2.5 Environmental impact of the debtor portfolio

As a credit insurer, Coface does not finance companies or its projects and does not intervene directly in commercial transactions, the latter remaining in the hands of the insured party and its client. However, the exposures guaranteed by Coface concern companies having their own environmental impact. The Coface Group has thus decided to implement a tool to measure the environmental impact of the debtors making up its guaranteed exposure. This tool subsequently enable Coface to steer its business towards more environmentally responsible activities and thereby reduce reputational risk or investor withdrawals.

Coface has developed an internal system for assessing companies in the form of an “environmental” index designed to rate businesses according to their environmental impact.

This assessment is imperfect for now, as no comprehensive environmental database exists for medium-sized companies, *i.e.* the majority of Coface’s debtors. But the assessment system has the value of providing an initial measure of this impact.

Coface designed the new solution with KPMG to establish a structured and documented approach able to cover the entire portfolio. The assessment comprises two aspects:

- a generic rating based on the debtor’s country;
- a further standard rating focused on its sector of activity.

Coface then combines these two ratings to produce a “standard” overall environmental rating for a debtor. To refine the assessment, a debtor-specific dimension may be added where *ad hoc* information is available.

Coface thus separates financial analysis (including the impacts of environmental policy) from purely environmental assessment.

This environmental vision is transcribed in the **GBA** (Green Business Assessment), which overviews the debtor portfolio and exposure to guaranteed amounts. Coface’s objective in 2022 is to harness this tool to determine a more precise trajectory to gradually reduce its most unfavourable risks.

6.2.6 Discontinuity of Coface’s operations relative to environmental risks

As an insurer operating directly in 59 countries, Coface is a service provider. As such, the Group’s activities may be impacted in the short term, mainly in terms of the location of its employees’ offices, since the unavailability of premises following a climate event would have potential impacts on its own daily operations.

In the medium or long term, it is important to consider that some places on the planet will be more difficult to inhabit.

To address this risk, Coface’s IT architecture enables all employees to access their working session, allocated professional applications and complete office suites (MS Office and corporate network access) securely and from any location with an internet connection.

The Group took advantage of the COVID-19 pandemic to successfully implement this system on a very large scale. During some periods, the vast majority of Coface staff in several countries connected to the IT architecture remotely with no impact on the continuity of operations and quality of service provided to its clients.

Similarly, to strengthen the resources allocated to monitoring credit risk and managing limits, the Group has on several occasions successfully experimented remote limit-setting management for a country of origin, protecting the latter against any potential local staff unavailability resulting from a sudden climate event.

Regarding the non-availability of premises owing to a natural, technical or personal-safety event, a business continuity plan (BCP) is effective and updated at least once a year in all countries where the Group operates. A business recovery test is also performed once a year with the participation of all critical business lines and applications. This plan specifies the contacts of the crisis unit and of the Group’s main suppliers and partners and sets out the framework within which critical activities are resumed over a period of less than two days. According to the crisis scenarios, BCP measures are thus established with concrete procedures dedicated to the occurrence scenario.

No BCPs were activated at Coface's subsidiaries in 2021, but home-office working methods were implemented regularly in line with the development of the pandemic.

To manage these risks, the Group has also begun to map each of its 114 locations around the world with a view to assessing the inherent risk stemming from the local configuration, business area and residual risk, including risk management and mitigation measures (remote work possible, back-up site in a different configuration zone, seismic building, etc.). The preliminary results show a low overall risk in terms of impact on the Group's own operations as a whole.

Lastly, Coface has property and casualty insurance policies for all the premises housing its staff and assets. These policies are managed internally under the responsibility of the Risk Division. Where applicable, these policies serve to cover claims *via* assistance and technical assistance depending on the type of loss experience incurred.

6.2.7 Subcontracting and suppliers

The outsourcing of important or critical functions and/or activities is strictly governed by the regulations applicable to insurance companies since the entry into force of the Solvency II Regulation. In this respect, since 2016, the Company has issued a Group policy aimed at identifying "material or critical" activities and defining the fundamental principles for resorting to outsourcing, the terms of any contract drafted for such outsourcing and the control procedures related to the outsourced activities and functions.

This policy, approved by the Company's Board of Directors in 2016 and reviewed annually qualified the following functions and/or activities as constituting important or critical functions or activities, pursuant to the applicable regulations: (i) the following four key functions (see also Section 5.3.1 "Internal Control System"): the risk management function, the compliance verification function, the internal audit function and the actuarial function; as well as (ii) the other functions whose interruption once outsourced is likely to have a significant impact on the Company's business, on its ability to effectively manage risks, or likely to threaten the conditions of its accreditation.

In 2019, the Company added in the scope of its outsourcing policy, "standard" activities and functions.

The outsourcing contracts shall contains the minimum requirements referred to in the Guidelines for Suppliers' Agreements Review (such as purpose, duration, financial conditions, and the liability of the service provider). The conclusion of these contracts is subject to the implementation of Know Your Supplier due diligence and to compliance with the purchasing policy and other Group rules.

Coface and all its subsidiaries shall therefore audit the service provider to select service providers who meet the high-quality service standards and have the qualifications and skills necessary to efficiently handle the outsourced service, while avoiding any conflict of interest and guaranteeing data confidentiality.

In accordance with the applicable regulations, the outsourcing plan of important or critical activities or functions must be approved by the Company's Board of Directors before the signature of the contract and must be notified to the French Prudential Supervision and Resolution Authority (ACPR) at least six weeks prior the effective date of the contract. Outsourcing contract of important or critical activities or functions must include certain mandatory clauses imposed by Coface.

To date, the main material or critical activities outsourced by the Group concern the Company's financial investment management activity and, in a few limited countries, the risk underwriting activity.

In 2020, Coface started to map the Group's outsourcing activities. The work covered the outsourcing of standard services and important or critical activities or functions carried out by all Coface Group regions to third parties or within the Group to another Coface entity.

The work aimed at:

- reviewing existing outsourcing agreements;
- distinguishing between standard activities and functions and important or critical outsourcing functions and/or activities in accordance with the Solvency II Regulation;
- verifying the compliance of the outsourcing contracts with applicable regulations and the Group outsourcing policy;
- proposing and implementing a remediation plan;
- establishing a quarterly reporting of outsourcing contracts and the setting up of a dedicated registry to the reporting of such contracts The remediation plan was initiated in 2021 and will be finalised in 2022.
- For contracts relating to important or critical functions and/or activities concluded after the entry into force of Solvency II, the remediation will be both contractual (integration of absent contractual clauses) and regulatory (notification to the ACPR) upon the renewal of these contracts or in the event of a modification *via* an amendment.

The outsourcing standard contracts will mainly be subject to contractual remediation, in accordance with applicable local law and under the supervision of regional legal managers.

To supervise relations with suppliers, Coface has established a regularly reviewed internal purchasing procedure that sets out the general conditions for the purchase of supplies and services and specifies the rules to be followed in terms of supplier selection (including the conditions for issuing calls for tenders). Since 2017, Coface has also been signatory to the *Charte Relations Fournisseurs Responsables* (responsible supplier relationship charter) led by two French agencies, the Médiateur des entreprises (business ombudsman) and the Conseil national des achats (purchasing association). This charter consists of 10 commitments for a responsible purchasing policy towards suppliers. It enables Coface to apply, in concrete terms, its willingness to foster fair and transparent relationships with its suppliers. In accordance with the French "Sapin II" law of December 10, 2016 concerning transparency, anti-corruption and the modernisation of economic life, Coface has set up an assessment of suppliers looking at the corruption risk.

6.2.8 Fair practices

As indicated in Chapter 5, the Coface Group, overseen by the French Prudential Supervisory and Resolution Authority (ACPR), must comply with the law and regulations applicable in the countries where the Group operates.

Any violation of laws, regulations, rules and internal standards may potentially expose Coface to the risk of sanctions, fines, financial losses and reputational damages having a direct and significant impact on its business in the short, medium or long term.

Coface is also exposed to external fraud. This may take various forms, including cyberattacks and fraud committed by policyholders and/or their debtors, potentially generating a direct loss for the Group.

As a member of the United Nations Global Compact, Coface follows the principles stated therein relating to the **protection of human rights**:

- to promote and respect the protection of international human rights law in its sphere of influence; and
- to ensure that it is never complicit in human rights violations.

a) Compliance

The risk of non-compliance, to which Coface Group is exposed, is defined as the risk of legal, administrative or disciplinary sanctions, significant financial losses or reputational damages arising from non-compliance with provisions specific to Coface's business activities, laws, regulations, rules or internal standards.

To mitigate this risk, the Group has developed a compliance framework underpinned in particular by a **compliance policy** accessible to all employees. This policy specifies the involvement of the compliance function with respect to mitigating the main non-compliance risks listed below:

- professional ethics;
- the fight against corruption;
- combating money laundering and terrorist financing;
- compliance with embargoes, asset freezing and other international financial sanctions;
- fraud prevention;
- protection of personal data.

The compliance policy also details the governance structure of the Coface Group, which ensures the independence of the compliance function. It lists **36 key compliance performance indicators (KPIs) actively monitored by the compliance function** and **presented five times a year to the Management**, the Risk Committee of the Board of Directors and the Coface Group Risk and Compliance Committee (CGRCC).

i. Professional ethics

The importance of compliance in general is crucial for the management team and is highlighted regularly with employees. More specifically, during each annual conference of the top 200 managers, the CEO always mentions the importance of integrity and professional ethics in his speech.

As part of managing non-compliance risks, Coface's Code of Conduct, was revised in 2018 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. This code notably raise the importance of treating clients fairly by avoiding conflicts of interest.

In addition, in 2018, the Group appointed an ombudsman to whom any integrity issues, violations of the Code of Conduct or non-compliance with the law and regulations may be reported if necessary.

With regard to lobbying, Coface does not directly or habitually carry out any activity in this field and has no employee whose appointed duty or mission involves lobbying public or political entities. Nevertheless, any action undertaken in this respect should naturally be carried out in the context of the internal rules laid down by Coface in the aforesaid code of conduct, which includes a number of anti-corruption rules. In addition to the Code of Conduct, a lobbying code was introduced in 2021.

ii. The fight against corruption

Coface has adopted a zero-tolerance policy for corruption in all its forms. This statement has been provided to all employees, particularly through the Anti-Corruption Code and the code of conduct, which are both prefaced by the CEO.

The Anti-Corruption Code consists of three parts: a reminder of general rules, specific rules and practical advice. The general rules define corruption, undue benefit the legal framework to prevent corruption as well as the specific features of corruption involving public agents. The section on specific rules defines the concepts on sensitive issues in terms of corruption: gifts and hospitalities, facilitation payments, political contributions, lobbying, charities and sponsorship.

Since 2017, Coface has focused on implementing the provisions set out in the Sapin II law on transparency, anti-corruption and modernisation of the economy. As a result, the Anti-Corruption Code is accompanied by the following (non-exhaustive list):

- the introduction in 2021 for all Group employees of a new online training course on the fight against corruption incorporating the latest recommendations of the French Anti-Corruption Agency issued on December 4, 2020. Each course has been made available in the main languages to ensure better understanding by employees and is also accompanied by a quiz. The completion rate of the training course is 98%;
- corruption risk mapping, drawn up in 2019 and subject to a global review by the compliance function in 2021 ahead of roll-out in 2022 by Coface Group entity and by function within each entity;
- a global third-party evaluation, updated in 2020 for intermediaries and in 2021 for suppliers. This calculation is based on operational procedures specifying the process for identifying and classifying the risks presented by suppliers and intermediaries. Consequently, suppliers and intermediaries assessed as presenting a high corruption risk are reviewed and approved by Compliance;
- an internal whistleblowing procedure. Coface has implemented an internal whistleblowing procedure, as described in the Anti-Corruption Code and the code of conduct. The internal whistleblowing framework was subject to a dedicated and detailed procedure that will be reviewed in 2022 following the transposition into French law of the European directive on the protection of whistleblowers. In 2021, ten cases were reported in total, six cases as part of the internal whistleblowing framework at the compliance function and four as part of the ombudsman. Internal Audit, the Human Resources Department, the ombudsman and the compliance function conducted investigations to process and close the various cases;
- key anti-corruption performance indicators (KPI 12 to 18). These indicators include the process of knowledge of intermediaries, suppliers, allegations of corruption, gifts and invitations received or offered and reported to Compliance. In 2021, no allegations of corruption were reported to Compliance;
- accounting controls and second-level permanent controls were performed in 2021 to strengthen the entire framework. In 2021, Internal Audit also carried out a periodic control of the Group compliance function, including the review of the anti-corruption dimension.

iii. Combating money laundering and terrorist financing (AML-CTF)

The compliance function regularly updates the framework procedures implemented to prevent money laundering and terrorist financing risks. These procedures are accessible to all employees on the *Weconnect* intranet and implemented locally by the international network of regional and local compliance officers.

In respect of the Know Your Customer (KYC) procedure, Coface has developed an AML-CTF risk classification adapted to its business activities for the entire portfolio. For each client/prospect, Coface determines a KYC profile that provides an AML-CTF risk score in three categories (low/standard/high). The information collected as part of the KYC process is then updated and reviewed on a regular basis or following a trigger event. As a result, "high-risk" clients/prospects are subject to enhanced due diligence measures as well as an annual periodic review.

Communication and awareness-raising initiatives were also carried out regularly with employees in 2021 to enable them to detect warning signals regarding money laundering and the financing of terrorism.

iv. Compliance with embargoes, asset freezing and other international financial sanctions

The Group's compliance programme evolved significantly in 2021, notably through the launch of the real-time automatic screening tool for Coface customers and their connected parties (debtors, intermediaries, beneficial owners, etc.) against international sanctions lists (United Nations, Office of Foreign Assets Control, European Union, France) and local sanctions lists.

The compliance function can continuously detect sanctioned entities with which Coface cannot enter or continue a business relationship.

In line with these operational developments, in 2021 the compliance function updated the framework procedure for compliance with international sanctions and controls on dual-use items and/or military goods.

v. Fraud prevention

The compliance function improved its fraud prevention programme in 2021 by:

- strengthening governance with the organisation of regional fraud committees led by the Fraud correspondents and regional compliance;
- developing its reporting tool and SAFE reporting tool for suspected fraud;
- tightening due diligence on debtors in the ATLAS database having been suspected of fraud or risk factors (alert in the tool and enhanced control system);
- rolling out fraud risk mapping in all the countries in which Coface operates;
- updating the Group Rules on Fraud Management;
- issuing communications to clients and brokers, particularly regarding social engineering fraud;
- implementing key performance indicators (KPI 23 to 28) relating to the number and type of suspicions of fraud (insurance frauds on policyholders and/or debtors).

vi. Protection of personal data

As part of its implementation of the General Data Protection Regulation (GDPR), Coface has adapted its information systems and processes to comply with the stricter requirements in terms of personal data protection, including the:

- maintaining of data processing records by the Data Protection Officer;
- inclusion of GDPR clauses in contracts with its clients and suppliers;
- communication of the "Privacy Notice" to Coface clients.

Communication and online training initiatives on the protection of personal data within the Group were also implemented in 2021 and addressed to all employees. The purpose of the training course, accompanied by a quiz, was to raise employee's awareness on data protection requirements. The completion rate of the training course was 97%.

In March 2019, Coface submitted to the approval of the CNIL and the relevant personal data protection authorities binding corporate rules (BCRs) as set out in Article 47 of the GDPR. Pending approval by the CNIL and the competent authorities, Coface established an intra-group agreement in 2021 to comprehensively oversee the transfer of personal data outside the European Union.

b) Tax evasion

Coface is also required to comply with the tax laws applicable in the jurisdictions in which it operates, under penalty of sanctions, fines, financial losses and reputational damage.

The Group's tax policy is defined by the Group Tax Department. It is applied at regional level through seven regional tax correspondents.

In addition to regular dialogue consistent with the issues to be addressed, meetings are organised quarterly by the Group Tax Department with each of the regional CFOs and tax correspondents for a general review of the tax topics in their region.

Ahead of each meeting, the tax correspondent sends the Group Tax Department a report on current tax audits and related provisions.

Coface also complies with the standards established by the OECD to combat the erosion of tax bases and the transfer of profits through the implementation of a centralised transfer pricing policy, a governance system serving to identity aggressive tax arrangements with a view to reporting them in respect of DAC 6 in the European Union (no aggressive arrangement to report in 2021), and the filing of a declaration per country (Country-By-Country Reporting, CBCR).

Lastly, Coface's Know Your Client procedure includes strengthened vigilance measures when transactions involve one or more entities located in non-cooperative States and territories for tax purposes, as defined by Article 238-0 A of the French Tax Code, or in a country that could create a reputation risk for Coface (even if this country is not specifically included in the list of non-cooperative States and territories under the jurisdiction of the Coface entity that issued the policy).

c) Data protection and cybersecurity

As indicated in Chapter 5, Coface, like any other company, is exposed to cyberattacks or other security vulnerabilities in its IT systems and infrastructure, or those of its third-party service providers that could disrupt its business activities, cause significant financial losses, damage its reputation and expose the Group to possible sanctions on the part of regulators. With dependence on technological and digital infrastructures on the rise, information-system and cybersecurity risks are important to the Group.

Cybersecurity risks mainly stem from internal or external malicious acts such as cyberattacks. These acts could lead to a breach of the confidentiality, integrity or availability of the Group's information systems, whether internal or outsourced. Cyberattacks and major failures can vary substantially in their sophistication and execution.

The impacts on credit insurance, factoring, bonds, finance and data include data leakage, data alterations, ransomware, system failures and distributed denial of service (DDoS). The Group leads numerous policies in this regard:

- Group Cybersecurity Risk Management Policy;
- IT and Cybersecurity Risk Mapping and Control Policy;
- Independent Cybersecurity Review Policy;
- Identity Access Management Policy;
- IT Asset Management Policy;
- Security in project Policy;
- Cybersecurity in Supplier Relationships Policy;
- Cybersecurity Policy for third parties.

For example, the following indicators are monitored by the Group Information Systems Security and Business Continuity Committee (values as of November 2021) in addition to annual awareness campaigns, phishing simulations and intrusion tests conducted by the Group Chief Information Security Officer: integration of cybersecurity in procurement (58%), projects (100%) and the ability to detect cybersecurity incidents (51%).

These indicators are updated by the Head of IT Security at Business Technology (BT). Numerous operational security indicators (privileged accounts, antivirus, vulnerabilities, etc.) are also monitored at operational security committee meetings at BT.

An IT indicator is also included in the Group's risk appetite, which is monitored by the Group Risk and Compliance Committee and at Board's Risk Committee meetings.

Coface has also integrated a cybersecurity plan into its portfolio of strategic projects to strengthen its system and infrastructure.

6.3 COFACE, A RESPONSIBLE EMPLOYER

A RESPONSIBLE EMPLOYER

Main pillar themes:	
Responsible crisis management	
Key figures	
Diversity, inclusion, equal opportunities (multiculturality, disability, gender equality, sexual orientation) and societal commitment	*R.8*
Attracting, developing and retaining talent; engaging employees (onboarding and training of employees, international mobility, employee engagement, remuneration policy, etc.)	*R.9*

6.3.1 Responsible crisis management

In terms of Human Resources policies and practices, the year was marked, for Coface and for all companies, by the health crisis and its multiple developments.

Coface began the year by signing a company agreement in January for France, ratified by the trade unions. The agreement provided for extended remote working up to three days per week, and a system to support this change. This agreement was effectively implemented only on October 4 as the health situation did not allow employees to return to the office before that date. It was suspended once again in December with the arrival of the fifth wave of the virus.

Like France, Coface has implemented such approaches in its other regions. Consensual and reassuring, more protective in terms of the safety of people than companies in the financial sector, HR policies have been based on solid remote-working technology and extensive telecommuting practices, which have been proven since 2020.

Coface has developed the "IntoCoface" remote onboarding programme, implemented using the Group's remote management practices and digital training platform.

Coface has strengthened its ability to train remotely, notably by continuing to roll out the Commercial Academy, a training programme for sales staff conducted 100% remotely. The emphasis is naturally placed on learning sales techniques in remote working conditions. These training courses were deemed particularly relevant by the participants (average satisfaction score of 4.2/5). In addition, "the Underwriting academy" has been supplemented to promote remote learning and Coface has initiated other digital academies in fields including Information and Human Resources.

Employees expressed their appreciation of these human resources policies – deeming them "responsible" and adapted to the health crisis – *via* the latest engagement survey, administered in October. The issue relating to the management of the health crisis received a score of 9.1/10, well above the benchmark.

6.3.2 Key figures

A workforce structure reflecting strategic guidelines

In 2021, Coface pursued the strategic initiatives of the Build to Lead plan, in particular by rapidly developing information sales.

A few figures showing the reality of our business

The following data comes from the Group's "HR Reporting" tool, available online for the various contributors to the database. The database is updated in real time and receives a steady flow of data from the HR teams in the countries. The information is consolidated on the last business day of the month, enabling the production of monthly reports.

This reporting includes the individual contract, activity, business and length-of-service data for each Group country, as well as information on the hierarchical links between the various positions.

It also serves as a strategic tool for staff, as it makes it possible to manage recruitment actions and internal transfers within the context of a budget.

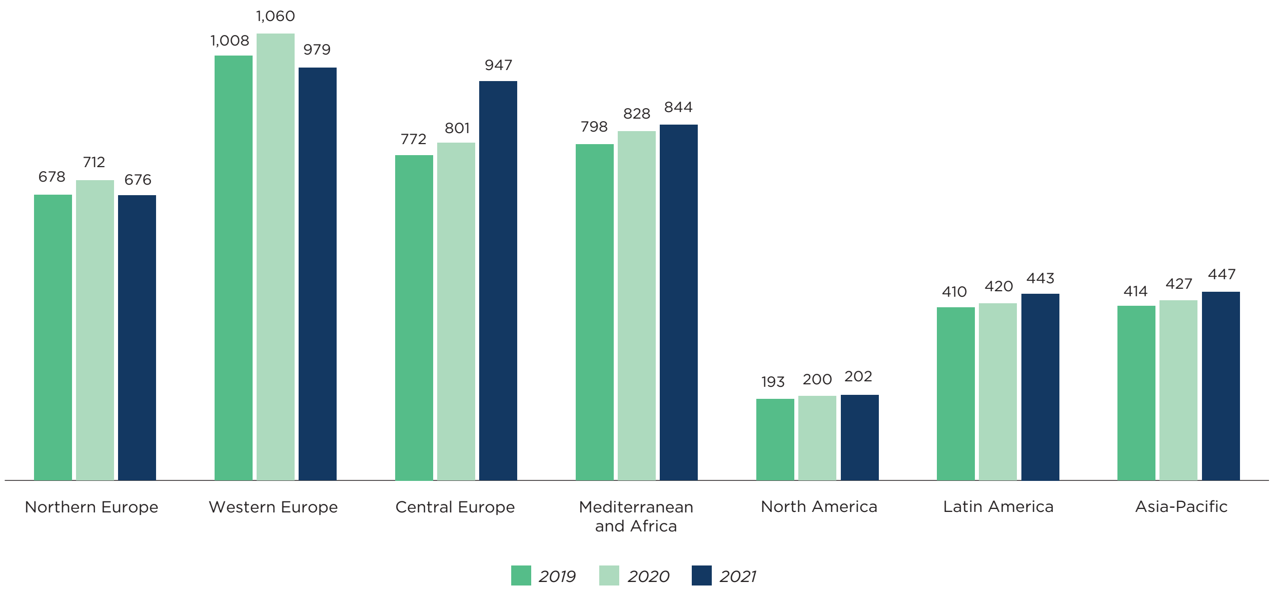
Strong international dimension

The report contains figures covering the entire group to give a global view of the Company. The indicators are then calculated for a scope of 11 selected countries, the number of which has been audited. This scope can be compared with the same scope for 2020.

At December 31, 2021, the Group employed 4,538 people in 57 countries, compared with 4,448 at December 31, 2020. The following table shows the geographical breakdown of the Group's workforce since December 31, 2019:

/ BREAKDOWN OF WORKFORCE BY REGION

WORKFORCE	2021	2020	2019
Northern Europe	676	712	678
Western Europe	979	1060	1008
Central Europe	947	801	772
Mediterranean and Africa	844	828	798
North America	202	200	193
Latin America	443	420	410
Asia-Pacific	447	427	414
TOTAL	**4,538**	**4,448**	**4,273**



The Coface workforce increased 1.9% in 2021. This change was due to an increase in the information sales workforce and by the expansion of head-office teams linked to major transformation projects such as the implementation of IFRS 17.

In Central Europe, the significant increase in headcount stemmed from increased staff numbers at the shared services centre and the IT development centre, both located in Bucharest.

The workforce contracted slightly in Western Europe owing to various operational efficiency measures, including the development of shared services.

/ BREAKDOWN OF WORKFORCE BY ACTIVITY

The table below breaks down the Group's workforce by type of activity since December 31, 2019:

WORKFORCE	2021	2020	2019	CHANGE 2021 *VS.* 2020
Sales & Marketing	1,629	1,546	1,436	5.4%
Support	1,596	1,562	1,510	2.2%
Information, litigation, debt collection	975	1,007	988	(3.2)%
Arbitrage	338	333	339	(1.5)%
Risk underwriting	**4,538**	**4,448**	**4,273**	**2.0%**

In 2021, 1,629 employees were assigned to Sales and Marketing, 1,596 to support functions, 975 to Information, Claims and Debt Collection, and 338 to Risk Underwriting.

The change in support function staff reflects the strengthening of the operations functions, with the creation in April 2021 of the global Operations function responsible for improving client satisfaction and digitalisation, implementing shared service centres, managing projects and developing the Lean methodology.

The increase in Sales & Marketing staff was driven by the growth in Information sales, which led to the recruitment of a numerous salespeople.

Types of employment contract

The following indicators are presented for a scope of 11 countries, comparable with that of 2020.

Permanent contracts continued to account for the large majority of jobs at Coface.

	2021	2020	2019	CHANGE 2021 *VS.* 2020
France	98.1%	98.4%	97.8%	(0.31)%
Germany	99.2%	99.5%	99.3%	(0.30)%
Italy	99.0%	100.0%	99.0%	(1.01)%
Spain	100.0%	100.0%	100.0%	-
United Kingdom	98.1%	99.0%	98.0%	(0.92)%
Poland	83.2%	81.2%	86.1%	2.40%
Austria	97.2%	100.0%		(2.88)%
Morocco	98.1%	98.1%		-
Netherlands	90.0%	88.4%		1.78%
Romania	99.6%	98.2%		1.41%
United States	100.0%	100.0%		-

For the Group as a whole, 93.3% of Coface employees work full-time.

Age ranges by country

At December 31, 2021, the age ranges of employees in France, Germany, Italy, Spain, the UK, Poland, Austria, Morocco, the Netherlands, Romania and the United States were as follows:

AGE RANGES	FRANCE	GERMANY	ITALY	SPAIN	UNITED KINGDOM	POLAND	AUSTRIA	MOROCCO	NETHERLANDS	ROUMANIA	UNITED-STATES
< 30	10.5%	4.2%	3.9%	8.1%	8.6%	17.9%	8.4%	39.4%	7.8%	20.2%	10.6%
30 to 40	29.1%	14.4%	16.5%	21.1%	29.5%	42.2%	28.0%	48.1%	38.9%	55.3%	15.6%
40 to 50	29.8%	34.5%	48.1%	48.9%	28.6%	28.7%	31.8%	10.6%	25.6%	24.0%	30.2%
> 50	30.6%	46.9%	31.6%	22.0%	33.3%	11.2%	31.8%	1.9%	27.8%	0.4%	43.6%

Several countries, with an average age of more than 45 years, are very long-standing locations for Coface (Germany, USA), where the resignation rate remains historically low. This age structure is no longer the case in France, where the teams have been substantially renewed in the last five years.

6.3.3 Diversity, inclusion and equal opportunities

Coface has identified several corresponding risks:

- a lack of effective diversity in its teams;
- staff perception of human resources practices and policies as insufficiently inclusive or failing to sufficiently foster diversity;
- or the perception of a company for which diversity is not an essential value.

These risks are of several types:

- Coface may lack appeal for external candidates or fail to retain employees considering the Coface work experience as less inclusive than at other companies;
- since diversity is recognised as promoting creativity, efficiency and teamwork, Coface could lose its attractiveness compared with companies that place this value at the heart of human resources policies;
- as Coface is a multicultural company with a considerable proportion of non-French employees, supporting inclusive practices with regard to cultural diversity is vital to ensuring collaborative and productive work between teams representing 74 nationalities and located in 57 countries;
- lastly, as a French company with over 1,000 employees, the law on "real economic and professional equality" between women and men is applicable, obliging Coface to prepare for the 2030 deadline, at which point women must account for 40% of governing body members.

Accordingly, diversity and inclusion are a key component of the Group Human Resources strategy, the aim being to provide a vision, objectives, strategic initiatives, means of action, progress indicators and a clear communication framework for its employees and outside the Company. This Group Human Resources strategy is shared each year with the entire Human Resources community around the world.

This strategy will be adapted into an internal Diversity and Inclusion policy to be drafted formally in 2022. The main areas of this policy are presented below.

a) The goal of the D&I strategy

The aim of the Coface Group is to be recognised on the market for its diversified and inclusive culture.

Coface wants employees to see the work environment as inclusive and the Company to be a place where employees can thrive and contribute their authenticity to their professional activities.

Coface is committed to combating all forms of discrimination in the workplace, whether in the selection of its candidates or in Human Resources practices throughout the careers of employees.

To do so, Coface has introduced training and awareness-raising initiatives to encourage the transformation of the corporate culture towards greater openness to diversity in all its forms and towards inclusive and non-discriminatory managerial practices.

Regarding gender equality, Coface aims to achieve wage equality in the short term and gradually improve the share of women in Senior Management [(1)] and executive functions to 40% before the 2030 deadline.

To achieve this objective, Coface has set three priorities:

- leverage external recruitment opportunities for Senior Manager positions to strengthen the pool of female talent;
- direct career management and succession plans in a determined manner towards the promotion of women in order to move rapidly towards gender equality at all levels of management;
- ensure strict respect for gender equality in terms of remuneration, through the oversight of specific indicators.

b) Organisation system implemented to ensure progress on initiatives

A Group Diversity and Inclusion Committee was set up in 2021. The new committee meets monthly to make headway on the various projects in place. It is composed of the Group CSR Manager, Human Resources, Communications and certain key contributors.

A network of seven Regional Diversity and Inclusion Champions, and a global champion, has also been rolled out to coordinate regional initiatives, share best practices and ensure coordination with the Group.

I. Training and awareness of all forms of diversity

Multiculturality

Coface is a multicultural company with a workforce comprising 74 nationalities and 337 employees working outside their country of origin.

Improving the Group's knowledge of cultures in other countries and understanding language codes, working methods and the management culture in other parts of the world is essential to Coface's business and the collaborative efforts of its teams. A host of events and training courses were organised on these topics in 2021, the following actions being carried out:

- multiculturality was the theme of a conference open to all and organised across all regions for Diversity and Inclusion Week in May 2021. More than 500 employees discussed the topics raised by several members of the Executive Committee who shared their experiences;
- employees from Asia, Latin America and France participated in conferences and workshops on cultural differences. All the managers in Asia took part, as did over 200 head-office employees.

These programmes will be renewed in 2022.

Sexual orientation

Following the signing of the *Autre Cercle* charter at the end of 2020, Coface implemented several initiatives aimed at promoting an inclusive and non-discriminatory environment for LGBT+ people:

- review of internal policies to make their drafting more inclusive;
- organisation of an awareness-raising conference for Diversity and Inclusion Week in May 2021. More than 900 employees from around the world took part;
- a specific training course was provided throughout Diversity and Inclusion Week. Open to all, the course brought together 300 to 400 employees for each of the five sessions organized;
- Coface began to promote the creation of internal networks of people interested in this theme, referred to as "employee resource groups". An initial LGBT+ network was created in Latin America at the end of 2021, following a conference organised for all employees in the region;
- in addition, a Coface employee received the "model role" award from the Autre Cercle organisation in 2021, illustrating the positive progress made on LGBT+ inclusion at Coface. This award is attributed to people who make a difference through their leadership in promoting LGBT+ inclusion in the workplace.

These programmes will be renewed in 2022.

(1) For Senior Managers (or the "Top 200"), Coface considers the professionals of the Regional Management Committees, all country heads, whether or not they are members of a regional management committee, the Group Executive Committee, Group Directors reporting directly to them or N-2 Managers responsible for a scope with a high overall impact and with a high degree of autonomy.

People with disabilities

One of the conferences organised for the Diversity and Inclusion Week in May 2021, open to all employees in France and abroad, focused exclusively on the theme of disabled people in the professional world.

Apart from the above conference, the awareness-raising initiatives mainly concerned employees in France.

France organised three "Employment for Persons with Disabilities Weeks" in 2021. Featuring numerous special events, conferences, communications and quizzes, these weeks brought together numerous employees as part of workshops and discussions aimed at raising awareness and forging partnerships with a view to developing the employment of people with disabilities. The last of these three weekly events was extended to other countries in the Western Europe region (Belgium, Switzerland and the UK).

These programmes will be renewed in 2022.

Initiatives with external partnerships

The Coface Group has also initiated an external equal opportunities policy through a **partnership with the Potter endowment fund**, which provides financial support to financially disadvantaged students so that they can study in scientific preparatory classes, and then at engineering schools, thanks to scholarships awarded throughout their courses.

Coface and the Potter endowment fund decided to work together to support this cause through a sponsorship agreement. Under the agreement, Coface's head office in France provides the time and skills of two of its motivated employees seeking to work on assignments with a social impact. The two employees have since December 2020 devoted one day a week to the initiative. Their goal is to help the fund develop its reputation, promote its mission, manage applications and contribute to the organisation of selection panels. In addition, two Coface employees, the Group Talent Director and the Group's Chief Information Officer participated in the selection panel of grant candidates.

How to measure the effectiveness of all the Group's awareness-raising initiatives?

As part of the My Voice Pulse engagement survey, Coface measures how employees perceive and experience diversity and inclusion on a daily basis. The latest global survey, in October 2021, was completed by 3,922 employees representing 89% of Coface's workforce.

To the question, "Are you satisfied with Coface's efforts to support diversity and inclusion (for example, in terms of gender, ethnicity, disability, socio-economic status)?", employees gave a satisfaction rating of 8.1/10, which compares favourably to the survey benchmark.

To the question, "Do you think Coface is a diverse workplace (for example, in terms of gender, ethnicity, disability, socio-economic status)?", the answer was also satisfactory, with a score of 8.2/10.

II. Gender equality

The proportion of men and women is well balanced overall at Group level, with a little over 54% women in 2021. However, women accounted for just 41% of managerial positions and 35% of Executive Committee members.

The table below shows the trend in the overall proportion of women in management in the countries within the reporting scope since 2019:

		2021	2020	2019
France	% women	49.2%	49.2%	50.4%
	% of managers	23.9%	24.2%	23.0%
	% women among managers	40.5%	37.4%	37.6%
Germany	% women	52.7%	54.1%	53.7%
	% of managers	16.3%	15.4%	15.4%
	% women among managers	15.3%	18.8%	20.0%
Italy	% women	49.5%	49.7%	50.8%
	% of managers	25.2%	24.9%	30.9%
	% women among managers	34.6%	36.7%	42.4%
Spain	% women	64.1%	65.2%	64.3%
	% of managers	17.9%	19.0%	21.6%
	% women among managers	42.5%	37.5%	30.2%
United Kingdom	% women	42.9%	40.8%	40.4%
	% of managers	26.7%	25.2%	23.2%
	% women among managers	28.6%	26.9%	26.1%
Poland	% women	62.3%	64.8%	63.3%
	% of managers	15.4%	14.6%	16.5%
	% women among managers	53.7%	52.6%	51.3%
Austria	% women	60.7%	63.1%	
	% of managers	22.4%	20.7%	
	% women among managers	45.8%	56.5%	

		2021	2020	2019
Morocco	% women	62.5%	63.2%	
	% of managers	14.4%	16.0%	
	% women among managers	33.3%	35.3%	
Netherlands	% women	45.6%	49.5%	
	% of managers	20.0%	23.2%	
	% women among managers	33.3%	36.4%	
Romania	% women	56.5%	54.0%	
	% of managers	18.3%	21.4%	
	% women among managers	45.8%	45.8%	
United States	% women	48.0%	46.3%	
	% of managers	30.7%	28.2%	
	% women among managers	41.8%	44.0%	

A recruitment policy fostering gender equality

When recruiting for Senior Manager [(1)] positions from outside the Group, the focus is systematically on identifying female candidates in the final selection. As a result, **women accounted for 10 external recruitments out of the 14 recruitments at this level in 2021.**

However, internally and at this Senior Management level, the proportion of women in internal promotions is still insufficient, with women accounting for just 15 of the 47 promotions (or increased responsibilities) awarded in 2021, or less than 32%. This demonstrates the need to strengthen the pool of female talent in the short term for intermediate management positions.

Career management and mobility focused on women's careers

In terms of career management, Coface has actively committed to female careers. It has implemented several actions and processes and publishes several indicators widely to communicate on progress in house.

- The Global Gender Index is used to coordinate and measure women's career management

In 2020, Coface decided to calculate an enhanced and extended index for all Group entities, similar to the gender equality index, which is now mandatory in France for all companies with 50 or more employees.

The new index, calculated mid-year, measures:

- equal pay for men and women – 40 points;
- equal pay increase decisions – 20 points;
- equal promotion decisions – 15 points;
- the percentage of women among Senior Managers (top 200) – 15 points;
- the percentage of women among the 10 highest-paid employees – 10 points.

The Group index, then, is calculated on the basis of four criteria from the French index plus an additional measure on equal career development (criterion 4). The index results from the consolidation of each regional index (for details of the scope and calculation, see paragraph 6.6 "Guidelines and methodology"). Progress thresholds are determined annually for each region. This central oversight ensures that professional equality objectives are met internationally. Ultimately, the goal is to close the pay gap between men and women, facilitate and support women's careers and promote diversity within the teams.

For the first criterion, 20 countries are taken into account in the analysis (countries with more than 50 employees). They account for 80% of the Group's workforce. The rest of the criteria take into account the entire Group. This difference in calculation can be attributed to the relevance of the samples from a statistical viewpoint.

The index has been included as a criterion in the variable remuneration of all the Group's Senior Managers. For the second year of calculation, the Coface Group improved its score, reaching **84/100**, for a significant 3-point improvement between 2020 and 2021.

The criterion for the representation of women in Senior Management was also included, with a quantified annual growth target, in the deferred variable remuneration of Senior Managers eligible for this variable plan. At end-2021, 34% of the women at Coface had reached this level, compared with 31% at end-2020.

This percentage increased in two out of seven regions, while the criterion on gender equality in promotion decisions reached the maximum in six out of seven regions and at the head office.

To meet its objective to have women account for 40% of management body members by 2030, Coface must ensure that it has sufficient women in succession plans for these positions. The increase in the presence of women in these **succession plans is measured every year, at two levels**:

(1) For Senior Managers (or the "Top 200"), Coface considers the professionals of the Regional Management Committees, all country heads, whether or not they are members of a regional management committee, the Group Executive Committee, Group Directors reporting directly to them or N-2 Managers responsible for a scope with a high overall impact and with a high degree of autonomy.

- **Executive Committee level.** The identification of long-term female successors (2-5 years) has increased significantly in one year:

	JULY 2021	JULY 2020
% of female unique successors (short term)	**36%**	**31%**
% of female unique successors (long term)	**40%**	**24%**

- **Regional Management Committee level.** A pool to provide over the very long term (> 5 years) potential future members of the Executive Committee. The proportion of women is also increasing significantly at this level, from 29% in July 2020 to 40% in July 2021.

To these measurement tools, which have enabled us to focus on managerial promotion and recruitment decisions, Coface has added qualitative processes to make greater overall progress on the career development of all high-potential women:

- an international **mentoring programme, including at least 50% women,** explained below;
- a women's career committee process called the **Talented Women Career Acceleration Programme.** This programme is organised three times a year to review, region by region, the career progression of high-potential women. During this review, Coface decides, if necessary, to provide more resources to some individuals to foster progress, including mentoring and training. Coface can also decide to anticipate a promotion for others or to open up the field of opportunities by imagining more creative paths. These sessions have effectively served to accelerate the careers of many women at Coface.

Equal pay for men and women

As mentioned above, Coface has implemented a Global Gender Index, which has been used to quickly achieve progress on **equal treatment for men and women** in France and internationally. Coface's score rose from 31/40 in 2020 to 34/40 in 2021. Each region has progressed, some very significantly.

Decisions to increase remuneration are now equal, with each region having obtained a maximum score for this criterion in the index. This is verified by the Group, which ensures that the increases, before they are applied, concern women as much (or more) than men and that the average increase in women is equal to or greater than that of men.

Coface also checks that the average percentage of bonuses for men and women is comparable overall.

For several years now, some countries, including France, have set aside a specific budget for women's wage catch-up to more quickly achieve the equality objective.

The implementation of the Global Gender Index has enabled rapid and significant progress in terms of remuneration.

Measuring the impact of all D&I actions internally

Coface can now specifically measure progress on this initiative through its My Voice Pulse survey. The Group can monitor the overall score in terms of "The perception of working in a company where diversity is valued, where HR culture and practices are inclusive, and where discrimination is not present." Below are the responses from the October 2021 survey.

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
89%	**8.1**	**8.2**	**8.4**	**8.2**

6.3.4 Attracting, developing and retaining talent; engaging employees

Failing to take account of the importance of attracting, retaining and engaging employees presents entails several risks for Coface:

- lack of key skills to successfully complete the Company's strategic plan;
- key positions remaining vacant, at least temporarily, when incumbents leave, with a risk of discontinuity and reduced performance;
- having to recruit externally, which often involves significant additional costs, with the risk of unsuccessful integration into the Company's culture, particularly in leadership positions, and therefore a potentially negative impact on collective performance;
- potential employee disengagement, which may result in reduced performance, less well-identified or managed business, financial or expansion opportunities, less effective collaboration, loss of reputation and, ultimately, undesirable departures from the Company;
- reduced capacity for innovation if employee diversity is not guaranteed.

To limit these risks, Coface has, as part of its overall HR strategy, established a policy on attracting, developing and retaining talent and, more broadly, engaging employees. The policy is reflected in the three pillars of this strategy:

1. contribute to the Company's cultural transformation;
2. partnering the business meeting Build to Lead objectives;
3. ranking as an employer of choice.

In concrete terms, the policy comprises a number of initiatives and programmes, the most representative of which are detailed below. They consist in:

- recruiting the right profiles, particularly in key positions, and notably by ensuring the representation of women (Senior Management recruitments approved by the Group);
- filling key positions internally with the best profiles, ensuring that women are well represented (internal promotions to Senior Management positions also approved by the Group);
- identifying the best talent [(1)] to be developed as well as potential successors to key positions (annual Talent Reviews identifying high-potential individuals and their development plans, eligible for international transfers in the short term, succession plans, in particular for Senior Management);
- making international mobility opportunities available to the best talent (posting open positions on the Group intranet, regular occupational mobility committees with regional HR managers, Group approval of inter-regional transfers);
- organising systematic career interviews with the best talent and encouraging managers to conduct these discussions (career interview training programme initiated in 2021);
- strengthening the development offering for the best talent (a talent programme for the Arbitrage function, the MAR region; Group Mentoring to Lead programme, the global deployment of which continued for the second consecutive year aimed at stepping up the development of future leaders in terms of soft skills);
- developing internal mobility on a larger scale (formalisation and communication of a Group internal transfer policy under the "Move & Grow" label): changes in business lines and countries are notably encouraged, the aim being to develop the broadest possible understanding of the company among employees, enhance skills, strengthen the Group culture and develop individual and collective agility;
- expanding the Group's training offer, particularly in terms of business line expertise and by capitalising on digital tools (Underwriting Academy launched in 2021 on CLIC, the Group's digital training platform, continued roll-out of the Commercial Academy for the second year, implementation of a training programme for the Information Sales teams);
- ensuring the proper integration of new recruits on fixed-term and permanent contracts, around the world (IntoCoface programme, the implementation of which continues to move forward);
- developing a compensation policy adapted to the Group's strategic challenges over the long term, respecting internal fairness and competition on the market;
- measuring and analysing employee engagement and establishing improvement plans (My Voice Pulse survey administered three times a year and initiated in October 2021).

Further information is provided below to illustrate the most representative initiatives:

Underwriting Academy

Launched in early 2021, the Underwriting Academy aims to develop the technical skills of professionals in underwriting and related functions and comprehensively inform all company employees about this core Coface activity.

It includes a total of 120 training modules, with learning paths built by employee type, depending on their need, including a beginner course comprising 10 broadly accessible introductory modules.

The Academy received over 41,000 page views, while course registrations totalled nearly 16,000. Registrations were made by 1,074 employees, or nearly 23% of the Company.

Commercial Academy

The deployment of this programme, aimed at developing the skills of the sales teams around the world, continued as planned in 2021:

- 348 participants were trained in 2021, up from 324 in 2020. *(NB: some are the same in 2020 and 2021.)*;
- in 6 regions (5 in 2020);
- and 47 countries (22 in 2020);
- overall, nearly 700 employees and managers have benefited from this Academy since its launch, or nearly two-thirds of the sales teams;
- the initiative meets staff expectations, with an average 4.2/5 satisfaction rate.

The teaching content of the programme has been adapted for remote learning and the educational content adjusted to develop the distance sales skills of salespeople.

The Group has initiated the implementation of a specific programme for the Information Sales teams, with more than 60 participants.

Implementation will continue in 2022 with new modules to address more advanced skills levels and thus continue to enhance expertise.

Mentoring to Lead

The aim of this mentoring programme is to share experience between experienced leaders and high-potential employees with a view to boosting their development and increasing their visibility in the Company. The programme continued in all Group regions in 2021 with:

- 69 participants in the new class initiated in 2021, including 67% women. This is full consistent with the aim of including a majority of women to strengthen gender equality and the representation of women in senior positions;
- participants account for more than 20% of nationalities.

The continuation of systematic training at the beginning of the programme, the setting of clear objectives, the provision of a mentoring guide and the follow-up carried out by the HR teams contribute to the success of the programme, with excellent feedback from participants, mentees and mentors alike.

(1) *"Best talent" here means high-potential individuals, employees with critical expertise for Coface's success and adaptable professionals able to take on international responsibilities.*

My Voice Pulse

Coface has decided to renew its engagement surveys. In 2021, it set up a tool to focus not just on motivation but on the employee experience. Coface also gave each manager, with more than 6 direct reports, access to the answers of their team to help them dialogue and accurately address avenues for improvement in the employee experience. The Group has decided to carry out this survey three times a year instead of once every 18 months. This will help all those involved to closely oversee their results and serve to measure the impact of improvement actions implemented by managers.

The survey compares Coface with the financial market benchmark, with adjustments specific to the reality of its population, thereby ensuring the accuracy of the comparison.

The results of the Q4 2021 survey showed that engagement was globally consistent with the benchmark with an average 7.4/10. The main conclusions point to the following:

- strong confidence in the management of the health crisis;
- confidence in strategy, with a need for stronger communication and alignment;
- strong appreciation of Company values, perceived as part of the daily life and the "employee experience", as well as increased flexibility, which is a key aspect of the culture;
- pressure on wages and workload;
- perception of distance in daily working relationships owing to the growing remoteness of the office.

Compensation policy

In accordance with the regulatory requirements applying to the insurance sector (Solvency II), Coface's **compensation policy** is reviewed each year to align it with the Group's strategic objectives and ensure effective risk management at the Company.

This policy, set out in detail in Section 2.3.1, aims to:

- **attract, motivate and retain the best talent.** Each year, the Group awards free performance shares to an identified regulated population in the context of the Solvency II Directive (Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom a portion of variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. The vesting period for this scheme is set at three years;
- **encourage individual and collective performance**. The bonus policy is reviewed and approved each year by the Management Committee with regard to the Group's priorities. It incorporates collective financial and non-financial objectives. In 2021, the objectives of the Group's Senior Managers included client satisfaction and employee commitment, as well as a gender equality target assessed through an increase in the Global Gender Index and the proportion of women in Senior Management and succession plans;
- **position the Group competitively on the market while respecting its financial balance.** Since 2018, the Group has regularly participated in compensation surveys with a compensation consulting firm specialised in the financial services sector. The objective is to increase knowledge of market practices and ensure informed oversight of Group compensation. This exercise concerned 36 countries between 2017 and 2018, covering nearly 90% of the Group's functions and 13 target countries in 2020. It will be repeated in 2022 for 15 countries;
- **comply with the regulations in force and guarantee internal fairness and professional equality, particularly between men and women.** As part of its annual review, the Compensation Department ensures that the distribution of budgets for pay rises notably respects gender equality. In France, the Human Resources Department carried out substantive work aimed at correcting these inequalities. These efforts were reflected in Coface's good result in the occupational equality index implemented in connection with equal pay legislation. With a score of 85 out of 100 for 2020, Coface is now above the legal obligation set at 75 points. Drawing on this experience, Coface has decided to go further by adapting the France index to the entire Group. The Group achieved an excellent result of 81 points out of 100 in 2020 and increased the score to 84 in 2021. The Group has set an objective of continuous improvement in this area;
- **be consistent with the Group's objectives and support its development strategy in the long term.** The Group's policy aims to prevent any conflict of interest in its remuneration practices and integrate social and environmental issues into its thinking. In 2020, the Group defined its global car policy with the main objectives of harmonising practices and reducing the carbon impact of the vehicle fleet.

The following indicators are used to measure the impact of the various initiatives:

breakdown of internal/external applicants among new appointments for Senior Management roles in 2021:

- out of 61 new appointments, 77% came from internal staff and 23% from external recruitments,
  - Coface's ability to offer internal development opportunities for these job levels has improved significantly. External skills are recruited when they do not exist internally;
  - **turnover of employees identified as "high potential" [1]:**
- every high-potential employee leaving the Company is a regrettable loss, even if the number is limited,
  - high potentials are approved each year at the end of July following the Talent Reviews. To have a sufficiently representative period for turnover, Coface measured on December 31, 2021 the percentage of employees identified as "high potential" in July 2020 having left Coface,
  - the percentage this year was 5%, compared with 5.2% last year;

(1) *Definition of "high potential": Senior Manager with the ability to join the Group Executive Committee (regardless of the time scale) & For other levels: employee with the ability to become a Senior Manager (regardless of the time scale).*

- **international occupational mobility** continued to grow strongly in 2021, despite the prolonged pandemic. This performance reflects Coface's ability to continue to offer growth opportunities while ensuring the safety and well-being of the employees concerned by transfers, as well as compliance with all travel and immigration restrictions related to the health environment:
  - total number of employees on international transfers in 2021: **86 *vs.* 76 in 2020** (and 72 in 2019):
    - women account for 38% of transfers (36% in 2020),
    - young people are increasingly represented (36% *vs.* 29% in 2020),
    - cultural diversity remains extremely strong (28 in total, *vs.* 26 in 2020);
  - number of new employees on international transfers in 2021: 26, *vs.* 20 in 2020:
    - the share of intra-regional transfers increased sharply: at 81%, compared with 55% in 2020;
    - as did that of women: 46% *vs.* 30%;
    - non-French employees still have a large majority (73% *vs.* 75% in 2020), with 12 nationalities represented;
    - the share of staff aged under 35 remains high: 50% (55% in 2020);

employee perception of career development at the Company was measured by the latest My Voice Pulse survey. Answering the survey questions, Coface employees see it as a learning company where they can develop their career and skills (overall score of 7.1/10; 8.2/10 for staff aged 20-25).

6.4 COFACE IS DEVELOPING ITS ENVIRONMENTAL RESPONSIBILITY

RESPONSIBLE ENTERPRISE

Main pillar themes:	
Adaptation of the business model to take environmental issues and risks into account (part 6.4)	
General environmental policy: policy under development and cross-functional actions	*R.10*
Energy consumption	*R.10*
Travel policy	*R.10*
Car policy	*R.10*

Environmental issues are becoming increasingly important in public debate. The Paris Agreement, which aims to limit global warming to a level well below 2°C compared with the pre-industrial level (and thus targeting carbon neutrality by 2050 at the latest), marks a turning point by recognising the significant role played by companies in global climate governance.

Companies are facing new regulations in this respect, as well as significant pressure from investors and employees to adapt their business activity to current environmental challenges and reduce their environmental footprint.

Companies, Coface included, failing to comply with regulations and contribute to this international effort may be exposed to controversy and loss of attractiveness in the eyes of internal and external stakeholders.

6.4.1 General environmental policy

Policy under development

Seeking to contribute to this effort and adapt to current and future regulations, Coface **is beginning by adapting its business model, gradually taking into account the environmental and climate risks of clients and debtors along with the environmental and social impacts of investments** (as explained above in paragraph 6.2). The Group also initiated an **approach in 2021 to reduce its overall environmental footprint, initially by measuring its carbon footprint.**

A carbon footprint assessment will be finalised in early 2022 with the aim of implementing a Group decarbonisation strategy based on a regular update of this assessment.

To initiate a decarbonisation trajectory, Coface has begun to **measure its carbon footprint by including Scopes 1 and 2 and, above all, 3,** with a greater focus on the investment portfolio and the footprint of the products sold. By measuring Scope 3, the Group can take into account what in all likelihood constitutes the majority of Coface's carbon footprint (as is the case for all banking and insurance companies) and go beyond regulatory requirements in this area.

In parallel, Coface implemented a Group car policy in 2020 applying to all entities, the main objectives being uniform and consistent practices and a reduction in the carbon impact of its car fleet. The vehicles offered in each country's catalogue must now be adapted to the use of drivers, favouring hybrid and petrol models and limiting diesel models to the highest-mileage drivers. Coface has also set a target CO_2 standard at 140 g/km (WLTP standards) per vehicle and thus hopes to increasingly reduce the environmental impact of its fleet in the coming years. Additional options that have a negative impact on vehicle consumption are also prohibited.

A travel policy for Coface France employees was also adapted and rolled out for the Group in 2018.

Cross-functional actions

In 2021, the Management Committee took part for three hours in a **"Climate Fresque"**, the aim being to understand key climate challenges and initiate broader thinking on how Coface can reduce its environmental impact.

Initiatives have already been implemented on items that are easily identifiable as "potential pollutants" at companies in the tertiary sector, such as more responsible property choices, reduced travel and business trips, and the introduction of hybrid or electric cars in the Company fleet. The implementation of flex-office policies in the various countries also contributes to reducing this impact by decreasing commutes and, in some cases, the surface area of the offices occupied by Coface.

The building housing the head office in Bois-Colombes since 2013 has a capacity of around 1,200 employees (accounting for approximately 94% of office space in France). It has obtained NF MQE certification (high environmental quality for construction) and BREEAM certification (BRE Environmental Assessment Method). It incorporates current best practices in terms of the immediate environmental impact, construction materials and processes, and production of waste.

The head-office building also has BBC low-consumption certification. It preserves natural resources through various systems; for example, limited need for water for watering recovered from roofs and energy-efficient outdoor lighting.

The Green to Lead Group, set up on an employee initiative in 2020 and composed of employees looking to contribute to this goal, continues to exist. It works hand in hand with the CSR Department through regular meetings to assess local needs and perpetuate initiatives.

Lastly, for European Sustainable Development Week, Coface organised daily conferences on environmental topics such as:

- *climate resilience and climate risk management;*
- *how environmental issues and climate change in particular affect climate in particular affect work at Coface;*
- *digital sobriety, with the contribution of Frédéric Bordage, founder of Green IT;*
- *giving a second life to plastic bottles.*

6.4.2 Energy consumption

The Group's energy consumption concerns lighting, air conditioning and heating of the premises. For 2021, this indicator also includes the consumption of electric and hybrid vehicles when the data is traced.

/ REPORTED ENERGY CONSUMPTION SINCE 2019 FOR THE REPORTING SCOPE

	REPORTING SCOPE 2021 FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		REPORTING SCOPE 2020 FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UNITED KINGDOM	
	CONSUMPTION	EQUIV. CO_2	CONSUMPTION	EQUIV. CO_2	CONSUMPTION	EQUIV. CO_2
Electricity	4,766 MWh	711 tCO_2e	4,690 MWh	694 tCO_2e	5,007 MWh	573 tCO_2e
Gas	1,101 MWh	236 tCO_2e	1,038 MWh	233 tCO_2e	963 MWh	214 tCO_2e
Surface area		64,896 m^2		65,123 m^2	34,776 m^2	

In Germany, electricity consumption does not generate any greenhouse gas emissions, as Coface Germany has opted for an energy contract fully based on renewable energy sources.

	2021		2020		2019	
(Consumption MWh)	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS
France	1,599	245	1,507	165	1,836	205
Germany	1714	N/A	1,673	N/A	1,960	N/A
Italy	288	551	286	594	427	588
Spain	295*	N/A	317	N/A	469	N/A
United Kingdom	186*	150	179	171	210	170
Poland	107*	N/A	123	N/A	104	N/A
Morocco	81	N/A	68	N/A		
Netherlands	203*	N/A	192	N/A		
Austria	72	N/A	93	N/A		
Romania	110	138	91	93		
United States	110	17	159	17		

* *Containing estimates for the month of December.*

As in 2020, the Coface Group reported relatively low electricity and gas consumption, as the health environment forced employees to work in hybrid mode (working on-site/from home).

The return to the office is a gradual process, depending on the trend in the pandemic and national government directives.

Consumption increased considerably in France (which accounts for about one-quarter of the Group's gas consumption) owing to the breakdown of the solar panels on the roof of the head office. These solar panels had until then been used to replace the boiler for a few months of the year. In addition, new boilers have been installed, thus maximizing their use. The manager of the Bois-Colombes building is currently repairing the solar panels.

6.4.3 Travel policy

The travel policy for Coface France employees was adapted and rolled out for the Group in 2018.

As part of this update, special attention was paid to environmental issues. To fully involve employees in this approach, the Group travel policy highlights a number of best practices aimed at raising employee awareness with regard to business travel:

- opting for telephone calls or video conferences;
- choosing train travel for short trips;
- proposing carpooling solutions between co-workers and/or taxi sharing;
- limiting printing by carrying out all procedures online (boarding pass, insurance card, etc.).

Since 2020, the global health crisis stemming from the COVID-19 pandemic led to a significant reduction in travel.

TYPE OF TRAVEL	METRIC TONNES EQUIV. CO_2 FOR THE 2021 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES EQUIV. CO_2 FOR THE 2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES EQUIV. CO_2 FOR THE 2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UK AND POLAND
Aeroplane	134	151	675
Train	9	15	27

	2021		2020		2019	
(Metric tonnes equiv. CO_2)	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE
France	0.4	64	1	67	3	394
Germany	0	10	0	10	0	37
Italy	3	13	2	5	2	119
Spain	0.5	17	2	15	11	68
United Kingdom	4	1	6	3	0	20
Poland	0.8	0.6	3	2	10	37
Morocco	N/A (1)	N/A (1)	N/A (1)	N/A (1)		
Netherlands	N/A (1)	0.4	N/A (1)	2		
Austria	0.1	6	N/A (1)	7		
Romania	0.2	4	N/A (1)	5		
United States	0.5	17	N/A (1)	35		

(1) No journeys in that year.

Since 2020, due to the global health crisis linked to COVID-19 and a strict travel authorisation policy implemented by the Group for a part of the year, air and train travel remained low across the entire reporting scope.

Remote collaboration is now firmly ingrained in working habits and Coface employees travel only when really necessary or, occasionally, to maintain social relations vital to successful collaboration.

As a result of the pandemic, employees generally appear to avoid trains and planes and densely populated public spaces.

Greenhouse gas consumption related to air and train travel thus remained lower than in 2019.

In Germany, CO_2 emissions from train travel were 100% offset.

6.4.4 Car policy

As detailed in paragraph 3.4.1, Coface has implemented a car policy since 2020.

Coface contributes to the reduction of greenhouse gas emissions notably through its car policy, whereby the most polluting vehicles in its fleet are replaced by petrol, hybrid and all-electric vehicles.

The Group's fleet has thus far mainly been composed of diesel vehicles.

In 2021, the changes made to the Coface car fleet resulted in a decrease in the consumption of diesel vehicles and an increase in petrol consumption (or electricity consumption for countries with plug-in hybrid or all-electric cars). A diesel/premium fuel distinction has been added to Table 2 to monitor this trend over time.

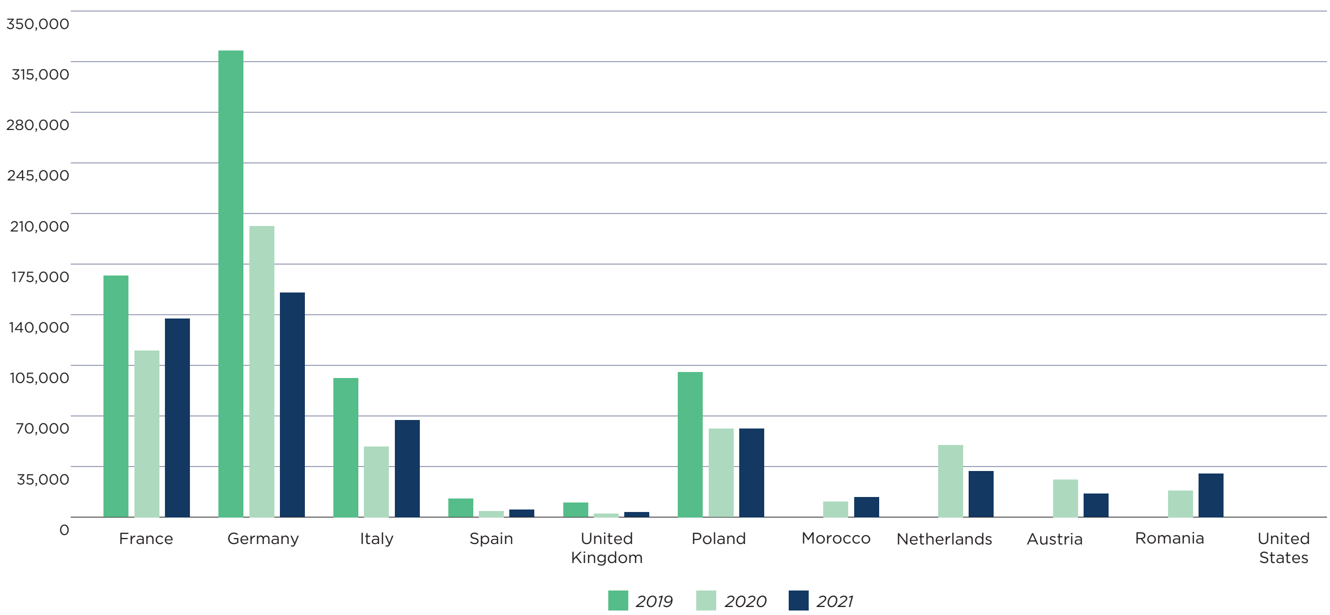
/ TABLE OF CONSUMPTION SINCE 2019

FUEL: DIESEL AND FOUR-STAR PREMIUM FUEL	2021 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UK AND POLAND
Litres	521,631	538,505	716,527
Metric tonnes equiv. CO_2	1,387	1,437	1,847

(Fuel (diesel and four-star premium fuel) in litres)	2021			2020	2019
	Diesel	*Premium*	Total	Total	Total
France	*117,924*	*19,450*	**137,374**	115,197	166,930
Germany	*138,416*	*16,805*	**155,221**	201,394	322,688
Italy	*61,959*	*5136*	**67,094**	48,865	96,243
Spain	*2,994*	*2,118*	**5,112**	4,263	12,784
United Kingdom	*1,573*	*1,873*	**3,446**	2,584	9,983
Poland	*6,145*	*55,142*	**61,287**	61,098	100,277
Morocco	*14,010*	*N/A*	**14,010**	10,755	
Netherlands	*1,795*	*29,977*	**31,772**	49,929	
Austria	*10,665*	*5,509*	**16,174**	25,979	
Romania	*7,236*	*22,905*	**30,141**	18,442	
United States	*N/A (1)*	*N/A (1)*	**N/A (1)**	N/A (1)	

(1) As the United States does not have a fleet of owned or leased vehicles, it does not report this indicator.

/ FUEL (DIESEL & FOUR STAR PREMIUM FUEL) IN LITRES



Many countries have favoured car transport to avoid densely populated public transport spaces such as trains and planes. Still others once again severely limited travel owing to the pandemic. Since 2020, Group-wide GHG emissions have been affected by the Covid-related reduction in travel.

Within the reporting scope, countries adopt initiatives to reduce fuel consumption, such as Coface in France, which regularly upgrades its vehicles (renewal rate of over 90% since 2020) and selects them based on a number of criteria, including CO_2 emissions per kilometre travelled.

The catalogue of France's vehicle fleet has been comprehensively overhauled with the introduction of petrol and hybrid vehicles. All-electric vehicles were added to the catalogue in June 2021 and charging stations will be installed at Bois-Colombes in June 2022.

Diesel is reserved exclusively for employees with extensive mileage (over 20,000 km a year).

The CO_2 emissions of a vehicle are rated at the time of purchase. As the fleet is renewed, the CO_2 emissions of vehicles are taken into account according to the new WLTP (Worldwide Harmonised Light Vehicle Test Procedure) calculation standard, which assigns an average of 20% to 30% additional CO_2 emissions for the same combustion vehicle.

The objective with the new catalogue in France is to reduce fleet CO_2 emissions by an average 3 g/km in 2022 (excluding any changes in the WLTP standard). The catalogue will be reviewed regularly to adapt to the market and provide an increasingly optimised choice in terms of environmental impact.

Average CO_2 emissions for the vehicle fleet in France stood at 118.06 g/km in 2021.

6.5 EUROPEAN TAXONOMY

In accordance with EU Regulation 2020/852 of June 18, 2020, known as the "Taxonomy Regulation", COFACE SA must publish, for the 2021 financial statements, the information required under Article 8 of this regulation, as supplemented by the delegated regulation of July 6, 2021.

The definition of an EU sustainability taxonomy is one of the measures provided for in the European Union's "Green Pact" aimed at achieving carbon neutrality by 2050. The aim of this so-called "Taxonomy" regulation is to establish a classification system common to all actors that will make it possible to distinguish economic activities that can be considered environmentally sustainable (green investments) from others.

6.5.1 Investment indicator

Regarding investments, Coface's teams understand that the following information is expected:

1/ **Exposure to economic activities eligible and not eligible for the Taxonomy/total assets;**

2/ **Exposure to central governments, central banks or supranational issuers (sovereigns)/total assets;**

3/ **Exposure to derivatives/total assets;**

4/ **Exposure on companies not required to disclose non-financial information within the meaning of European regulations/total assets.**

According to the European Commission FAQ published in December 2021, companies are obliged to publish the information required by the European Taxonomy regulation based on information published by their counterparties.

Coface teams understand that if the information is not available (as is the case for 2021), companies must indicate "0" for this indicator. Accordingly, the real value of Coface concerning the Taxonomy's eligible investment indicator in 2021 was zero.

6.5.2 Subscription indicator

The Coface teams understand that this indicator concerns ***"non-life insurance covering hazards related to climatic-risks"*** as defined in in Annex 2 of the Taxonomy Regulation – Regulation (EU) 2020/852.

The business lines mentioned in the delegated acts of the Taxonomy regulation relate to the 8 non-life business lines within the meaning of the Solvency 2 Directive, namely:

(a) medical insurance;

(b) income protection insurance;

(c) workers' compensation insurance;

(d) motor vehicle civil liability insurance;

(e) other motor vehicle insurance;

(f) marine, air and transport insurance;

(g) fire and other property damage insurance;

(h) assistance insurance.

Accordingly, this ratio does not appear to be applicable to **Coface's economic activities** (credit insurance, Single Risk, sales of information, factoring, bonding). The share of non-life gross premiums written eligible for taxonomy is therefore 0% in 2021.

6.6 GUIDELINES AND METHODOLOGY

6.6.1 Methodology for identifying non-financial risk

Non-financial risks have been mapped in several steps:

- the first step consisted in identifying a fairly broad spectrum of risks that could affect the Group or the Company in the broad sense through the Group's activities. This initial risk inventory was prepared based on an in-house review of CSR issues and CSR data collected in previous fiscal years, internal consultations, particularly with the Risk Department, as well as an external benchmark, analysing in particular the non-financial disclosures of other players in the financial sector together with best practices in the management of non-financial risks. This step resulted in the identification of around 30 risks divided into three areas: environmental risks, social risks and governance risks;
- these risks were then qualified and prioritised, notably according to their inherent level of risk, so as to focus on the most important issues for the Group. This resulted in a limited selection of the most relevant non-financial risks;
- each of the non-financial risks selected was analysed in depth: assessment of inherent and residual risk and the level of control, evaluation of mitigation measures implemented, definition of monitoring indicators. All of the non-financial risks selected were then included in the Group's overall risk map.

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

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

6.6.2 General organisation of the report

Coface strengthens its non-financial reporting guidelines every year in order to ensure a unique and consistent framework across the reporting scope.

The information presented in this document was produced internally on the basis of information provided by the heads of each area concerned.

- The information in the "***responsible insurer***" paragraph was provided by the following departments:
  - Group Marketing (client satisfaction),
  - Commercial Underwriting (commercial exclusion policy),
  - Group Investments, Financing and Treasury (environmental and social impact of investments),
  - Economic Research and Underwriting (consideration of environmental risk in the credit risk assessment and environmental impact of the debtor portfolio),
  - Risk (discontinuity of Coface's transactions relative to environmental and cybersecurity risks),
  - Legal (subcontracting and suppliers),
  - Compliance (fair practices),
  - Taxation (tax evasion).

These components were coordinated by the Group's CSR Department.

- The corporate information and indicators in the "***A responsible employer***" paragraph were supplied by the HR Departments of the entities in the reporting scope and by the person in charge of Staff Reporting and were coordinated by the Group Human Resources Department.
- ***Environmental information*** comes from the departments responsible, within the reporting scope, for Management facilities, as well as from Group Human Resources (travel and car policy) and Group Purchasing (car policy).

Reporting period

Unless stated otherwise, all figures refer to financial year 2021, corresponding to calendar year 2021.

Comparable data, on a like-for-like basis, is sometimes presented for previous years for purposes of comparison.

Reporting scope

The information presented in this document was produced for the first time for financial year 2014, and the figures contained therein concerned the French scope, with an illustration of the policies, processes, tools, initiatives and actions at Group level.

Since 2014, the Group has extended its reporting scope during each new reporting year, as presented in the table below.

FINANCIAL YEAR	REPORTING SCOPE	INFORMATION REGARDING THE SCOPE ADDED	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S WORKFORCE	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S TURNOVER
2014	France	The French scope concerns (i) COFACE SA and (ii) its subsidiary, Compagnie française d'assurance pour le commerce extérieur (iii) excluding its second subsidiary, Coface Re, which is not registered in France and has a total workforce of 11 employees based in Switzerland.	24%	20%
2015	France and Germany	The German scope concerns the three German companies, Coface Finanz GmbH, Coface Rating GmbH and Coface Debitorenmanagement GmbH, as well as the German branch of Compagnie française d'assurance pour le commerce extérieur.	40%	36%
2016	France, Germany and Italy	Italy includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur and a service company devoted to debt collection operations, Coface Italia SRL.	43%	43%
2017*	France, Germany, Italy and Spain	Spain includes the insurance branch and a service entity, Coface Servicios España.	42%	53%
2018	France, Germany, Italy, Spain and the UK	The UK includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface UK Holdings Ltd and a service entity, Coface UK Services Ltd.	43%	56%
2019	France, Germany, Italy, Spain, UK and Poland	Poland includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, two service entities, Coface Poland Insurance Services and Coface Poland CMS, as well as a factoring company, Coface Poland Factoring.	47%	59%
2020	France, Germany, Italy, Spain, United Kingdom, Poland, Morocco, Netherlands, Austria, Romania and United States	**1.** Morocco includes the insurance subsidiary of the Company, Coface Maroc SA and a service subsidiary, Coface Services Maghreb. **2.** The Netherlands includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Netherland Branch and a service entity, Coface Nederland Services BV. **3.** Austria includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Niederlassung Austria, the holding company, Coface Central Europe Holding GmbH and the service entity, Coface Austria Kreditversicherung Service GmbH. **4.** Romania includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Sucursala Bucuresti and two service entities, Coface Romania Insurance Services and Coface Romania CMS. **5.** The United States comprises two insurance subsidiaries of the Company, Coface North America Inc. and Coface North America Insurance Company, the holding company, Coface North America Holding Company and the service subsidiary, Coface Services North America Inc.	62%	73%
2021	Same scope as 2020		63%	72%

* *Although the reporting scope was significantly extended in 2017, its representativeness as regards the workforce decreased due to a reduction in the workforce in France. This decrease was due largely to the transfer of the State guarantees management business to Bpifrance Assurance Export on January 1, 2017, which resulted in 249 departures.*

Methodological details on the information communicated

A responsible employer

- In 2021, the corporate indicators, excluding those on the Group's workforce, concerned the scope of France, Germany, Italy, Spain, the United Kingdom, Poland, Austria, Morocco, the Netherlands, Romania and the United States. As mentioned above, the description of policies, processes and HR tools are defined at Group level unless otherwise noted.
- All figures concerning the workforce, contract type, nationality, age and diversity were obtained from Group HRD Reporting, an online internal tool.
- The workforce figures provided relate to employees at December 31, 2021 on permanent or fixed-term contracts (including expatriates and people who have temporarily left the Company), excluding people who have permanently left the Company, interns, trainees, V.I.E. international interns, temporary staff, consultants and subcontractors.
- "Permanent inactive" status concerns employees who, according to local regulation, must be kept in the Company's system but who no longer work for Coface. This includes employees having taken early retirement, whose notice period is not observed, having left the Company during the current month or on sabbatical leave.
- "Temporary inactive" status concerns employees who temporarily no longer work for the Company, including those on long-term sick leave (more than three months), maternity/parental leave and other short-term inactive leave.

- The indicator for the "percentage of female managers" takes into account the percentage of female managers in the workforce at December 31, 2021, *i.e.* the number of women in management positions among the workforce (numerator) out of the total number of employees in manager positions (denominator).
- Consistent with the Group-level categorisation, the following employees must be counted as managers:
  - *General management,*
  - *Middle management and managers.*
- The Group Gender Index is made up of all Coface entities, grouped into seven regions: APR, CER, LAR, MAR, NAR, NER, WER + HQ.
  - Members of the Executive Committee (except for criterion 4) and Coface Re and BDC, which belong to very specific markets, are excluded from the scope of the analysis.
  - For criteria 1 and 5, the analysis is carried out based on the annual basic salary.
  - The Group index is calculated based on data from each regional index, weighted by the workforce of each region at the Group (for criteria 1, 2 and 3 only).
  - Criteria 4 and 5 are calculated on a Group consolidated basis.
- The number of expatriates during 2021 is equal to the total number of people on international mobility during the year (from January 1 to December 31, 2021), regardless of the contractual status (expatriate, seconded, local+), the initial departure date (before or during year N) and the duration of the assignment (long term or short term). This includes employees who have completed their assignment before the end of the year, as well as those who started their assignment remotely from their home country owing to exceptional circumstances having delayed the effective date of settlement in the host country.

In contrast, this excludes employees whose position was simply transferred to another country without a change in position and workers recruited directly from abroad.

- The number of new international assignments in 2021 is equal to the total number of people who began their international mobility during the year (from January 1 to December 31), regardless of the contractual status (expatriate, seconded, local+) and the duration of the assignment (long or short term). The same inclusion and exclusion rules as the previous indicator apply.
- The percentage of turnover among employees considered as "high potential": employees considered as "high potential" are approved each year at the end of July following the Talent Reviews. To ensure a sufficiently representative period for turnover, Coface measures the percentage of high potentials identified in July of year N-1 at December 31 of year N-1 who left Coface.

/ ENVIRONMENTAL RESPONSIBILITY

	REPORTING SCOPE	COMMENT	ELECTRICITY CONSUMPTION *(kwh)*	GAS CONSUM-PTION *(kwh)*	PETROL CONSUM-PTION (L)	DIESEL CONSUM-PTION (L)	TRAIN TRAVEL	AIR TRAVEL
France	Registered office (Bois-Colombes) and offices in Lyon, Strasbourg, Nantes and Toulouse. Lille and Marseille are excluded (service provision)	For all offices at head office and in the regions, only the head office uses gas.	✓	✓	✓	✓	✓	✓
Germany	Mainz (main office) and offices in Hamburg, Berlin, Hanover, Nuremberg, Düsseldorf, Bielefeld, Cologne, Stuttgart, Munich and Ettlingen	Coface Germany does not use gas. For its electricity consumption, the contract provides for 100% renewable resources. For rail travel, the Deutsche Bahn contract, which is more expensive, provides for the 100% offsetting of emissions.	✓	N/A	✓	✓	✓	✓
Italy	Milan (main office) and 1 office in Rome		✓	✓	✓	✓	✓	✓
Spain	Madrid (main office) and offices in San Sebastián, Alicante, Valencia, Seville, Pamplona, Barcelona and A Coruña.	Coface Spain does not use gas.	✓	N/A	✓	✓	✓	✓
United Kingdom	London (main office) and offices in Watford, Birmingham and Manchester.	Part of the distance travelled by train and plane in the UK is not reported because some of the staff do not use the services of the dedicated travel agent.	✓	✓	✓	✓	✓	✓
Poland	Warsaw (main office) and offices in Krakow, Gdynia, Katowice and Poznan	Coface Poland does not use gas.	✓	N/A	✓	✓	✓	✓
Netherlands	Breda (main office)	Coface Netherlands does not consume gas. For travel, the country does not have a reporting system for train travel in terms of mileage.	✓	N/A	✓	✓	N/A	✓
Austria	Vienna (main office) and 1 office in Graz.	Coface Austria does not use gas.	✓	N/A	✓	✓	✓	✓
Romania	Bucharest (main office) and 2 offices in Cluj and Timisoara.	Timisoara (shared offices: ex. reporting).	✓	✓	✓	✓	✓	✓
Morocco	Casablanca (main office)	The country does not use train travel and mileage for air travel is not available.	✓	N/A	✓	✓	N/A	N/A
United States	Princeton (main office) and offices in Boston (closed in November 2020), Hunt Valley, Oak Brook (opened in April 2020), Miami, Shenandoah, Franklin, New York and California.	As no vehicles are leased or owned, the information is not available. Only the California office reported gas use.	✓	✓	N/A	N/A	✓	✓

Selected emissions factors

- Greenhouse gas emissions (electricity and gas mix, diesel, petrol, train and plane) were calculated on the basis of the CO_2 emission factors or equivalent available in the ADEME Carbon Base®, when the data were present.
- For train travel in Romania, the United States, Poland and Morocco, a world conversion factor (Ecoinvent® database) has been used since the data are not included in the ADEME Carbon Base®.
- In the ADEME Carbon Base®, the emissions factor identification is 25774 for diesel and 25763 for petrol.
- For France, under the assumption that journeys are mainly between two major cities in France, the train emission factor chosen in the ADEME Carbon Base is that of TGV high-speed trains, with identification 28145.
- The aeroplane emission factor was calculated by taking the average of the three emission factors: short, medium and long haul.

Methodological details

- The electricity consumption table contains estimates for Spain, the United Kingdom (Manchester office only), Poland and the Netherlands, as December invoices were not available at the time of Chapter approval.
- The estimates were made using a common methodology of taking the actual and total consumption from January to November 2021, dividing it by 11 and multiplying it by 12. This methodology appears to be the simplest, since there is no major difference in consumption between summer (air conditioning) and winter (heating).
- Reported fuel consumption corresponds to the consumption of Company vehicle fleets for long-term leasing. No country in the scope owns vehicles.

As the Company's activity has a limited impact on the areas listed below, they have not been, or are no longer, covered:

- paper consumption;
- tackling food waste;
- combating food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food; and
- the circular economy.

6.7 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

Year ended December 31, 2021

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of COFACE SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO 17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L.225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A.225-3 of the French Commercial Code, we make the following comments:

- information on ESG integration and the carbon footprint of investment portfolios is provided by the mandated asset management company;
- the measure of the environmental impact of risks covered by Coface (debtor portfolio) is currently being deployed;
- as explained in the methodology note "Guidelines and methodology", the scope of reporting of social and environmental indicators covers 63% of the workforce for the year 2021.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of Sections I and II of Article R.225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A.225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L.822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors *(Code de déontologie)*. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of three people between October 2021 and March 2022 and took a total of four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement, representing the following departments at Group-level: Marketing, Human Resources, CSR, Commercial Underwriting, Investment, Financing and Treasury Departments, and Risk Management.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- we familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement covers each category of information stipulated in Section III of Article L.225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most

important[1]; for certain risks[2], our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities;

- we verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L.233-16, with the limits specified in the Statement;
- we obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes [3] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto,
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities [4] and covered between 21% and 71% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, April 5, 2022

One of the Statutory Auditors,

Deloitte & Associés

Jérôme Lemierre	Julien Rivals
Associé, Audit	Associée, Développement Durable

(1) Qualitative information: Policies put in place to address the risk "Investment in non-responsible assets from an environmental, governance or social point of view"; Overall environmental rating of the debtor portfolio; Policies put in place to address the risk "Discontinuity of Coface operations relative to environmental risks"; Measure of client satisfaction; Gender Index; Policies put in place to address the risk "Lack of attractiveness, loyalty and engagement of employees".

(2) Risks: Investment in non-responsible assets from an environmental, governance or social point of view; Environmental impact of risks covered by Coface (debtor portfolio); Discontinuity of Coface operations relative to environmental risks; Non-satisfaction of clients and partners; Lack of attractiveness, loyalty and engagement of employees.

(3) Social indicators: Total workforce by gender and type of employment contract; overall proportion of women and overall proportion of women in Senior Management; Turnover rate of employees identified as high potential; Senior management: percentage of internal candidates vs. external.µµµEnvironmental indicators: Greenhouse gas emissions from energy, gas, and fuel consumption.

(4) Selected entities: COFACE France, COFACE Allemagne.

150,179,792 SHARES
COMPRISING THE SHARE CAPITAL

0.76%
TREASURY STOCK

0.57%
EMPLOYEE SHAREHOLDINGS

CROSSING
OF THRESHOLD

STOCK MARKET PROFILE
& SHARE PRICE EVOLUTION

7

SHARE CAPITAL AND OWNERSHIP STRUCTURE

7.1 GENERAL INFORMATION CONCERNING THE CAPITAL OF COFACE SA

7.1.1 Share capital subscribed and share capital authorised but not issued

At the date of this Universal Registration Document, the Company's share capital totalled €304,359,584. It is divided into 150,179,792 shares with a par value of €2 (two euros), fully subscribed and paid up, all of the same category.

In compliance with Article L.225-37-4, paragraph 3 of the French Commercial Code, the table below summarises the valid authorisations as of December 31, 2021 that have been granted by the Shareholders' Meeting to the Board of Directors in the area of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

The table below summarises the resolutions voted on during the Combined Shareholders' Meeting of the Company of May 14, 2020 and May 12, 2021, as concerns capital increases:

RESOLUTION	SUBJECT OF THE RESOLUTION	MAXIMUM FACE VALUE	TERM OF AUTHORISATION	AMOUNT USED AT DEC. 31, 2021
Combined Shareholders' Meeting of the Company of May 14, 2020				
14th	Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums, or any other sum that can be legally capitalised (1)	€75 million	26 months	No
15th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares, with preferential subscription rights, and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued (1) (2)	Concerning capital increases: €115 million (1) Concerning issues of debt securities: €500 million (3)	26 months	No
16th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through public offers other than those specified in Article L.411-2 of the French Monetary and Financial Code (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
17th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through the public offers specified in Section I of Article L.411-2 of the French Monetary and Financial Code (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
18th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind (1) (2) (3)	€29 million for capital increases (1) (2) €500 million for debt securities (3)	26 months	No
Combined Shareholders' Meeting of the Company of May 12, 2021				
26th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares of the Company, without preferential subscription rights, reserved for members of a company savings plan (1)	€3,200,000 (1)	26 months	No
27th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares without preferential subscription rights for a specific category of beneficiaries (1)	€3,200,000 (1)	18 months	No

(1) The maximum overall face value of the capital increases likely to be made under this delegation is included in the total cap set on the amount of €115 million for immediate and/or future capital increases.

(2) The overall face value of the capital increases likely to be made under this delegation is included in the nominal cap of €29 million for capital increases without preferential subscription rights.

(3) The maximum overall face value of the issues of debt securities likely to be made under this delegation is included in the total cap set of €500 million for issues of debt securities.

7.1.2 Shares not representing capital

None.

7.1.3 Own shares and the acquisition of treasury shares by the Company

Description of the 2021-2022 Buyback Programme

Introduction

It should be noted that the Combined Shareholders' Meeting of May 14, 2020, in its fifth (5th) resolution, had previously authorised the Board of Directors to trade in the shares of COFACE SA (the Company), under the 2020-2021 Share Buyback Programme, the main features of which were published on the Company's website and in the 2020 Universal Registration Document.

The Company, listed on Euronext Paris – Compartment A – wishes to continue with its Share Buyback Programme (the Programme), in accordance with the applicable regulation (see "Legal Framework" below).

To this end, the Combined Shareholders' Meeting of May 12, 2021 again authorised, in its seventeenth (17th) resolution, the Board of Directors, which may in turn delegate this authority under the applicable legal and regulatory conditions, to implement a new Programme concerning the Company's shares (ISIN FR0010667147). This Programme would replace the existing programme set up by the Combined Shareholders' Meeting of May 14, 2020.

Main features of the 2021-2022 Buyback Programme

Date of the Shareholders' Meeting that authorised the Programme

The 2021-2022 Programme was authorised by the Combined Shareholders' Meeting of May 12, 2021, in its seventeenth (17th) resolution.

The Board of Directors' meeting of July 28, 2021, pursuant to the authority granted to it by the Combined Shareholders' Meeting of May 12, 2021, in its seventeenth (17th) resolution, authorised COFACE SA, which may in turn delegate this authority to the Chief Executive Officer, to trade the Company's shares through the "2021-2022 Share Buyback Programme", the main features of which are described below.

Breakdown by objective of equity securities held as of December 31, 2021

At December 31, 2021, COFACE SA held 0.76% of its own share capital, representing 1,147,510 ordinary shares. On that date, the number of shares held could be broken down by objective as follows:

OBJECTIVES		NUMBER OF SHARES HELD
a)	Ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently under a liquidity agreement, in compliance with the charter of ethics recognised by the Autorité des marchés financiers (French Financial Markets Authority, AMF);	84,441
b)	Allocate shares to Company employees, and in particular as part of:	
	1) employee profit-sharing schemes,	0
	2) any Company stock options plan, pursuant to the provisions of Article L.225-177 *et seq.* of the French Commercial Code,	0
	3) any savings plan in accordance with Article L.3331-1 *et seq.* of the French Labour Code,	0
	4) any bonus share allocation under the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;	1,063,069
e)	Cancel all or part of the stock thus purchased.	0
TOTAL		**1,147,510**

Objectives of the 2021-2022 Share Buyback Programme

The Company's shares may be purchased and sold, by decision of the Board of Directors, in order to:

AUTHORISED OBJECTIVES

a)	Ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently under a liquidity agreement, in compliance with the market practice accepted by the AMF on July 2, 2018;
b)	Allocate shares to corporate officers and to employees of the Company and other Group entities, in particular as part of: (i) employee profit-sharing schemes, (ii) any Company stock option plan, pursuant to the provisions of Article L.225-177 *et seq.* of the French Commercial Code, (iii) any savings plan in accordance with Article L.3331-1 *et seq.* of the French Labour Code, (iv) any bonus share allocation under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;
c)	Transfer the Company's shares upon exercise of the rights attached to securities entitling their bearers, directly or indirectly, through reimbursement, conversion, exchange, presentation of a warrant or in any other manner, to the allocation of the Company's shares pursuant to current regulations; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors;
d)	Keep the Company's shares and subsequently remit them in payment or exchange in connection with any external growth operations;
e)	Cancel all or part of the stock thus purchased;
f)	Implement all market practices accepted by the AMF and, more generally, execute all transactions in compliance with current regulations, in particular, the provisions of (EU) Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation).

Maximum share of the capital, maximum number, maximum purchase price and characteristics of the securities that COFACE SA may acquire

Securities concerned

The Company's ordinary shares listed for trading on Euronext Paris:

MARKET PROFILE

Trading	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
ISIN	FR0010667147
Reuters code	COFA PA
Bloomberg code	COFA FP
Stock market indexes	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150

Maximum share of the capital

The Board of Directors may authorise, with the power to further delegate under the applicable legal and regulatory conditions, in compliance with the provisions of Article L.225-209 *et seq.* of the French Commercial Code, the purchase, in one or more instances and at the times to be determined by it, of a number of the Company's shares that may not exceed:

- 10% of the total number of shares composing the share capital at any time whatsoever; or
- 5% of the total number of shares composing the share capital, if they are shares acquired by the Company with a view to keeping them and transferring them as payment or exchange in connection with a merger, spin-off or asset contribution.

These percentages apply to a number of shares adjusted, where appropriate, according to the operations that could impact the share capital subsequent to the Shareholders' Meeting of May 12, 2021.

Maximum number

As required by law, COFACE SA undertakes not to exceed the holding limit of 10% of its capital; as an indication, this corresponds to 15,017,979 shares at December 31, 2021.

Maximum purchase price

In accordance with the seventeenth (17th) resolution proposed to and accepted by the Combined Shareholders' Meeting of May 12, 2021, the maximum purchase price per unit cannot exceed €14 per share, excluding costs.

The Board of Directors may nevertheless, for operations involving the Company's capital, particularly a modification of the par value of the share, a capital increase by incorporation of reserves following the creation and allocation of bonus shares, a stock split or reverse stock split, adjust the aforementioned maximum purchase price in order to take into account the impact of these operations on the value of the Company's stock.

Other information

The acquisition, disposal or transfer of these shares may be completed and paid for by any methods authorised by the current regulations, on a regulated market, multilateral trading system, systematic internaliser or over the counter, in particular through the acquisition or disposal of blocks of shares, using options or other derivative financial instruments or warrants or, more generally, securities entitling their bearers to shares of the Company, at the times that the Board of Directors will determine.

Unless it has the prior authorisation of the Shareholders' Meeting, the Board of Directors may not use this delegation of authority once a third party has filed a public offer for the Company's shares, and until the end of the offer period.

Duration of the Buyback Programme

In accordance with the seventeenth (17th) resolution proposed and accepted by the Combined Shareholders' Meeting of May 12, 2021, this Programme will have a maximum duration of eighteen (18) months as from said meeting and may therefore be continued up to November 3, 2022 (inclusive) at the latest or until the date of its renewal by a Shareholders' Meeting held before that date.

This authorisation ends the authorisation granted by the fifth (5th) resolution adopted by the Shareholders' Meeting of May 14, 2020.

Liquidity agreement

The liquidity agreement with Natixis dated July 2, 2014 was transferred as of July 2, 2018 to ODDO BHF (for a term of twelve (12) months, automatically renewable). To implement the agreement, ODDO BHF was provided with the following resources, which were allocated to the liquidity account on the settlement date of June 29, 2018: 76,542 COFACE SA securities – €2,161,049.81.

Under this agreement, in financial year 2021 the Company purchased 2,465,702 treasury shares and sold 2,549,500 treasury shares. At December 31, 2021, the balance on the liquidity account comprised: 84,441 COFACE SA shares and €2,529,246.40.

The table below shows the changes in share purchases and sales in 2021:

	LIQUIDITY AGREEMENT				
Date	**NUMBER OF SHARES PURCHASED**	**AVERAGE PURCHASE PRICE** *(in €)*	**NUMBER OF SHARES SOLD**	**AVERAGE SALE PRICE** *(in €)*	**TOTAL**
Jan. 31, 2021	258,186	€8.49	249,544	€8.56	176,881
Feb. 28, 2021	268,536	€8.80	303,252	€8.83	142,165
Mar. 31, 2021	286,001	€9.31	288,904	€9.34	139,262
Apr. 30, 2021	178,042	€10.13	206,105	€10.18	111,199
May 31, 2021	128,254	€10.30	151,801	€10.47	87,652
Jun. 30, 2021	238,099	€10.03	216,395	€10.08	109,356
Jul. 31, 2021	202,956	€10.54	207,735	€10.61	104,577
Aug. 31, 2021	157,404	€10.40	150,631	€10.48	111,350
Sep. 30, 2021	229,983	€10.21	241,526	€10.30	99,807
Oct. 31, 2021	174,336	€12.10	216,337	€11.98	57,806
Nov. 30, 2021	192,300	€11.97	153,494	€12.01	96,612
Dec. 31, 2021	151,605	€12.36	163,776	€12.41	84,441
TOTAL	**2,465,702**	**€10.20**	**2,549,500**	**€10.24**	

Treasury share transactions

In financial year 2021, the Company bought 741,480 treasury shares, corresponding to 0.49% of its share capital. A share purchase mandate for 2021 was entered into with:

1. Kepler Cheuvreux, to buy shares under a share buyback programme for a target amount of €15 million between October 27, 2020 and up to February 9, 2021. Under this programme, 1,110,677 shares were purchased in 2020 and 741,480 between January 2, and January 29, 2021 (as indicated on page 297 of the 2020 Universal Registration Document).

In 2021, the total amount of transaction fees for the share buyback was €4,470.41 for Kepler.

The history of bonus share allocations under the Long-Term Incentive Plans (LTIPs) put in place by the Company is given in Section 2.3.12.

The table below shows the change in treasury share purchase mandates:

	TREASURY SHARE PURCHASE MANDATE					
Buyback programme	YES/NO	SERVICE PROVIDER	DATE	NUMBER OF SHARES PURCHASED	AVERAGE PURCHASE PRICE (in €)	TOTAL (in €)
2014-2015	No	N/A	N/A	-	-	-
2015-2016	Yes	Natixis	Jul. 31, 2015 to Sept. 15, 2015	235,220	8.98	2,112,468.45
2016-2017	No	N/A	N/A	-	-	-
2017-2018	Yes	Kepler Cheuvreux	i) Jul. 31, 2017 to Sept. 30, 2017 ii) Nov. 17, 2017 to Jan. 17, 2018	81,409 132,806 (1)	7.94 8.97	646,061.31 1,191,254.71
2018-2019	Yes	Kepler Cheuvreux	i) Feb. 16, 2018 to Oct. 15, 2018 ii) Aug. 6, 2018 to Aug. 15, 2018 iii) May 8, 2019 to Jun. 11, 2019	3,348,971 358,702 400,000	8.96 7.96 8.69	29,999,996.03 2,853,559.17 3,474,280.75
	Yes	Exane BNP Paribas	iii) Oct. 26, 2018 to Jan. 8, 2019	1,867,312 (2)	8.03	14,999,994.75
2019-2020	Yes	Kepler Cheuvreux	Feb. 26, 2020 to Mar. 12, 2020	500,000	9.26	4,631,955.03
2020-2021	Yes	Kepler Cheuvreux	Oct. 27, 2020 to Jan. 29, 2021	1,852,157 (3)	8.10	14,999,999.32
2021-2022	No	N/A	N/A	-	-	-

(1) 204,449 shares had been purchased at €8.56 at December 31, 2017. 9,766 additional shares were purchased at €8.98 when the mandate ended (January 17, 2018).
(2) 1,708,735 shares had been purchased at €8.04 at December 31, 2018. 158,577 additional shares at €7.97 were purchased when the mandate ended (January 8, 2019).
(3) 1,110,677 shares had been purchased at €7.76 at December 31, 2020. 741,480 additional shares were purchased at €8.61 when the mandate ended (January 29, 2021).

The table below shows the change in treasury share distributions:

	LTIP*			
Plan	2018	2019	2020	2021
Chief Executive Officer	65,000	70,000	75,000	75,000
Executive Committee	132,603	151,917	139,612	187,105
Other beneficiaries	100,529	150,351	97,588	146,298
TOTAL NUMBER OF BONUS SHARES ALLOCATED	**298,132**	**372,268**	**312,200**	**408,403**
PERFORMANCE UNITS (1)	**29,000**	**28,520**	**28,109**	**46,700**
OVERALL AVAILABLE SHARES	**382,869**	**434,055**	**347,841**	**467,754**
• Non-allocated shares	55,737	33,267	7,532	12,651
Date of Shareholders' Meeting	*May 19, 2016*	*May 16, 2018*	*May 16, 2018*	*May 16, 2018*
Date of Board of Directors' meeting (authorisation)	*Feb. 12, 2018*	*Feb. 11, 2019*	*Feb. 5, 2020*	*Feb. 10, 2021*
Award date	*Feb. 12, 2018*	*Feb. 11, 2019*	*Feb. 5, 2020*	*Feb. 10, 2021*
Share vesting date	*Feb. 15, 2021*	*Feb. 14, 2022*	*Feb. 6, 2023*	*Feb. 12, 2024*
End date of retention period (availability)	*N/A*	*N/A*	*N/A*	*N/A*
Shares vested and to be held (Chief Executive Officer)	*N/A*	*N/A*	*N/A*	*N/A*
Share awards (or performance units) cancelled	*327,132*	*N/A*	*N/A*	*N/A*
Date of Shareholders' Meeting	*May 16, 2018*	*May 16, 2019*	*May 14, 2020*	*May 12, 2021*
Date of Board of Directors' meeting (authorisation)	*Jul. 25, 2018*	*Jul. 25, 2019*	*Jul. 29, 2020*	*Jul. 28, 2021*
Date of purchase mandate	*Aug. 6, 2018*	*May 8, 2019*	*Feb. 26, 2020*	
Number of shares	358,702	400,000	500,000	

** The amounts indicated do not take into account the shares cancelled individually for plans vesting after December 31, 2021 (LTIP 2019 and following).*
(1) The Company awards performance units instead of bonus shares if the arrangement of bonus share awards is complex or impossible with regard to the applicable legislation in the beneficiary country. These units are indexed on the share price and subject to the same presence and performance conditions as the bonus shares, but are valued and paid in cash at the end of the vesting period.

Treasury shares – Summary

The Shareholders' Meeting authorised the 2021-2022 buyback programme on May 12, 2021, and the implementation was decided by the Board of Directors on July 28, 2021.

Treasury shares represented a total of 0.76% of the Company's capital, *i.e.*, 1,147,510 shares at December 31, 2021, *versus* 2,341,985 shares at December 31, 2020. The aggregate nominal value of these shares was €2,295,020 (the share has a par value of €2 – see Section 7.1.8 "History of capital").

				TOTAL TREASURY SHARES		
Date	TOTAL LIQUIDITY AGREEMENT	TOTAL LTIP	BUY-BACK (CANCELLATION)	TOTAL SHARES	% OF TOTAL SHARES COMPRISING THE SHARE CAPITAL*	VOTING RIGHTS
Dec. 31, 2021	84,441	1,063,069	0	1,147,510	0.76%	149,032,282

* *Number of shares = 150,179,792.*

7.1.4 Other instruments giving access to capital

None.

7.1.5 Conditions governing any right of acquisition and/or any obligation attached to shares that are subscribed, but not paid up

None.

7.1.6 Share capital of any company in the Group that is under option or subject to an agreement to place it under option

None.

7.1.7 Pledge, guarantees and sureties granted on the Company's share capital

To our knowledge, at the date of this Universal Registration Document, the shares comprising the Company's capital are not subject to any pledges, guarantees or sureties.

7.1.8 History of capital

The Company's share capital has changed as follows over the last four years:

- in 2018, the share capital was reduced to €307,798,522, divided into 153,899,261 shares with a par value of €2 each, following the cancellation of 3,348,971 shares redeemed under the share buyback programme of February 12, 2018;
- in 2019, the share capital was reduced to €304,063,898, divided into 152,031,949 shares with a par value of €2 each, following the cancellation of 1,867,312 shares redeemed under the share buyback programme of October 25, 2018;
- in 2020, the share capital was unchanged;
- in 2021, the share capital was reduced to €300,359,584, divided into 150,179,792 shares with a par value of €2 each, following the cancellation of 1,852,157 shares redeemed under the share buyback programme of October 26, 2020.

7.1.9 Transactions carried out by persons with executive responsibilities in 2021

Executives, the persons acting on their behalf, and persons related to them, are required by regulation to disclose to the AMF (French Financial Markets Authority) any transactions in excess of a cumulative amount of €20,000 per calendar year that they make involving COFACE SA shares and debt securities and financial instruments linked to them, and to provide the Company with a copy of this disclosure.

The table below presents a summary of the transactions specified in Article L.621-18-2 of the French Monetary and Financial Code during 2021.

NAME	NATURE OF THE TRANSACTION	NUMBER OF SECURITIES	GROSS UNIT PRICE	GROSS AMOUNT (1)	TOTAL NUMBER OF SECURITIES (2)
Xavier Durand	Acquisition	18,500	€10.20	€188,704	187,500
Thibault Surer	Acquisition	5,000	€9.50	€40,397	93,217

(1) Average purchase price in euros.
(2) Including purchases in previous years.

7.2 DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

7.2.1 Distribution of capital

The table below breaks down the change in the Company's capital and voting rights over the last three years:

	JAN. 5, 2022 (1)		DEC. 31, 2021				DEC. 31, 2020		DEC. 31, 2019	
	SHARES	%	SHARES	%	VOTING RIGHTS	%	SHARES	VOTING RIGHTS	SHARES	VOTING RIGHTS
Natixis	0	0%	15,078,051	10.04%	15,078,051	10.12%	64,153,881	64,153,881	64,153,881	64,153,881
Arch Capital Group	44,849,425	29.86%	44,849,425	29.86%	44,849,425	30.09%	-	-	-	-
Employees	857,393	0.57%	857,423	0.57%	857,423	0.58%	853,199	853,199	561,806	561,806
Public	103,340,932	68.81%	88,247,383	58.76%	88,247,383	59.21%	84,682,884	84,682,884	86,315,510	86,315,510
Own shares (2)	1,132,042	0.75%	1,147,510	0.76%	0	0%	2,341,985	0	1,000,752	0
Other	-	-	-	-	-	-	-	-	-	--
TOTAL	**150,179,792**	**100%**	**150,179,792**	**100%**	**149,032,282**	**100%**	**152,031,949**	**149,689,964**	**152,031,949**	**151,031,197**

(1) On January 5, 2022, Natixis announced the sale of 15,078,095 COFACE SA shares, representing 10.04% of the share capital, for €11.55 per share, under an accelerated bookbuild transaction with institutional investors.
(2) Own shares: liquidity agreement, treasury share transactions and repurchase for cancellation.

7.2.2 Voting rights of the majority shareholder

As at the date of this Universal Registration Document, the Company is not controlled by a majority shareholder. As a reminder, the Company was controlled by Natixis until February 10, 2021 but it did not have any specific voting rights.

7.2.3 Declaration relating to the Company's control by the majority shareholder

As at the date of this Universal Registration Document, the Company is not controlled by a majority shareholder.

In a bid to maintain transparency and inform the public, the Company has established a set of measures guided in particular by the recommendations of the Corporate Governance Code of listed companies (AFEP-MEDEF code).

The Company has set up a Risk Committee, an Audit and Accounts Committee and a Nominations and Compensation Committee, mainly composed of independent directors, in order to prevent conflicts of interest (see Section 2.1.8 "Specialised committees, offshoots of the Board of Directors").

7.2.4 Crossing of disclosure thresholds

The Company sets out below the disclosures of changes in shareholdings above or below legal thresholds reported in 2021 and as of the date of this document:

a) crossing of the regulatory threshold, reported to the AMF (Article L.233-7 of the French Commercial Code); and

b) crossing of the statutory threshold, reported by registered letter by the major shareholders (Article 10 of the Articles of Association).

The Company is not responsible for checking the completeness of these disclosures.

YEAR	DATE OF RECEIPT OF REPORT	DATE THRESHOLD WAS CROSSED	LEGAL OR STATUTORY THRESHOLD	UP DOWN	INVESTOR	COUNTRY	NUMBER OF SHARES	% OF CAPITAL
2021	Feb. 11	Feb. 10	Legal (AMF)	↑	Arch Capital Group	Bermuda Islands	44,849,425	29.50%
2021	Feb. 12	Feb. 10	Legal (AMF)	↓	Natixis	France	19,304,456	12.70%
2021	Feb. 12	Feb. 11	Statutory	↓	Norges Bank IM	Norway	2,972,896	1.96%
2021	Mar. 29	Mar. 26	Statutory	↑	Allianz Global Investors GmbH	Germany	3,079,591	2.03%
2021	Apr. 19	Apr. 16	Statutory	↑	Moneta AM	France	3,098,395	2.04%
2021	Aug. 20	Aug. 19	Statutory	↓	Ninety One	United Kingdom	2,948,675	1.96%
2021	Aug. 26	Aug. 25	Statutory	↑	Dimensional	United States	3,042,775	2.03%
2021	Sep. 8	Sep. 7	Statutory	↓	Natixis	France	16,486,853	10.98%
2021	Sep. 13	Sep. 8	Statutory	↑	DNCA Investments	France	4,383,466	2.92%
2021	Sep. 16	Sep. 15	Statutory	↑	Invesco LTD	United Kingdom	3,271,713	2.18%
2021	Oct. 4	Oct. 1	Statutory	↑	Allianz Global Investors GmbH	Germany	6,174,484	4.11%
2021	Oct. 11	Oct. 7	Legal (AMF)	↑	Allianz Global Investors GmbH	Germany	7,630,033	5.08%
2021	Oct. 12	Oct. 11	Statutory	↑	Allianz Global Investors GmbH	Germany	9,141,801	6.09%
2021	Nov. 2	Oct. 29	Statutory	↑	Allianz Global Investors GmbH	Germany	12,544,910	8.35%
2021	Nov. 2	Nov. 1	Statutory	↓	Mondrian IP	United Kingdom	5,819,123	3.87%
2022	Jan. 7	Jan. 6	Statutory	↑	Norges Bank IM	Norway	3,120,786	2.08%
2022	Jan. 7	Jan. 6	Legal (AMF)	↓	Natixis	France	0	0%
2022	Jan. 10	Jan. 6	Statutory	↑	Millennium	United Kingdom	3,703,517	2.47%
2022	Feb. 4	Feb. 1	Legal (AMF)	↑	Bank of America Corporation	United States	8,104,772	5.40%
2022	Feb. 8	Feb. 6	Statutory	↓	Moneta AM	France	2,975,000	1.98%
2022	March 3	March 1	Legal (AMF)	↓	Bank of America Corporation	United States	0	0%
2022	March 3	March 2	Statutory	↓	Millennium	United Kingdom	2,921,069	1.95%

7.2.5 Employee profit-sharing

At December 31, 2021, the Group's employees held 857,423 shares, 276,820 of which were held in France through the Coface Actionnariat mutual fund. In total, employees in France and overseas (including management) hold an interest of 0.57% in the Company's capital.

7.3 STOCK MARKET INFORMATION

7.3.1 The Coface share

MARKET PROFILE	
Listing market	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
Initial public offering	June 27, 2014 at €10.40 per share
Presence in stock market indices	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150
Codes	ISIN: FR0010667147; Ticker: COFA; Reuters: COFA.PA; Bloomberg: COFA FP
Capital *(par value of share €2)*	€300,359,584
Number of shares outstanding at December 31, 2021	150,179,792
Number of voting rights exercisable at December 31, 2021	149,032,282
Market capitalisation at December 31, 2021	€1,881,752,794
Highest/lowest price	€12.79 (on Dec. 28, 2021)/€7.84 (on Jan. 27, 2021)

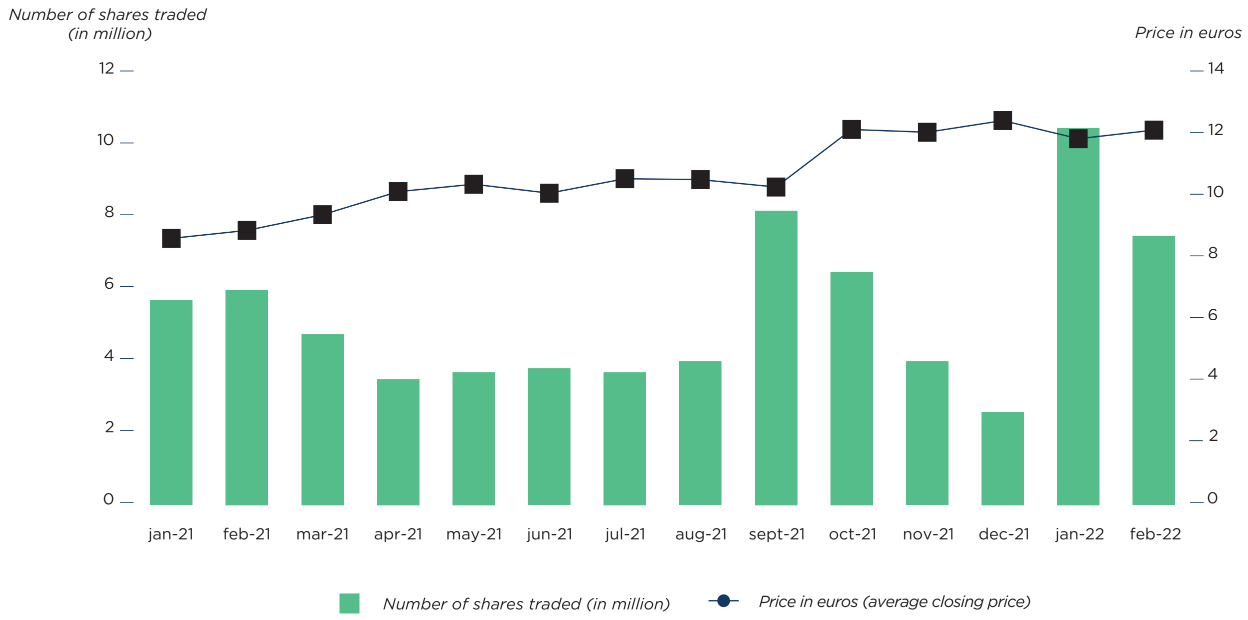
7.3.2 Dividend distribution policy

The Build to Lead strategic plan aims to distribute at least 80% of profits provided the solvency ratio is within the target range of 155% to 175%.

	FOR THE FINANCIAL YEAR			
	2021	2020	2019	2018
Dividend per share	€1.50 (1)	€0.55	€0.00 (2)	€0.79

(1) The dividend proposal is subject to the approval of the Shareholders' Meeting of May 17, 2022.
(2) In view of the scale of the health crisis and following the vote at the Combined General Shareholders' Meeting of May 14, 2020, it was decided not to pay a dividend for the fiscal year ended December 31, 2019.

7.3.3 Trends in the share price and monthly trading volumes [1]



Source: Euronext Paris

Please note: at the date of publication of this document, Euronext Paris statistics for March 2021 were not available.

7.3.4 Monthly transactions in 2021

		PRICE *(in euros)*			TRANSACTIONS	
Month	**NUMBER OF TRADING SESSIONS**	**LOW**	**HIGH**	**AVERAGE CLOSING PRICE**	**NUMBER OF SHARES TRADED**	**CAPITAL** *(in millions of euros)*
Jan-21	20	7.84	9.03	8.58	5,697,897	48.69
Feb-21	20	8.21	9.25	8.84	6,007,940	53.31
Mar-21	23	9.11	9.53	9.35	4,759,199	44.42
Apr-21	20	9.66	10.68	10.10	3,547,529	36.17
May-21	21	9.97	10.81	10.34	3,735,442	38.63
Jun-21	22	9.67	10.27	10.05	3,851,637	38.68
Jul-21	22	10.00	10.96	10.52	3,726,194	39.08
Aug-21	22	10.15	10.82	10.49	4,016,021	42.00
Sept-21	22	9.81	10.89	10.25	8,214,100	83.95
Oct-21	21	11.13	12.72	12.12	6,448,669	77.47
Nov-21	21	11.64	12.57	12.03	4,060,382	48.92
Dec-21	23	12.16	12.79	12.41	2,642,135	32.82

(Source: Euronext Paris)

(1) On Euronext Paris.

7.3.5 List of regulated information published in 2021

All the regulated information is available on the website: *https://www.coface.com/fr/Investisseurs*

Financial press releases published in 2021

February 10, 2021	FY-2020 results
February 10, 2021	Governance evolution – Bernardo Sanchez Incera appointedChairman of the Board of Directors
February 11, 2021	Moody's raises the outlook for Coface to “stable”
March 19, 2021	AM Best affirms Coface’s main operating subsidiaries rating atA (Excellent) with a stable outlook
March 24, 2021	Declan Daly is appointed Group Chief Operating Officer of Coface
March 31, 2021	Coface announces the publication of its 2020 Universal Registration Document
April 7, 2021	Combined Shareholders’ Meeting 12th May 2021 at 9.00am without thephysical presence of its shareholders
April 15, 2021	COFACE SA anticipates a net profit above €50m for the first quarter
April 20, 2021	Fitch raises the outlook for Coface’s ratings to “stable”
April 27, 2021	Coface records a good start to the year with a net income of €56.4m
April 28, 2021	Publication of SFCR Group and Standalone as of 31st December 2020
April 29, 2021	Capital reduction by cancellation of treasury shares
May 12, 2021	Combined Shareholders’ Meeting of May 12, 2021 approved allthe proposed resolutions
July 28, 2021	Coface reports first-half net income of €123.2m, confirming an excellent start tothe year. Annualised return on tangible equity at 13.5%
July 28, 2021	Communication setting out the arrangements for the supplying of the InterimFinancial Report for the first half of 2021
July 28, 2021	David Gansberg joins the Board of Directors
August 6, 2021	COFACE SA announces the renewal of its €700m syndicated loanagreement
September 1, 2021	Coface SA strengthens further its leadership team
September 10, 2021	Coface appoints Marcele Lemos to lead its Latin America region
October 28, 2021	Coface achieves record net income of €67.7m in the third quarter
December 9, 2021	Fitch affirms Coface AA- rating, with an outlook ‘stable’

7.4 FACTORS LIABLE TO HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L.225-37-5 of the French Commercial Code, the Company notes the following points, which could have an effect in the event of a public offering:

- the Company’s capital structure as well as its known direct or indirect interests and all the corresponding information are described in Section 7.1;
- there is no statutory restriction on the exercise of voting rights, with the exception of the elimination of voting rights in respect of shares which exceed the portion that should have been reported, which may be requested by one or more shareholders holding an interest which is at least equal to 2% of the capital or voting rights, in the event of failure to report that the statutory threshold was exceeded;
- the Company is not aware of the existence of any shareholders’ agreements;
- there are no instruments entailing special control rights;
- the voting rights attached to the shares of the Company held by staff through the Company’s Coface Actionnariat mutual fund are exercised by an authorised representative designated by the fund’s Supervisory Board to represent it at the Shareholders’ Meeting;
- the rules on appointment and revocation of members of the Board of Directors are the legal and statutory rules described in Section 9.1.5;
- the Company’s Articles of Association are amended in compliance with legal and regulatory provisions;
- there is no significant agreement entered into by the Company that would be amended or terminated in the event of a change in the Company’s control.

7.5 MATERIAL CONTRACTS

No contract (other than those entered into in the normal course of business) has been signed by any entity of the Group that contains a significant obligation or commitment for the Group as a whole.

17 MAY 2022
COMBINED SHAREHOLDERS' MEETING

€1.50
DIVIDEND PROPOSAL

1 RENEWAL
OF DIRECTOR

2 APPOINTMENT
OF DIRECTORS

REMUNERATION STRUCTURE
OF THE CEO - FINANCIAL YEAR 2022

8

GENERAL MEETING

8.1 DRAFT REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING

The purpose of this report is to present the draft resolutions to be submitted by your Board of Directors to the Combined General Meeting of May 17, 2022.

It is specified that the presentation of Coface's financial situation, activity and profits during the past financial year, as well as the different information required by the laws and regulations in force, can be found in the 2021 Universal Registration Document to which you are invited to refer (available on Coface website: *www.coface.com*).

These resolutions are divided into two groups:

- the first fifteen resolutions (the 1st to the 15th resolutions) fall within the remit of the Ordinary General Meeting;
- the following nine resolutions (the 16th to the 24th resolutions) fall within the remit of the Extraordinary General Meeting.

8.1.1 Resolutions within the remit of the Ordinary General Meeting

Approval of the financial statements for the 2021 financial year
(1st and 2nd resolutions)

In the first two resolutions, it is proposed to the Ordinary General Meeting to approve the corporate financial statements (1st resolution), then the consolidated financial statements (2nd resolution) of COFACE SA for the 2021 financial year.

Comments on the corporate and consolidated financial statements of COFACE SA are detailed in COFACE SA 2021 Universal Registration Document.

Allocation of profits – Payment of dividends
(3rd resolution)

The purpose of the third resolution is to allocate COFACE SA's corporate profits and to pay dividends.

As of December 31, 2021, the corporate financial statements of COFACE SA showed a net profit of €82,223,318. Given a positive carry-over of €54,937,672 and the fact that the legal reserve has a balance beyond legal requirements, the distributable profit amounts to €137,160,989.

It is further proposed to deduct an amount of €88,108,699 from the issue premium item;

As a consequence it is proposed to decides to allocate to the payment to the shareholders a total amount of €225,269,688, which represents a payment of €1.50 per share.

It is specified that after distribution, the retained earnings shall be equal to €0.

For individuals who are tax residents in France, this dividend will be automatically subject to the single flat-rate deduction provided for in Article 200 A of the French General Tax Code, unless the overall option for the progressive scale is chosen. In the event of an option for the progressive scale, this option will be entitled to the proportional reduction of 40% provided for in Article 158(3)(2) of the French General Tax Code. The paying institution shall make the flat-rate levy at source (not effecting full discharge) provided for in Article 117c of the French General Tax Code, except for beneficiaries who are tax residents in France who have made a request for exemption under the conditions of Article 242c of the French General Tax Code.

In addition, according to article 112, 1° of the French General Tax Code, the portion of the amount allocated to shareholders that is deducted from the premium issue item (*i.e.* €88,108,699) is considered as the reimbursement of a contribution and does not qualify as taxable distributed income, provided that all profits and reserves, excepted for the legal reserve, have been previously distributed.

All shareholders, and specially those residing out of France, are invited to make contact with their usual adviser in order to determine in details the consequences of this distribution from a tax perspective.

In accordance with the legal provisions, we hereby inform you that the dividends distributed for the previous three financial years were as follows:

FINANCIAL YEAR	NUMBER OF SHARES PAID [1]	TOTAL AMOUNT *(in €)*	DISTRIBUTED DIVIDEND ELIGIBLE FOR A 40% REDUCTION MENTIONED IN ARTICLE 158-3-2° OF THE FRENCH GENERAL TAX CODE *(in €)*
2018	151,169,375	119,423,806	119,423,806
2019	0	0	0
2020	149,047,713	81,976,242	81,976,242

(1) The number of shares paid excludes treasury shares.

The dividend will be detached on May 20, 2022. The payment will take place on May 24, 2022.

Ratification of the co-optation of a director (4th resolution)

In the fourth resolution, shareholders were asked to ratify the co-optation of Mr David Gansberg, whose co-optation took place on July 28, 2021, replacing Mr Benoit Lapointe de Vaudreuil, who resigned, for the duration of his term of office, that is until the end of the General Meeting called to approve the financial statements in 2025 for the financial year ending December 31, 2024.

David Gansberg is responsible for the mortgage business of Arch Capital Group. He is President and Chief Executive Officer of Arch Mortgage Insurance Company.

Renewal of the term of office of a director (5th resolution)

In the fifth resolution, it is proposed to the shareholders to renew the term of office of Mrs Sharon MacBeath expiring at the end of this meeting, for a period of four (4) years, ending at the end of the General Meeting called to approve the financial statements in 2026 for the financial year ending December 31, 2025.

Ms MacBeath is the Human Resources Director of the Hermès Group. The Board of Directors, on a proposal from the Appointments and Remuneration Committee, proposed the renewal of Ms MacBeath's term of office, who brings her extensive human resources experience to the Board, including in international groups.

Appointment of two directors (6th and 7th resolutions)

The terms of office of two directors, Mr Éric Hémar and Mr Olivier Zarrouati, shall expire at the end of this General Meeting. The Appointments Committee, with the support of a recruitment firm, initiated a process to fill these two positions. The Board of Directors proposed the appointment of Mr Laurent Musy and Mrs Laetitia Leonard-Reuter as directors, for a term of four (4) years ending at the end of the General Meeting called to approve the financial statements in 2026 for the financial year ended December 31, 2025.

Mr Laurent Musy is Chairman and Chief Executive Officer of Terreal. He will bring to the Company his knowledge and experience in industrial, strategic, commercial and CSR matters.

Mrs Laetitia Leonard-Reuter is Chief Financial Officer of Generali France. Over the last years, she performed a variety of jobs in AXA that give her a wealth of experience in the field of insurance, including data, risk management, capital management.

Authorisation to the Board of Directors to trade the Company's shares (8th resolution)

By the eighth resolution, the Board of Directors proposes to your General Meeting, in accordance with the provisions of articles L22-10-62 et seq. and L225-210 et seq of the French commercial code, to authorise it to purchase or procure the purchase of a number of Company shares not exceeding 10% of the total number of shares making up the share capital or 5% of the total number of shares comprising the share capital in the case of shares acquired by the Company for the purpose of their custody and payment or exchange in connection with a merger, demerger or contribution, it being specified that the acquisitions made by the Company may under no circumstances lead the Company to hold at any time whatsoever more than 10% of the shares making up its share capital.

Share purchases could be made in order to: a) ensure liquidity and stimulate the market for the Company's securities through an investment service provider acting independently under a liquidity agreement in accordance with market practice admitted by the Autorité des marchés financiers on June 22, 2021, b) allocate shares to corporate officers and employees of the Company and other Group entities, in particular in connection with (i) the profit sharing of the Company, (ii) any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 *et seq.* and L.22-10-56 *et seq.* of the French Commercial Code, or (iii) any savings plan in accordance with the provisions Articles L.3331-1 *et seq.* of the French Labour Code or (iv) any free allocation of shares under the provisions of Articles L.225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, and to carry out all hedging transactions relating to these transactions, under the conditions provided by the market authorities and at the times that the Board of Directors or the person acting on delegation from the Board of Directors shall deem appropriate, c) deliver Company shares upon the exercise of rights attached to securities giving entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a voucher or in any other manner for the allocation of Company shares within the framework of the regulations in force, as well as to carry out any hedging transactions relating to these transactions, under the conditions provided by the market authorities and at the times that the Board of Directors or the person acting on delegation of the Board of Directors shall deem appropriate, d) retain the shares of the Company and subsequently deliver them as a payment or exchange in the context of any external growth, merger, demerger or contribution transactions, e) cancel all or part of the shares thus purchased (in the context of the thirteenth resolution of the General Meeting of May 14, 2020 authorising the Board of Directors to reduce the share capital accordingly) or f) implement any market practice that may be admitted by the Autorité des marchés financiers and, more generally, carry out any operation in accordance with the regulations in force.

The maximum unit purchase price could not exceed, excluding fees, €15 per share. The Board of Directors may however, in the event of transactions involving the Company's capital, including changes in the nominal value of the share, capital increase by incorporation of reserves followed by the creation and free allocation of shares, split or consolidation of securities, adjust the aforementioned maximum purchase price in order to take into account the impact of these transactions on the value of the Company's share.

The acquisition, sale or transfer of such shares may be effected and paid by any means authorised by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic or over-the-counter internaliser, including through the acquisition or sale of blocks, by the use of options or other derivative financial instruments, or warrants or, more generally, securities granting entitlement to Company shares, at such times as the Board of Directors would deem appropriate.

It is specified that the Board of Directors may not, except with the prior authorisation of your General Meeting, make use of this authorisation as from the filing by a third party of a draft public offering covering the shares of the Company, until the end of the offer period.

In compliance with the legal and regulatory provisions in force, the Board of Directors, if your General Meeting authorises it, will have all powers, with the option of sub-delegation, in order to proceed with the allocations and, where applicable, the permitted reallocations of shares redeemed for one of the objectives of the programme for one or more of its other objectives, or their transfer, on the market or off the market.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the seventeenth resolution of the General Meeting of May 12, 2021, be granted for a period of eighteen (18) months from your General Meeting.

Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L225-38 et seq. of the French Commercial Code
(9th resolution)

The ninth resolution concerns the approval of the regulated agreements and commitments pursuant to the provisions of Articles L.225-38 *et seq.* of the French Commercial Code, authorised by the Board of Directors during the 2021 financial year. These commitments and agreements are presented in the special report of the Statutory Auditors, as well as the commitments and agreements entered into and previously approved by the General Meeting, the performance of which continued during the past financial year, which do not require any further approval by the meeting (see Chapter 8 of the 2021 Universal Registration Document).

Approval of the remuneration of corporate officers for the financial year ended December 31, 2021
(10th, 11th and 12th resolutions)

Pursuant to the provisions of the French Commercial Code, your meeting is called to vote on the following remunerations for the financial year ended December 31, 2021:

in the tenth resolution, on the information mentioned in Section I of Article L.22-10-9 of the French Commercial Code on the remuneration of non-executive corporate officers, pursuant to Article L.22-10-34 I of the French Commercial Code;

in the eleventh resolution on fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Mr Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L22-10-34-2 Section II of the French Commercial Code;

in the twelfth resolution, on fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Mr Xavier Durand, Chief Executive Officer, pursuant to Article L22-10-34-2 Section II of the French Commercial Code.

All of these elements are detailed in the corporate governance report of COFACE SA attached to the management report and included in Chapter 8 of the Company's 2021 Universal Registration Document.

Approval of the remuneration policy of corporate officers for the 2022 financial year
(13th, 14th and 15th resolutions)

You are requested in the thirteenth, fourteenth and fifteenth resolutions to approve, pursuant to Article L.22.10-8 of the French Commercial Code, the remuneration policy applicable to the members of the Board of Directors (thirteenth resolution), the Chairman of the Board of Directors (fourteenth resolution) and the Chief Executive Officer (fifteenth resolution) for the 2022 financial year.

Policy details are described in COFACE SA's corporate governance report attached to the management report and included in Chapter 8 of the Company's 2021 Universal Registration Document.

8.1.2 Resolutions within the remit of the Extraordinary General Meeting

As part of the sixteenth to twenty-fourth resolutions, it is proposed to your General Meeting to grant various delegations to the Board of Directors for the purpose of carrying out, if necessary, capital increase operations and/or the issuance of securities giving access to the capital. It is specified that the Board of Directors may not, except with the prior authorisation of your General Meeting, make use of these delegations as from the filing by a third party of a draft public offering covering the shares of the Company, until the end of the offer period.

Reduction of the share capital by cancellation of the shares held by the Company (16th resolution)

The purpose of the sixteenth resolution is to authorise the Board of Directors to reduce the share capital by cancelling the treasury shares, up to a limit of 10% of the amount of the share capital existing on the date of cancellation per 24-month period and to charge the difference to the available premiums and reserves of its choice.

Delegations of authority and authorisations given to the Board of Directors to carry out transactions on the Company's capital (17th to 23rd resolutions)

As part of the seventeenth to twenty-third resolutions, the Board of Directors proposes that your General Meeting renew the financial authorisations granted by the Annual General Meeting in 2020 and 2021 that have expired.

Your Company would thus have new authorisations enabling it to assemble with speed and flexibility the financial resources necessary for the implementation of Coface Group's development strategy, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders.

The table below provides a summary of the financial delegations (excluding employee shareholding operations that are the subject of the twenty-second and twenty-third resolutions, the adoption of which is proposed at your General Meeting).

RESOLUTION	PURPOSE OF THE DELEGATION	MAXIMUM NOMINAL AMOUNT	VALID TERM OF AUTHORISATION
17th	Delegation of authority to the Board of Directors with a view to increasing the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted	€[75,000,000] (or 25% of the share capital at the date of this report)	26 months
18th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with the maintenance of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued	With regard to capital increases: €115,000,000 (1) (or 38% of the share capital at the date of this report) In the case of issues of debt securities: €500,000,000 (2)	26 months
19th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings other than those referred to in Article L.411-2 1°of the French Monetary and Financial Code	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities €500,000,000 (2)	26 months
20th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the context of public offerings referred to in Article L.411-2, paragraph 1 of the French Monetary and Financial Code	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities: €500,000,000 (2)	26 months

RESOLUTION	PURPOSE OF THE DELEGATION	MAXIMUM NOMINAL AMOUNT	VALID TERM OF AUTHORISATION
21st	Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind	With regard to capital increases: €29,000,000 (1) (3) (or 9.5% of the share capital at the date of this report) In the case of issues of debt securities (2): €500,000,000	26 months

(1) Delegation subject to the overall nominal ceiling for capital increases of €115,000,000 (i.e. 38% of the share capital at the date of this report).
(2) Delegation subject to the overall nominal ceiling for debt security issues of €50,000,000.
(3) Delegation subject to the nominal ceiling for capital increases with cancellation of the preferential subscription right of €29,000,000 (i.e. 9.5% of the share capital at the date of this report).

The corresponding draft delegations are detailed below.

Capital increase by incorporation of reserves, profits or premiums (17th resolution)

By the seventeenth resolution, your Board of Directors requests from your General Meeting a delegation of authority to increase the capital by incorporation of reserves, profits or premiums, up to a maximum nominal amount of seventy-five million euros (€75,000,000), an autonomous ceiling that is separate from the limit of other resolutions submitted to the vote of your General Meeting. The capital increases likely to result from this resolution could be carried out, at the discretion of the Board of Directors, either by the free allocation of new shares, or by raising the nominal value of the existing shares or according to a combination of these two methods of realisation according to the terms and conditions it shall determine.

The Board of Directors proposes that this authorisation, which cancels and replaces that granted by the fourteenth resolution of the General Meeting of May 14, 2020, be granted for a period of twenty-six (26) months from your General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with preferential subscription rights of shareholders (18th resolution)

By the eighteenth resolution, your Board of Directors requests from your General Meeting a delegation of authority to issue shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to capital securities to be issued, with preferential subscription rights, up to a maximum nominal amount of one hundred and fifteen million euros (€115,000,000).

Shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to capital securities to be issued under this delegation could include debt securities or the issuance of such securities, or allow them to be issued as intermediate securities.

The nominal amount of debt securities that could be issued under this delegation may not exceed five hundred million euros (€500,000,000) on the date of the decision to issue.

The shareholders could exercise, under the conditions provided by law, their preferential subscription right, irreducible and, where applicable, on a reducible basis if provided by the Board of Directors, to subscribe for the shares or securities issued.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the fifteenth resolution of the General Meeting of May 14, 2020, be granted for a period of twenty-six (26) months from your General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights of shareholders (19th and 20th resolutions)

The Board of Directors requests from your General Meeting delegations of authority to issue shares and/or equity securities giving access to other equity securities and/or securities giving access to capital securities to be issued, without preferential subscription rights of shareholders to the shares or securities thus issued. In accordance with the AMF's recommendations, these issues are the subject of two separate resolutions, depending on whether they are carried out in the context of public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code (tenth resolution) or by the public offerings referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code, that is to say by investments reserved for qualified investors (twentieth resolution).

In fact, depending on market conditions, the nature of the investors concerned and the type of securities issued, and in order to be able to seize the opportunities offered by the market, your Board of Directors considers that it could be useful to have the option to make use of capital increases without preferential subscription rights of shareholders, but setting limits to them that are more limited than for capital increases with maintenance of the preferential subscription right; the ceiling for capital increases without preferential subscription rights of shareholders being set at 9.5% of the share capital as at the date of this report.

The nominal amount of the capital increases that may be carried out pursuant to the [nineteenth] resolution could not exceed twenty-nine million euros (€29,000,000), it being recalled that this ceiling would be deducted from the overall nominal ceiling provided for capital increases in the eighteenth resolution. This ceiling shall also correspond to the nominal ceiling applicable to capital increases with cancellation of the preferential subscription right made pursuant to the nineteenth resolution as well as the twentieth and twenty-first resolutions submitted to your meeting.

The total nominal amount of the capital increases that may be carried out pursuant to the [twenty-first] resolution may not exceed twenty-nine million euros (€29,000,000), it being recalled that this ceiling would be deducted from the overall nominal ceiling provided for the capital increases in the eighteenth resolution as well as to the nominal ceiling provided for capital increases with cancellation of the preferential subscription right provided for in the [nineteenth] resolution.

The Board of Directors would be entitled to issue, by means of public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code (nineteenth resolution) and/or the public offerings referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code (twentieth resolution), shares and/or equity securities giving access to other equity securities and/or securities giving access to capital securities to be issued which could in particular consist of debt securities or be associated with the issue of such securities, or allow it to be issued as intermediate securities. The nominal amount of debt securities that could be issued under the nineteenth and twentieth resolutions would be deducted from the ceiling of €500 million, set out in the eighteenth resolution.

Within the framework of the [nineteenth] resolution on the issue, by way of public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code, of shares and/or equity securities giving access to other equity securities and/or securities giving access to equity securities to be issued, the Board of Directors may establish, for the benefit of the shareholders, a subscription priority right on an irreducible and/or reducible basis under the conditions provided for by the regulations.

The issue price of the shares issued on the basis of the [nineteenth] and [twentieth] resolutions would be set under the legislative and regulatory conditions in force at the time of issue which currently provide for a price at least equal to the weighted average of the Company's share prices of the last three trading sessions preceding the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%.

The Board of Directors proposes that these delegations, which would cancel and replace those granted by the sixteenth and seventeenth resolutions of the General Meeting of May 14, 2020, be granted for a period of twenty-six (26) months from your General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or granting entitlement to allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind up to a limit of 10% of the share capital
(21st resolution)

By the [twenty-first] resolution, the Board of Directors requests from your General Meeting a delegation of authority to issue shares and/or equity securities giving access to other equity securities and/or securities giving access to equity securities to be issued, in consideration of contributions in kind granted to the Company and constituted of equity securities or securities giving access to the capital, within the limit of a nominal amount of a capital increase of twenty-nine million euros (€29,000,000), in addition to the legal limit of 10% of the share capital of the Company, being imposed on the overall nominal ceiling provided for the capital increases established by the eighteenth resolution as well as on the nominal ceiling provided for capital increases with cancellation of the preferential subscription right provided for in the nineteenth resolution.

The nominal amount of debt securities that could be issued pursuant to this resolution would be deducted from the ceiling of five hundred million euros (€50,000,000) set by the eighteenth resolution.

This delegation would entail the cancellation, in favour of the holders of the securities or securities that are the subject of the contributions in kind, of the preferential subscription rights of shareholders to the shares or securities thus issued.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the eighteenth resolution of the General Meeting of May 14, 2020, be granted for a period of twenty-six (26) months from your General Meeting.

Capital increases reserved for employees
(22nd and 23rd resolutions)

By the twenty-second resolution, we propose that you delegate to the Board of Directors, for a period of 26 months, with the option of sub-delegation, your authority to increase the share capital by issuing shares of the Company reserved for members of a company savings plan, up to a maximum nominal amount of [three million two hundred thousand] euros (€3,200,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation would be deducted from the overall nominal ceiling provided for in the eighteenth resolution of your General Meeting and that the ceiling of this delegation would be shared with that of the twenty-third resolution.

This delegation would entail the cancellation of the preferential subscription right of the shareholders in favour of said employees, former employees and executives eligible for the shares thus issued, where applicable, allocated free of charge.

The subscription price of the shares issued will be determined under the conditions provided for by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount compared to an average of the listed prices of the share during the twenty trading sessions preceding the decision to set the opening date of the subscription may not therefore exceed 30% (or 40% when the unavailability period provided for in the plan pursuant to Articles L.3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years). The Board of Directors may reduce or remove the aforementioned discount, if it deems it appropriate, in particular to take into account the legal, accounting, tax and social security requirements applicable in the country of residence of certain beneficiaries. The Board of Directors may also decide to allocate shares free of charge to the subscribers of new shares, in substitution of the discount and/or in respect of the contribution.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the twenty-sixth resolution of the General Meeting of May 12, 2021, be granted for a period of twenty-six (26) months from your General Meeting.

In line with the [twenty-second] resolution, we propose to you, in the [twenty-third] resolution, to delegate to the Board of Directors, for a period of 18 months, with the option of sub-delegation under the conditions provided by law, the power to proceed with one or more capital increases reserved for the benefit of (i) the employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more French or foreign mutual funds or other entity, whether or not having legal personality, subscribing on behalf of persons designated in paragraph (i) above, and (iii) one or more financial institutions mandated by the Company to propose to the persons designated in paragraph (i) above a system of savings or shareholding comparable to those offered to employees of the Company in France.

This delegation would entail the cancellation of the preferential subscription right of the shareholders to the shares issued within the framework of this twenty-third resolution in favour of the category of beneficiaries defined above.

The purpose of such a capital increase would be to allow Group employees, former employees and corporate officers residing in certain countries to benefit, taking into account the regulatory or tax constraints that may exist locally, from formulas as close as possible, in terms of economic profile, to those offered to other Group employees in the context of the application of the twenty-second resolution.

The nominal amount of capital increase likely to be issued within the framework of this delegation would be limited to three million two hundred thousand euros (€3,200,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation would be deducted from the overall nominal ceiling provided for the capital increases set out in the eighteenth resolution of your General Meeting, and that the ceiling of this resolution would be shared with that of the twenty-second resolution.

The subscription price of the securities issued pursuant to this delegation may not be more than 30% or, where applicable, 40% than the average of the listed prices of the share during the twenty trading sessions preceding the date of the decision setting the opening date of the subscription, nor higher than this average and the Board of Directors may reduce or remove the aforementioned discount if it deems it appropriate in order to, in particular, take into account the legal, accounting, tax and social security requirements applicable in the country of residence of certain beneficiaries. Furthermore, in the event of a transaction carried out under this resolution at the same time as a transaction carried out pursuant to the twenty-second resolution, the subscription price of the shares issued under this resolution could be identical to the subscription price of the shares issued on the basis of the twenty-second resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace that granted by the twenty-seventh resolution of the General Meeting of May 12, 2021, be granted for a period of eighteen (18) months from your General Meeting.

Powers
(24th resolution)

This resolution is intended to confer the powers necessary to carry out the formalities following the holding of your General Meeting.

8.1.3 Extract of COFACE SA corporate governance report (appendix relating to the 10th, 11th, 12th, 13th, 14th and 15th resolutions)

Compensation policy for corporate officers

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under law No. 2019-486 of May 22, 2019 (the so-called PACTE law), the Board of Directors, at the request of the Nominations and Compensation Committee, draws up a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests, contributes to its long-term viability and is part of its business strategy.

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

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

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

Compensation of the Chief Executive Officer

Principles applicable to the compensation of the Chief Executive Officer

The Board of Directors sets the various components of the Chief Executive Officer's compensation at the start of each financial year, based on a proposal by the Nominations and

Compensation Committee. The Nominations and Compensation Committee proposes the compensation policy for the Chief Executive Officer in compliance with the rules laid down by the Solvency II Directive and the recommendations of the AFEP-MEDEF Code.

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

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

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

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

Objectives, practices and governance in respect of compensation are clearly established and communicated. A transparent presentation of the components of the Chief Executive Officer's compensation is included in the corporate governance report submitted for approval by the Shareholders' Meeting.

Components of the compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer comprises:

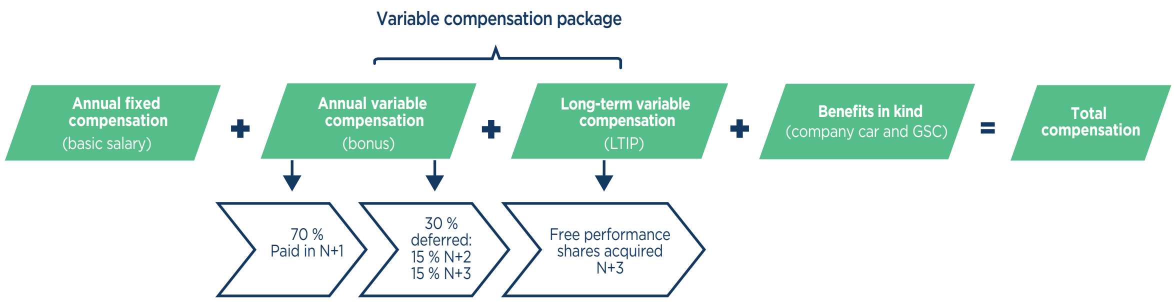
- **fixed compensation:** the fixed annual compensation was adjusted to €750,000 gross when the Chief Executive Officer's term of office was renewed in 2020 in order to take into account his responsibilities, performance and market practices (see detailed explanation in the fairness ratio section below);
- **annual variable compensation ("bonus"):** the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- **long-term variable compensation:** in the form of free shares in the Company. The delivery of the free shares is contingent upon presence and performance conditions and they have a vesting period of three years. The shares awarded to the Chief Executive Officer may not represent more than 20% of the total number of shares awarded for the financial year and is limited to 125% of his base salary. The Chief Executive Officer's free share award is subject to the same conditions as all beneficiaries; however, he must retain 30% of the shares awarded until expiry of his term of office. These Long-Term Incentive Plan (LTIP) schemes are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;
- **benefits in kind:** the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.

He is entitled to the Group healthcare and protection schemes in place for all employees and to date has no supplementary retirement scheme. A medical assessment was proposed to the Chief Executive Officer and members of the Executive Committee in 2021.

Note:

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

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



a. Target total compensation for 2021

For 2021, on the recommendation of the Nominations and Compensation Committee, following a decision by the Board of Directors and based on the twenty-second resolution approved by the Shareholders' Meeting of May 12, 2021, the target compensation for Xavier Durand was set as follows:

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of Xavier Durand's term of office in 2020 and maintained at the same level for 2021. The level of fixed compensation has been set taking into account responsibilities, performance and market practices at the renewal of his term of office in 2020. In accordance with the recommendations of the AFEP-MEDEF Code, it was agreed that, except in exceptional circumstances, the compensation structure of the Chief Executive Officer, including fixed compensation, will only be reviewed at lengthy intervals and must be justified in light of changes in responsibilities, performance and market competitiveness
Target annual variable compensation ("bonus")	€750,000	Target variable compensation is maintained at 100% of fixed compensation, *i.e.*, €750,000. Its structure remains unchanged. It comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2021:

FINANCIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING
Turnover	-/+10%	20%
Net income	-/+20%	20%
Net cost ratio after reinsurance	+/-3 pts	10%
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%
TOTAL (A)		60%
STRATEGIC AND MANAGERIAL OBJECTIVES	**VARIATION LIMITS**	**% WEIGHTING**
Strategic plan	0/125%	15%
CSR strategy/ESG performance of the investment portfolio calculated by Amundi	0/125%	10%
Maintaining employee engagement and customer satisfaction	0/125%	10%
Executive Committee succession plan	0/125%	5%
TOTAL (B)		40%
TOTAL (A + B)		**100%**

The maximum achievement rate for variable compensation is 200% broken down as follows:

- 150% for financial objectives (*i.e.*, a maximum achievement rate of 250% per objective);
- 50% for strategic and managerial objectives (*i.e.*, a maximum achievement rate of 125% per objective).

The achievement rate for financial objectives is defined in the scope of variation limits, as follows:

- the lower end of the variation limit corresponds to the trigger level, *i.e.* 0% achieved;
- the objective corresponds to 100% achievement;
- between the lower end of the variation limit and the objective, the achievement rate is calculated on a straight-line basis between 0% and 100% of achievement;
- between the objective and the upper end of the variation limit, the achievement rate is calculated on a straight-line basis between 100% and 250% of achievement.

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

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

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Long-term variable compensation (allocation of free performance shares) -2021 LTIP	€533,850 (IFRS fair value)	75,000 shares are awarded under the 2021 Long-Term Incentive Plan (2021 LTIP), representing an IFRS fair value of €533,850 (€641,363 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting). The number of shares awarded in 2021 is in line with 2020, with valuation down 25% on the allocation date compared to the previous financial year. The maximum amount of the free shares allocated to Xavier Durand under the 2021 LTIP is set at 20% of the budget allocated for the financial year and 125% of his fixed compensation. For 2021, Xavier Durand's allocation corresponds to 16% of the budget allocated for the financial year and 85% of his fixed compensation (71% in IFRS fair value). Free shares will be definitively vested on February 12, 2024, subject to presence and performance conditions measured over the term of the plan until December 31, 2023, as follows: • 40% of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2021 to December 31, 2023; • 40% of the shares awarded will be vested subject to achievement of net earnings per share at December 31, 2023; • 20% of the shares awarded will be vested subject to the achievement of the CSR criterion linked to increasing the proportion of women in senior management (Top 200) at December 31, 2023. The trigger level is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The achievement rate may vary between 80% and 120%, and the achievement rates can offset each other. However, this offsetting cannot be applied if the rate of achievement for one of the criteria is less than 80% of the target and cannot result in the acquisition of more than 100% of the shares in total. The share vesting period is set at three years starting from February 10, 2021. The plan does not include a minimum holding period. The Board decided that 30% of the CEO's shares vested under the 2021 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface. The objective of long-term variable compensation is to provide a longer-term perspective on the Chief Executive Officer's action, as well as to retain their loyalty and to encourage the alignment of their interests with the corporate interests of the Company and the shareholders.
Other benefits	€15,995	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers. He is entitled to the Group healthcare and protection schemes in place for all employees and to date has no supplementary retirement scheme.
Target total compensation 2021	€2,049,845	

b. Total compensation allocated and paid in 2021

- The compensation allocated to Xavier Durand for 2021, **including the assessment of the 2021 bonus**, is in line with the proposal by the Nominations and Compensation Committee meeting of January 14, 2022, subject to validation by the Board of Directors on February 15, 2022 and approval by the Ordinary Shareholders' Meeting that follows the close of the 2021 financial year.
- The compensation paid to Xavier Durand in 2021 is in line with the proposal by the Nominations and Compensation Committee meeting of January 25, 2021, which was approved by the Board of Directors on February 10, 2021 and by the Shareholders' Meeting of May 14, 2021 in its twentieth and twenty-second resolutions.

COMPONENTS OF COMPENSATION	AMOUNT ALLOCATED	AMOUNT PAID	COMMENTS
Fixed compensation	€750,000	€750,000	Gross annual compensation set at €750,000 on the renewal of Xavier Durand's term of office and effective since May 2020, after the Shareholders' Meeting closing financial year 2019.
Annual variable compensation allocated ("2021 bonus")	€1,246,110		The achievement rate for the 2021 objectives, proposed by the Nominations and Compensation Committee meeting of January 14, 2022, approved by the Board of Directors at the meeting of February 15, 2022 and submitted for approval of the Shareholders' Meeting that approves the 2021 financial statements is 166.148%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION *(in €)*
Turnover	-/+10%	20%	145.74%	€218,610
Net income	-/+20%	20%	250.00%	€375,000
Net cost ratio after reinsurance	+/-3 pts	10%	145.00%	€108,750
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	250.00%	€187,500
TOTAL (A)		60%	118.648%	€889,860

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION *(in €)*
Strategic plan	0/125%	15%	125.00%	€140,625
CSR strategy/ESG performance of the investment portfolio calculated by Amundi	0/125%	10%	125.00%	€93,750
Maintaining employee engagement and client satisfaction	0/125%	10%	100.00%	€75,000
Executive Committee succession plan	0/125%	5%	125.00%	€46,875
TOTAL (B)		40%	47.50%	€356,250
TOTAL (A + B)		**100%**	**166.148%**	**€1,246,110**

The amount due for financial year 2021 is therefore €1,246,110 and will be paid as follows:
- **70% of the total amount paid in 2022, *i.e.*, €872,278;**
- 15% of the total amount deferred to 2023, *i.e.*, €186,916;
- 15% of the total amount deferred to 2024, *i.e.*, €186,916.

COMPONENTS OF COMPENSATION	AMOUNT ALLOCATED	AMOUNT PAID	COMMENTS
Annual variable compensation paid (“2020 bonus”)		€349,113	The achievement rate for 2020 objectives is 72.106%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION *(in €)*
Turnover	-/+10%	20%	53.03%	73,358
Net income	-/+20%	20%	0%	0
Internal general overheads excluding exceptional items	-/+5%	10%	140.00%	96,833
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	0%	0
TOTAL (A)		**60%**	**24.606%**	**170,191**

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION *(in €)*
Continuation of the cultural transformation, commercial processes and projects	0/125%	15%	125%	129,688
New strategic plan	0/125%	10%	125%	86,458
CSR strategy	0/125%	10%	100%	69,167
Strengthening of the succession plan for the Executive Committee	0/125%	5%	125%	43,229
TOTAL (B)			**47.50%**	**328,542**
TOTAL (A + B)			**72.106%**	**498,733**

The bonus due for financial year 2020 is therefore €498,733 and will be paid as follows:
- **70% of the total amount paid in 2021, *i.e.*, €349,113;**
- 15% of the total amount deferred to 2022, *i.e.*, €74,810;
- 15% of the total amount deferred to 2023, *i.e.*, €74,810.

COMPONENTS OF COMPENSATION	AMOUNT ALLOCATED	AMOUNT PAID	COMMENTS
Deferred variable compensation (“2018 bonus”)		€136,130	Xavier Durand’s 2018 bonus was €907,532, paid as follows: • 70% of the total amount paid in 2019, *i.e.*, €635,272; • 15% of the total amount deferred to 2020, *i.e.*, €136,130; • **15% of the total amount deferred to 2021, *i.e.*, €136,130.**
Deferred variable compensation (“2019 bonus”)		€130,608	Xavier Durand’s 2019 bonus was €870,723, paid as follows: • 70% of the total amount paid in 2020, *i.e.*, €609,507; • **15% of the total amount deferred to 2021, *i.e.*, €130,608;** • 15% of the total amount deferred to 2022, *i.e.*, €130,608.
Long-term variable compensation (allocation of free performance shares) -2021 LTIP	€533,850 (IFRS fair value)		75,000 shares are awarded under the 2021 Long-Term Incentive Plan (2021 LTIP), representing an IFRS fair value of €533,850 (€641,363 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting). Vesting is subject to conditions of presence and performance as detailed above in point a.
Other benefits	€15,995	€15,995	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers. He is entitled to the Group healthcare and protection schemes in place for all employees and has no supplementary retirement scheme.
Total compensation	**€2,545,955**	**€1,381,846***	

* *Note: as the performance condition has not been met, the shares awarded to Mr Durand under the 2018 LTIP, or 65,000 shares (€594,198 valued at the allocation date and €463,320 at fair value under IFRS) were not delivered in February 2021.*

Note that payment of the 2021 bonus is subject to the approval of the Ordinary Shareholders’ Meeting that approves the financial statements for the 2021 financial year.

c. Fairness ratio between the level of compensation of the Chief Executive Officer and the average and median compensation of the Company's employees

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under law No. 2019-486 of May 22, 2019 (known as the PACTE law), the Company provides here the ratio of the level of compensation of the Chief Executive Officer to the average and median full-time equivalent compensation of the Company's employees.

This analysis was conducted taking into account the "Guidelines on compensation multiples" issued by the AFEP (the French Association of Private Enterprises) on September 27, 2019 and updated in February 2021. The scope used for the analysis is the France scope (all employees established in France and continuously present during the reference year), which is the Chief Executive Officer's market and is the most relevant for this comparison. It takes into account the components paid or allocated for financial year N (fixed portion, variable portion paid during financial year N for year N-1, deferred variable portion paid during financial year N for previous financial years, free performance shares allocated for financial year N valued at their IFRS value and benefits in kind).

It concerns only the Chief Executive Officer, as the Chairman of the Board of Directors receives only an annual flat-rate compensation set at €180,000 for his term of office.

FINANCIAL YEAR	2017	2018	2019	2020	2021	BENCHMARK SBF 120*
Ratio to average employee compensation	17.8	23.7	24.1	29.1	24.2	41
Ratio to median employee compensation	21.2	29.2	29.0	35.2	29.4	55

* *Average of ratios, source Willis Towers Watson.*

/ EXPLANATIONS FOR THE CHANGE IN THE RATIO OVER THE REFERENCE PERIOD

- **Financial year 2017:** Xavier Durand's compensation includes the cash portion of the guaranteed bonus at 80% for 2016 (*i.e.*, 70% of the bonus amount for 2016, 30% of the annual variable compensation being deferred and paid in years N+2 and N+3). Financial year 2017 does not therefore reflect a full year of compensation in terms of the rate of achievement and payment.
- **Financial year 2018:** first full year of Xavier Durand's compensation, including a performance bonus for 2017 (152.01% achievement of the objectives set over the period) and the first deferred variable compensation amount paid in respect of the 2016 bonus.

Financial year 2019: Xavier Durand's compensation includes a performance bonus for 2018 (157.83% achievement of the objectives set over the period), comparable to 2017, and the second deferred variable compensation amount paid in respect of the 2016 bonus and the first for the 2017 bonus; the ratios were relatively stable between 2018 and 2019.

- **Financial year 2020:** Xavier Durand's compensation includes a performance bonus for 2019 (151.43% achievement of the objectives set over the period), comparable to 2017 and 2018, the second deferred variable compensation amount paid in respect of the 2017 bonus and the first for the 2018 bonus. In addition, Xavier Durand's fixed compensation was revised from €575,000 to €750,000 on his reappointment in 2020, in order to take into account:
  - individual performance: Xavier Durand outperformed his objectives for the previous three financial years,
  - market practice: Xavier Durand's fixed compensation was voluntarily set below the market median at the time he took office in 2016 (17% below the market median [(1)] in base salary and -21% overall in 2019) and was not reviewed in his first four years in office, in accordance with the Company's policy and the recommendations of the AFEP-MEDEF Code. This review allowed the Xavier Durand's compensation to be positioned at a competitive level, slightly above the market median (+7% compared to the median base salary and +9% overall). The fairness ratio therefore changed over the period but remains well below the benchmarks made up of SBF 120 companies.

Financial year 2021: the compensation paid or awarded to Xavier Durand in 2021 mainly includes:

- gross annual compensation set at €750,000 on the renewal of his term of office in 2020, maintained for 2021,
- the cash portion of the bonus due in respect of 2020, with 72.11% of targets for the period met, down significantly compared to previous years,
- the second instalment of deferred variable compensation paid in respect of the 2018 bonus and the first in respect of the 2019 bonus, the amounts of which were stable compared to the previous financial year,
- the amount awarded under the 2021 LTIP, or 75,000 shares valued at €533,850 (IFRS value) or a decrease of 25% compared to the 2020 LTIP, which was valued at €717,900 (IFRS value) for the same number of shares.

Given these factors, the fairness ratio was down significantly over the period.

N.B.: in an economic environment marked by a sharp slowdown in our clients' activity, operating performances were very satisfactory in 2020. However, in order to take account of the economic situation, in 2021 it was agreed:

(1) *Benchmark performed by Willis Towers Watson on a panel of 30 SBF 80 companies comparable with Coface in terms of headcount, turnover and/or geographic scope*

- to maintain the objectives set for Xavier Durand's annual variable compensation as set before the health crisis; the 2020 bonus is down sharply compared to 2019 (from €870,723 for 2019 to €498,733 for 2020, representing a reduction of 43%);
- not to modify the performance assessment criteria of the 2018 Long-Term Incentive Plan measured at December 31, 2020, the delivery of which was scheduled for February 2021; as a result, none of the 65,000 shares awarded under the 2018 LTIP were delivered to Xavier Durand (value of €594,198 on the award date);
- to set the maximum amount of the free shares awarded to Xavier Durand under the 2021 Long-Term Incentive Plans at 20% of the budget allocated for the fiscal year and 125% of his fixed compensation;
- finally, in accordance with the recommendations of the AFEP-MEDEF Code, it was agreed that, except in exceptional circumstances, the compensation structure of the Chief Executive Officer, including fixed compensation, will only be reviewed at lengthy intervals; the review must be justified in light of changes in responsibilities, performance and market competitiveness.

/ ANNUAL CHANGES IN COMPENSATION, THE COMPANY'S PERFORMANCE, AVERAGE FULL-TIME EQUIVALENT COMPENSATION FOR THE COMPANY'S EMPLOYEES AND THE RATIOS INDICATED BELOW DURING THE FIVE MOST RECENT FINANCIAL YEARS

	2017-2016	2018-2017	2019-2018	2020-2019	2021-2020
Change in the compensation of the Chief Executive Officer (as a %)	57%	41%	9%	22%	(17%)
Change in the average compensation of employees (as a %)	8%	6%	7%	1%	0%
Change in the fairness ratio (as a %) *vs.* average compensation of employees	45%	33%	2%	21%	(17%)
Change in the fairness ratio (as a %) *vs.* median compensation of employees	54%	37%	(1%)	21%	(16%)
Change in net income	100%	47%	20%	(44%)	170%
Change in turnover	(4%)	2%	7%	(2%)	8%

N.B.: the decrease in the compensation and ratios analysed in 2021 is mainly linked to the reduction in the bonus due for 2020 (70% of which was in 2021), as the Company's results were heavily impacted by the economic environment. This situation will be remedied in 2022 given the Company's excellent results in 2021.

Similarly, with regard to long-term variable compensation in the form of free shares, as the performance condition was not met, all the shares awarded under the 2018 LTIP, which were to be delivered in February 2021, were cancelled, representing 65,000 shares for a value of €594,198 at the award date (IFRS fair value of €463,320). The 2019 LTIP will be delivered in full as the performance condition was met, representing 70,000 shares for a value of €564,445 at the award date (IFRS fair value of €463,260, capital gain on acquisition of €898,800).

These changes demonstrate the close link between the Company's results and the amount of annual variable compensation (bonus) and therefore the effectiveness of the CEO compensation system, as well as the high standards of the performance criteria set for long-term variable compensation.

- The structure and principles of the compensation of the Chief Executive Officer will therefore be maintained in 2022 as follows.

8

d. Structure of the compensation of the Chief Executive Officer for financial year 2022

At the proposal of the Nominations and Compensation Committee, after the decision from the Board of Directors and **subject to approval by the Shareholders' Meeting,** Xavier Durand's 2022 compensation will comprise the following components:

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of his term of office in 2020 and maintained since that date.
Target annual variable compensation ("bonus")	€750,000	Target variable compensation is **maintained at 100% of fixed compensation,** *i.e.*, €750,000. Its structure remains unchanged. It therefore comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2022:

FINANCIAL OBJECTIVES	VARIATION LIMITS	% WEIGHTING
Turnover	-/+10%	20%
Net income	-/+20%	15%
Net cost ratio after reinsurance	+/-3 pts	10%
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%
Turnover from information business	-/+20%	5%
TOTAL (A)		**60%**
STRATEGIC AND MANAGERIAL OBJECTIVES	**VARIATION LIMITS**	**% WEIGHTING**
Strategic plan/implementation of the plan and follow-up with the Board of Directors	0/125%	15%
CSR strategy/integration of CSR into the business policy, carbon assessment and definition of the trajectory to reduce our emissions	0/125%	10%
Maintaining employee engagement and customer satisfaction	0/125%	10%
Executive Committee succession plan	0/125%	5%
TOTAL (B)		**40%**
TOTAL (A + B)		**100%**

The objectives set reflect the Company's strategy. They uphold its corporate interests and contribute to its commercial strategy and long-term viability.

The maximum achievement rate for variable compensation is 200% broken down as follows:

- 150% for financial objectives (*i.e.*, a maximum achievement rate of 250%);
- 50% for strategic and managerial objectives (*i.e.*, a maximum achievement rate of 125%).

The achievement rate for financial objectives is defined in the scope of variation limits, as follows:

- the lower end of the variation limit corresponds to the trigger level, *i.e.* 0% achieved;
- the objective corresponds to 100% achievement;
- between the lower end of the variation limit and the objective, the achievement rate is set on a straight-line basis between 0% and 100% of achievement;
- between the objective and the upper end of the variation limit, the achievement rate is set on a straight-line basis between 100% and 250% of achievement.

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

N.B.: strategic and managerial objectives are mainly assessed with regard to quantifiable and measurable indicators (achieving the business development objectives of the strategic plan, monitoring changes in our CO_2 emissions, the employee engagement survey, customer satisfaction measured with regard to NPS, etc.).

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

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Long-term variable compensation (allocation of free performance shares) -2022 LTIP	€880,350 (value on award date)	75,000 shares are awarded under the 2022 Long-Term Incentive Plan (2022 LTIP), representing €880,350 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting. The number of shares awarded in 2022 is in line with previous years (2020 and 2021), with a valuation up 37% due to changes in the share price over the period. Since 2021, the maximum amount of the free shares allocated to Xavier Durand under the LTIP has been set at 20% of the budget allocated for the financial year and 125% of his fixed compensation. For 2022, Xavier Durand's allocation corresponds to 17% of the maximum budget allocated for the financial year and 117% of his fixed compensation. Free shares will be definitively vested on February 15, 2025, subject to presence and performance conditions measured over the term of the plan until December 31, 2024, as follows: ● 40% of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2022 to December 31, 2024; ● 40% of the shares awarded will be vested subject to achievement of net earnings per share at December 31, 2024; ● 20% of the shares awarded will be vested subject to the achievement of the CSR criterion linked to increasing the proportion of women in senior management (Top 200) at December 31, 2024. The trigger level is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The achievement rate may vary between 80% and 120%, and the achievement rates can offset each other. However, this offsetting cannot be applied if the rate of achievement for one of the criteria is less than 80% of the target and cannot result in the acquisition of more than 100% of the shares in total. The share vesting period is set at three years starting from February 15, 2022. The plan does not include a minimum holding period. The Board decided that 30% of the CEO's shares vested under the 2022 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface. The objective of long-term variable compensation is to provide a longer-term perspective on the Chief Executive Officer's action, as well as to retain their loyalty and to encourage the alignment of their interests with the corporate interests of the Company and the shareholders.
Other benefits	€15,995 (excluding pension plan)	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to social security regime for company managers and corporate officers. He is entitled to the Group healthcare and protection schemes in place for all employees. In order to meet the need for fairness and competitiveness in the compensation of members of the Executive Committee, the Board of Directors decided, at its meeting of February 15, 2022, to implement a supplementary pension plan for members of the Executive Committee who do not have a specific scheme. This plan, the main features of which are presented in Chapter 2.3.1 (employee compensation policy – employee benefits section), is applicable to Xavier Durand, provided that the performance criteria relating to severance compensation are met: ● at least 75% of annual targets are met on the average over the last three financial years; and ● the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the scheme contribution date.
Target total compensation 2022	€2,396,345	Subject to the approval of the Shareholders' Meeting

* *Note: The Board of Directors meeting of February 15, 2022 approving the financial statements for 2022 confirmed the achievement of the performance conditions attached to the 2019 Long-Term Incentive Plan (2019 LTIP); the shares allocated to Mr Xavier Durand under this plan were delivered on February 16, 2022, or 70,000 shares for a value of €463,260 at IFRS fair value (€898,800 in capital gain on acquisition).*

Severance compensation

Should his corporate term be terminated, Xavier Durand would be entitled to severance pay of an amount equal to two years' salary (fixed and variable). The reference used for the fixed portion will be the salary for the current financial year at the date his duties cease. The reference for the variable portion will be the average of the variable compensation received for the three financial years preceding the date of termination of his duties.

This severance pay shall be due if the following performance criteria have been met:

- achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and
- the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the departure date.

If just one of the two conditions above has been fulfilled, 50% of the severance pay will be due. If neither of the conditions above has been met, no severance pay will be due. No severance pay will be paid by the Company if the corporate term is ended at Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The compensation components and corporate benefits governed by the regulated agreements procedure in accordance with the provisions of the French Commercial Code are subject to the approval of the Company's Shareholders' Meeting.

Xavier Durand does not have an employment contract.

Following the renewal of his term of office in 2020, given his responsibilities as Chief Executive Officer and in order to preserve the Company's interests, the Board of Directors resolved to introduce a non-competitor clause.

It is understood that the total maximum amount paid to Xavier Durand in respect of the application of the severance compensation and the non-competitor clause may under no circumstances exceed two years' salary (fixed and variable).

Directors' compensation

Principles of directors' compensation

The Group's policy is not to award compensation to management representatives who perform the duties of directors in Group companies.

The compensation policy for corporate officers has been adapted to the usual practices of listed companies and guarantees the independence of directors.

Components of directors' compensation

The total annual package allocated to the compensation of directors in 2021 amounted to €450,000 (excluding the compensation of the Chairman of the Board of Directors), divided between the Board of Directors, the Accounts and Audit Committee, the Risk Committee and the Nominations and Compensation Committee. The rules for distributing attendance fees are as follows:

		FIXED PORTION *(per year prorata to the term of office)*	**VARIABLE PORTION** *(per meeting and capped*)*
Board of Directors	Members	€8,000	€3,000
	Chairman	€17,000	€3,000
Audit and Accounts Committee	Members	€5,000	€2,000
	Chairman	€17,000	€3,000
Risk Committee	Members	€5,000	€2,000
	Chairman	€8,000	€3,000
Nominations and Compensation Committee	Members	€3,000	€2,000

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

N.B.: the Chairman of the Board of Directors receives compensation of €180,000 for his corporate office within COFACE SA.

a. Compensation payable to directors for 2021

On the basis of six Board meetings per year; Six Audit and Accounts Committee meetings; six Risk Committee meetings; five Nominations and Compensation Committee meetings	**FINANCIAL YEAR 2021 – MAXIMUM GROSS COMPENSATION AMOUNTS** **AMOUNT OF COMPENSATION**	**FIXED PORTION** *(In%)*	**VARIABLE PORTION** *(In%)*
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + Member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + Member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations and Compensation Committee	€49,000	33	67
Member of the Board of Directors + Member of the Nominations and Compensation Committee	€39,000	28	72

The table below shows the compensation received by members of the Company's Board of Directors for the financial year ended December 31, 2020 as well as compensation payable to them for the financial year ended December 31, 2021. For the sake of transparency, the Directors representing Natixis who resigned on February 10, 2021 are also included in the table below.

	DIRECTORS' COMPENSATION *(in €)*		OTHER COMPENSATION AND BENEFITS *(in €)*		TOTAL *(in €)*	
	2021 (2)	2020 (3)	2021 (2)	2020 (3)	2021 (2)	2020 (3)
Jean Arondel (4)	4,000	26,000	-	-	4,000	26,000
Nathalie Bricker (4)	- (6)	- (6)	-	-	- (6)	- (6)
Janice Englesbe	37,375	-	-	-	37,375	-
David Gansberg (5)	27,417	-	-	-	27,417	-
Éric Hémar	55,000	58,000	-	-	55,000	58,000
Chris Hovey	25,000	-	-	-	25,000	-
Daniel Karyotis (4)	4,000	26,000	-	-	4,000	26,000
Isabelle Laforgue	53,375	41,000	-	-	53,375	41,000
Benoit Lapointe de Vaudreuil (5)	19,667	-	-	-	19,667	-
Nathalie Lomon	58,000	58,000	-	-	58,000	58,000
Sharon MacBeath	33,000	35,000	-	-	33,000	35,000
Nicolas Papadopoulo	36,000	-	-	-	36,000	-
Marie Pic-Pâris (4)	6,625	41,000	-	-	6,625	41,000
Isabelle Rodney (4)	6,625	41,000	-	-	6,625	41,000
Anne Sallé-Mongauze (4)	-	-	-	-	-	-
Olivier Zarrouati	40,000	43,000	-	-	40,000	43,000
TOTAL	**406,084**	**367,000**	**-**	**-**	**406,084**	**367,000**

(1) The dates of appointment and ends of terms of office for the Board of Directors are available in Section 2.1.1 "Details of the members of the Board of Directors for financial year 2021".
(2) Amount awarded in respect of 2021 in euros, on a gross basis (before social security contributions and income tax).
(3) Amount awarded in respect of 2020 in euros, on a gross basis (before social security contributions and income tax).
(4) Directors representing Natixis who resigned following the announcement of February 10, 2021 concerning the sale by Natixis of 29.5% of the share capital to Arch Capital Group (see paragraph 2.1.1 "Details of the members of the Board of Directors for financial year 2021").
(5) Resignation of Benoît Lapointe de Vaudreuil on July 27, 2021 and co-opting of David Gansberg.
(6) Nathalie Bricker, Chief Financial Officer of Natixis, waives her compensation for her participation on the Board of Directors of COFACE SA pursuant to the Natixis policy. The same applies to Anne Sallé-Mongauze, CEO of a wholly owned subsidiary of Natixis.

b. Principles and components of directors' compensation for 2022

In accordance with the provisions of the PACTE law, which entered into force in November 2019, the attendance fees policy was replaced by the directors' compensation policy in January 2020.

The terms of directors' compensation remain unchanged for 2022. The maximum amount proposed for the financial year is set at €500,000 (excluding the compensation of the Chairman of the Board of Directors).

8.2 RESOLUTIONS SUBMITTED TO THE VOTE OF THE COMBINED SHAREHOLDERS' MEETING OF MAY 17, 2022

8.2.1 Draft agenda

For details of this draft, please refer to Section 8.1 "Draft report of the Board of Directors on the draft resolutions submitted to the Combined Shareholders' Meeting" of this Universal Registration Document.

Within the authority of the Ordinary Shareholders' Meeting

- Reports of the Board of Directors and of the Statutory Auditors on the Company's operations during the financial year ended December 31, 2021.
- Approval of the financial statements for the financial year ended December 31, 2021.
- Approval of the consolidated financial statements for the year ended December 31, 2021.
- Allocation of profit or loss for the year ended December 31, 2021.
- Ratification of the cooptation of Mr David Gansberg as director.
- Renewal of the term of office of Ms Sharon MacBeath.
- Nomination of Mr Laurent Musy as director, following the expiry of Mr Éric Hémar's term of office.
- Nomination of Ms Laetitia Leonard-Reuters as director, following the expiry of Mr Olivier Zarrouati's term of office.
- Authorisation of the Board of Directors to trade in the shares of the Company.
- Approval of the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L.1225-38 *et seq.* of the French Commercial Code.
- Approval of the information mentioned in Section I of Article L.22-10-9 of the French Commercial Code on the remuneration of corporate officers, non-directors pursuant to Article L.22-10-34 Section I of the French Commercial Code.
- Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L.22-10-34 Section II of the French Commercial Code.
- Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Xavier Durand, Managing Director, pursuant to Article L.22-10-34 Section II of the French Commercial Code.
- Approval of the remuneration policy applicable to the members of the Board of Directors, pursuant to Article L 22-10-8 of the French Commercial Code.
- Approval of the remuneration policy applicable to the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code.
- Approval of the remuneration policy applicable to the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code.

Within the authority of the Extraordinary Shareholders' Meeting

- Authorisation to the Board of Directors to reduce the share capital of the Company by cancellation of shares held in its own right.
- Delegation of authority to the Board of Directors to increase the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted.
- Delegation of authority to the Board of Directors to increase the share capital by issuing, maintaining the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued.
- Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, in the context of offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code.
- Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, in the context of offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code.
- Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind.
- Delegation of authority to the Board of Directors to increase the share capital with cancellation of the preferential subscription right by issuing Company shares reserved for members of a company savings plan.

- Delegation of authority to the Board of Directors to increase the share capital by issuing shares with cancellation of the preferential subscription right in favour of a specific category of beneficiaries.
- Powers for formalities.

8.2.2. Draft resolutions to be submitted to the Combined General Meeting

Within the remit of the Ordinary General Meeting

First resolution
(Approval of the financial statements for the financial year ended December 31, 2021)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the reports of the Board of Directors and the Statutory Auditors relating to the financial statements for the financial year ended December 31, 2021, approved the financial statements of the said financial year as they have been presented, as well as the transactions reflected in these financial statements and summarised in these reports.

Second resolution
(Approval of the consolidated financial statements for the year ended December 31, 2021)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the reports of the Board of Directors and the Statutory Auditors relating to the consolidated financial statements for the financial year ended December 31, 2021, approved the consolidated financial statements for the said financial year as they have been presented, as well as the transactions reflected in those accounts and summarised in those reports.

Third resolution
(Allocation of profit or loss for the year ended December 31, 2021)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings in place, resolves:

- notes that the Company financial statements as at December 31, 2021 show a net profit for the financial year of €82,223,318;
- notes that the legal reserve, in the amount of €31,449,646 as at December 31, 2021, is granted beyond legal requirements;
- notes that the carry forward as at December 31, 2021 amounts to €54,937,672;
- notes that the distributable profit amounts to €137,160,989;
- decides to deduct an amount of €88,108,699 from the issue premium item;
- decides to allocate to the payment to the shareholders a total amount of €225,269,688, which represents a payment of €1.50 per share.

It is specified that after distribution, the retained earnings shall be equal to €0.

For individuals who are tax residents in France, this dividend will be automatically subject to the single flat-rate deduction provided for in Article 200 A of the French General Tax Code, unless the overall option for the progressive scale is chosen. In the event of an option for the progressive scale, this option will be entitled to the proportional reduction of 40% provided for in Article 158(3)(2) of the French General Tax Code. The paying institution shall make the flat-rate levy at source (not effecting full discharge) provided for in Article 117c of the French General Tax Code, except for beneficiaries who are tax residents in France who have made a request for exemption under the conditions of Article 242c of the French General Tax Code.

In addition, according to article 112, 1° of the French General Tax Code, the portion of the amount allocated to shareholders that is deducted from the premium issue item (*i.e.* €88,108,699) is considered as the reimbursement of a contribution and does not qualify as taxable distributed income, provided that all profits and reserves, excepted for the legal reserve, have been previously distributed.

All shareholders, and specially those residing out of France, are invited to make contact with their usual adviser in order to determine in details the consequences of this distribution from a tax perspective.

The General Meeting recalls, in accordance with the legal provisions, that the dividends distributed for the previous three financial years were as follows:

FINANCIAL YEAR	NUMBER OF SHARES PAID (1)	TOTAL AMOUNT *(in €)*	DISTRIBUTED DIVIDEND ELIGIBLE FOR A 40% REDUCTION MENTIONED IN ARTICLE 158-3-2° OF THE FRENCH GENERAL TAX CODE *(in €)*
2018	151,169,375	119,423,806	119,423,806
2019	0	0	0
2020	149,047,713	81,976,242	81,976,242

(1) The number of shares paid excludes treasury shares.

The dividend will be detached from the share on May 20, 2022 and paid as of May 24, 2022. The treasury shares held by the Company on May 20, 2022 will not give rise to the right to distribution.

The General Meeting confers full powers on the Board of Directors to determine the final overall amount of the sums distributed according to the number of shares held by the Company on May 20, 2022 and make the necessary adjustments, based on the amount of dividends actually paid, and more generally do whatever is necessary to ensure the proper completion of the transactions covered by this resolution.

Fourth resolution
(Ratification of the cooptation of Mr David Gansberg as director)

The General Meeting, acting under the quorum and majority conditions required for Ordinary General Meetings, after having read the report of the Board of Directors, ratifies the cooptation of Mr David Gansberg, as director, which took place at the meeting of July 28, 2021 replacing Mr Benoit Lapointe de Vaudreuil, until the expiry of his term of office, or at the end of the General Meeting called to approve the financial statements for the financial year ended December 31, 2024.

Fifth resolution
(Renewal of the term of office of Ms Sharon MacBeath)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the report of the Board of Directors, noting that Ms Sharon MacBeath's term of office as director expires today, renews Ms Sharon MacBeath, with effect from the end of this meeting, as director for a term of four years. This term of office will expire at the end of the Annual General Meeting called in 2026 to approve the financial statements for the financial year ended December 31, 2025.

Sixth resolution
(Nomination of Mr Laurent Musy as director, following the expiry of Mr Éric Hémar's term of office)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the report of the Board of Directors, and having taken note of the expiry of the term of office of Mr Éric Hémar, decides to appoint Mr Laurent Musy as director with effect from the end of this meeting, for a term of four years. This term of office will expire at the end of the Annual General Meeting called in 2026 to approve the financial statements for the financial year ended December 31, 2025.

Seventh resolution
(Nomination of Ms Laetitia Leonard-Reuters as director, following the expiry of Mr Olivier Zarrouati's term of office)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the report of the Board of Directors, and having taken note of the expiry of the term of office of Mr Olivier Zarrouati decides to appoint Ms Laetitia Leonard-Reuters as director with effect from the end of this meeting, for a term of four years. This term of office will expire at the end of the General Meeting called in 2026 to approve the financial statements for the financial year ended December 31, 2025.

Eighth resolution
(Authorisation of the Board of Directors to trade in the shares of the Company)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the report of the Board of Directors:

1. authorises the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, in accordance with the provisions of Articles L.22-10-62 *et seq.* and L.225-210 *et seq.* of the French Commercial Code, to purchase or cause to be purchased, on one or more occasions and at the times set by it, a number of the Company's shares not exceeding:
   - i. 10% of the total number of shares comprising the share capital at any time, or
   - ii. 5% of the total number of shares making up the share capital in the case of shares acquired by the Company in view of their conservation and subsequent delivery in payment or in exchange in the context of a merger, demerger or contribution transaction.
   - iii. These percentages apply to a number of adjusted shares, as the case may be, depending on the transactions that may affect the share capital after this General Meeting.

- **iv.** The acquisitions made by the Company may under no circumstances lead the Company to hold at any time whatsoever more than 10% of the shares comprising its share capital;

2. decides that this authorisation may be used to:

- **i.** provide liquidity and stimulate the securities market of the Company through an investment service provider acting independently under a liquidity agreement in line with market practice accepted by the Autorité des marchés financiers on June 22, 2021,
- **ii.** grant shares to corporate officers and employees of the Company and other Group entities, including (i) Company profit sharing, (ii) any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 *et seq.* and L.22-10-56 *et seq.* of the French Commercial Code, or (iii) any savings plan pursuant to the provisions of Articles L.3331-1 *et seq.* of the French Labour Code or (iv) any free allocation of shares within the framework of the provisions of Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, as well as to carry out any hedging transactions relating to these transactions, according to the conditions provided for by the market authorities and at such times as the Board of Directors or the person acting on the delegation of the Board of Directors shall assess,
- **iii.** deliver Company shares upon exercise of rights attached to securities giving entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or in any other manner to the allocation of Company shares within the framework of the regulations in force, as well as to carry out any hedging transactions relating to these transactions, according to the conditions laid down by the market authorities and at such times as the Board of Directors or the person acting on the delegation of the Board of Directors shall assess,
- **iv.** retain the Company shares and subsequently deliver them as a payment or exchange in the context of any external growth, merger, demerger or contribution operations,
- **v.** cancel all or part of the securities thus purchased,
- **vi.** implement any market practice that may be accepted by the Autorité des marchés financiers and, more generally, carry out any transaction in accordance with the regulations in force;

3. decides that the maximum unit purchase price shall not exceed €15 per share, excluding charges. The Board of Directors may however, in the event of transactions concerning the Company's capital, in particular changes in the nominal value of the share, increase in capital by incorporation of reserves followed by the creation and free allocation of shares, division or consolidation of securities, adjust the aforementioned maximum purchase price in order to take into account the impact of these transactions on the value of the Company's share;

4. decides that the acquisition, sale or transfer of such shares may be effected and paid by any means authorised by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic or over-the-counter internaliser, including by way of acquisition or sale of blocks, by means of options or other derivative financial instruments, or warrants or, more generally, securities giving right to Company shares, at such times as the Board of Directors shall assess;

5. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this authorisation as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

6. decides that the Board of Directors shall have all powers, with the option of sub-delegation under the legislative and regulatory conditions, in order, in accordance with the relevant legislative and regulatory provisions, to make the allocations and, where applicable, the permitted reallocations of shares redeemed for one or more of the objectives of the programme to one or more of its other objectives, or to their transfer, on the market or off the market.

All powers are therefore conferred on the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, to implement this authorisation, specify, if necessary, the terms and determine the terms and conditions under the legal conditions and of this resolution, and in particular to place all stock market orders, to enter into all agreements, in particular to keep the registers of purchases and sales of shares, make all declarations to the Autorité des marchés financiers or any other competent authority, prepare any information document, complete all formalities, and in general, do whatever is necessary.

The Board of Directors must inform, under the legal conditions, the General Meeting of the operations carried out under this authorisation;

7. decides that this authorisation, which cancels and replaces that granted by the seventeenth (17th) resolution of the General Meeting of May 12, 2021, is granted for a term of eighteen (18) months from the date of this General Meeting.

Ninth resolution

(Approval of the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L.1225-38 et seq. of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having familiarised itself with the special report of the Statutory Auditors presented pursuant to Article L.225-40 of the French Commercial Code on the regulated agreements and commitments referred to in Articles L.1225-38 *et seq.* of the French Commercial Code, approves this report in all its provisions as well as the new agreements referred to therein, having been authorised by the Board of Directors during the financial year ended December 31, 2021 and acknowledges that the regulated agreements and commitments entered into and previously approved by the General Meeting, which were referred to in the report, continued during the past financial year.

Tenth resolution

(Approval of the information mentioned in Section I of Article L.22-10-9 of the French Commercial Code on the remuneration of corporate officers, non-directors pursuant to Article L.22-10-34 Section I of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having read the corporate governance report referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-34 Section I of the French Commercial Code, the information mentioned in Article L.22-10-9 of the French Commercial Code on the remuneration of non-executive corporate officers for the financial year ended December 31, 2021, as presented in the aforementioned report.

Eleventh resolution

(Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, pursuant to Article L.22-10-34 Section II of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having read the report on corporate governance referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-34 Section II of the French Commercial Code, fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the year ended December 31, 2021, or allocated for the same financial year to Bernardo Sanchez Incera, Chairman of the Board of Directors, as presented in the aforementioned report.

Twelfth resolution

(Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or awarded for the same financial year to Xavier Durand, Managing Director, pursuant to Article L.22-10-34 Section II of the French Commercial Code)

The General Meeting, acting with the quorum and majority conditions required for Ordinary General Meetings, having read the report on corporate governance referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-34 Section II of the French Commercial Code, fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during the financial year ended December 31, 2021, or allocated for the same financial year to Xavier Durand, Chief Executive Officer of the Company, as presented in the aforementioned report.

Thirteenth resolution

(Approval of the remuneration policy applicable to the members of the Board of Directors, pursuant to Article L 22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority conditions required for Ordinary General Meetings, having read the corporate governance report referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the remuneration policy applicable to the members of the Board of Directors as determined by the Board of Directors of the Company on the proposal of the Appointments and Remuneration Committee and presented in the aforementioned report.

Fourteenth resolution

(Approval of the remuneration policy applicable to the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having read the report on corporate governance, referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chairman of the Board of Directors of the Company, as determined by the Board of Directors of the Company on the proposal of the Appointments and Remuneration Committee and presented in the aforementioned report.

Fifteenth resolution

(Approval of the remuneration policy applicable to the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having read the report on corporate governance, referred to in Article L.225-37 of the French Commercial Code and appearing in Section 8.1.3 of Chapter 8 of the Company's 2021 Universal Registration Document, approves, pursuant to Article L.22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chief Executive Officer of the Company, as determined by the Board of Directors of the Company on the proposal of the Appointments and Remuneration Committee and presented in the aforementioned report.

Within the remit of the Extraordinary General Meeting

Sixteenth resolution

(Authorisation to the Board of Directors to reduce the share capital of the Company by cancellation of shares held in its own right)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having read the report of the Board of Directors and the special report of the Statutory Auditors:

1. authorises the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, to:
   i. cancel, on its own decisions, on one or more occasions, up to a limit of 10% of the amount of the share capital existing on the date of cancellation (that is to say adjusted according to the transactions on the share capital since the adoption of this resolution), in a period of twenty-four months, all or part of the shares acquired by the Company under a share buyback programme authorised by the shareholders,
   ii. reduce the share capital accordingly and allocate the difference between the redemption price of the cancelled shares and their nominal value against the available premiums and reserves of its choice;
2. confers all powers on the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, for the purpose of determining the final amount of capital reductions within the limits provided for by law and this resolution, fixing the terms thereof, recording their completion, carrying out all acts, formalities or declarations with a view to making final any reductions of capital that may be made pursuant to this authorisation and for the purpose of amending the Articles of Association accordingly;
3. decides that this authorisation, which cancels and replaces that granted by the thirteenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Seventeenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by incorporation of reserves, profits or premiums or any other sum whose capitalisation would be accepted)

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, after having read the report of the Board of Directors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129, L.225-129-2, L.225-130 and L.22-10-50:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, its competence to increase, on one or more occasions, in the proportions and at the times it determines, the share capital of the Company by incorporation of reserves, profits or premiums of issue, merger or contribution, or any other sum, the capitalisation of which shall be legally possible, to be carried out by the issue of new shares or by raising the nominal amount of the existing shares or the combination of these two modes of realisation according to the terms and conditions it shall determine;
2. decides that the nominal amount of the capital increases which may be decided by the Board of Directors and carried out, immediately and/or in the future, under this delegation may not exceed a maximum amount of seventy-five million euros (€75,000,000). This ceiling shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;
3. specifies that in the event of a capital increase giving rise to the free allocation of new shares, the Board of Directors may decide that the rights forming fractional shares shall not be negotiable and that the corresponding shares shall be sold, in accordance with the provisions of Article L.22-10-50 of the French Commercial Code, the sums arising from the sale being allocated to the holders of the rights within the time limits provided for by the regulations;
4. decides that the Board of Directors shall have all powers, with the option of sub-delegation under the legislative and regulatory conditions, to implement this delegation, and in particular:
   i. determine the terms and conditions of the authorised transactions and in particular to determine the amount and nature of the reserves, profits, premiums or other amounts to be incorporated into the capital, determine the number of new shares to be issued and/or the amount of which the nominal value of the existing shares making up the share capital will be increased, to determine the date, even retroactive, from which the new shares will be exercised or that on which the increase of the nominal value will take effect and proceed, where applicable, with all charges against the issue premium(s) and, in particular, the costs incurred by the realisation of the issues,
   ii. take all measures intended to protect the rights of holders of securities or other rights giving access to the capital, existing on the date of the capital increase,
   iii. take all appropriate measures and enter into all agreements in order to ensure the correct completion of the planned transaction (s) and, generally, to do all that is necessary, to carry out all acts and formalities for the purpose of making final the capital increase(s) that may be carried out under this delegation as well as to amend the Company's Articles of Association accordingly;
5. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

6. decides that this delegation, which cancels and replaces that granted by the fourteenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Eighteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, maintaining the preferential subscription right, shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 *et seq.*, L. 225-132, L.225-133, L.22-10-49 and L. 228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, the power to decide to proceed, on one or more occasions, in the proportions and at the times it assesses, both in France and abroad, in euros or currencies or units of account fixed by reference to several currencies, with the issue, maintaining the preferential subscription right, of Company shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, the subscription of which may be made either in cash or by offsetting certain receivables, liquid and payable, either in whole or in part, by the incorporation of reserves, profits or premiums;
2. decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation shall not exceed a maximum amount of one hundred and fifteen million euros (€115,000,000), or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified that the nominal amount of the increases of capital realised pursuant to this resolution and the nineteenth to twenty-third resolutions submitted to this General Meeting shall be deducted from that limit. This ceiling shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;
3. decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. The maximum overall nominal amount of debt issues that could be carried out on the basis of this delegation may not exceed five hundred million euros (€500,000,000) or its equivalent in foreign currencies or units of account fixed by reference to several currencies, it being specified that the nominal amount of debt securities issued pursuant to this resolution and the nineteenth to twenty-first resolutions submitted to this General Meeting shall be deducted from this ceiling;
4. acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right immediately or in the future;
5. decides that the shareholders may exercise, under the conditions provided by law, their preferential subscription right on an irreducible basis to the equity securities and/or securities the issue of which shall be decided by the Board of Directors pursuant to this delegation of authority. The Board of Directors shall be entitled to confer on shareholders the right to subscribe, on a reducible basis, a number of securities higher than that which they could subscribe on an irreducible basis, in proportion to the subscription rights available to them and, in any event, up to the limit of their requests.

   If the subscriptions on an irreducible basis, and, where applicable, on a reducible basis, have not absorbed all of the capital securities and/or securities issued, the Board of Directors shall have the option, to the extent it determines, to limit, in accordance with the law, the issue in question to the amount of subscriptions received, subject to the condition that it reaches at least three quarters of the issue initially decided, either to freely distribute all or part of the securities not subscribed among the persons of its choice, or to offer in the same way to the public, on the French or international market, all or part of the securities not subscribed, with the Board of Directors being able to use all or only some of the options set out above;
6. further specifies that the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, may in particular:
   i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription, their payment and their date of enjoyment (even retroactive),
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it shall determine, that the warrants may be redeemed, or that they will be allocated free of charge to the shareholders in proportion to their right in the share capital,
   iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,

iv. decide to use the shares acquired as part of a share buyback programme authorised by the shareholders to allot them as a result of the issuance of the securities issued on the basis of this delegation,

v. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,

vi. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the applicable laws and regulations and contractual provisions,

vii. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,

viii. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;

7. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

8. decides that this delegation, which cancels and replaces that granted by the fifteenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Nineteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, in the context of offers to the public other than those referred to in Article L.411-2 1° of the French Monetary and Financial Code)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having read the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-49, L. 22-10-51, L. 22-10-52, L. 22-10-54 and L.228-92:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, the power to decide to proceed by means of offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it shall assess, both in France and abroad, in euros or currency or unit of account fixed by reference to several currencies, the issue, with cancellation of the preferential subscription right, of Company shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, the subscription of which may be made either in cash or by offsetting against certain, liquid and payable receivables. These securities may in particular be issued in order to remunerate securities contributed to the Company, in the context of a public exchange offer made in France or abroad according to local rules (for example, in the context of what is known in English as a reverse merger) on securities meeting the conditions set out in Article L.22-10-54 of the French Commercial Code;

2. decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation shall not exceed a maximum amount of twenty-nine million euros (€29,000,000) or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified (i) that the nominal amount of capital increases made pursuant to this resolution as well as the twentieth and twenty-first resolutions submitted to this General Meeting shall be deducted from this limit and (ii) that the nominal amount of any capital increase carried out pursuant to this delegation shall be deducted from the overall nominal ceiling provided for capital increases in paragraph 2 the eighteenth resolution of this General Meeting.

   These ceilings shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;

3. decides to waive the preferential subscription right of shareholders to shares and other securities to be issued pursuant to the present resolution;

4. decides that, with respect to issues carried out under this delegation, the Board of Directors may establish in favour of the shareholders a period of priority for subscription, in an irreducible and possibly reducible manner, not giving entitlement to the creation of negotiable rights, and therefore delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, the ability to set this time limit and its terms, in accordance with the provisions of Articles L.225-135 and L.22-10-51 of the French Commercial Code;

5. decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€50,000,000) or its equivalent in foreign currency or in units of account fixed by reference to several currencies, it being specified that this amount shall be deducted from the overall nominal ceiling for debt issues provided for in paragraph 3 of the eighteenth resolution;

6. acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;
7. decides that if the subscriptions have not absorbed all of the capital securities and/or securities issued, the Board of Directors shall have the option, to the extent to be determined, to limit the issue to the amount of subscriptions received under the condition that the issue reaches at least three-quarters of the issue decided, either to freely distribute all or part of the securities not subscribed to among the persons of its choice, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
8. further specifies that the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, may in particular:
   i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription, their payment and their date of enjoyment,
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it shall determine, that the warrants may be redeemed, or that they will be allocated free of charge to the shareholders in proportion to their right in the share capital,
   iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,
   iv. set the issue price of the shares or securities that may be created pursuant to the preceding paragraphs so that the Company receives for each share created or awarded independently of any remuneration, in any form, interest, issue premium or redemption, an amount at least equal to the minimum price provided for by the laws or regulations applicable on the day of issue or, to date, the weighted average of the Company's share prices of the last three trading sessions on the regulated market of Euronext Paris preceding the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%,
   v. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,
   vi. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the applicable laws and regulations and contractual provisions,
   vii. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,
   viii. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;
9. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;
10. decides that this delegation, which cancels and replaces that granted by the sixteenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twentieth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of the preferential subscription right, shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, in the context of offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having read the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-49, L.22-10-51 and L.22-10-52 and L.228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, the power to decide to proceed in the context of offers to the public referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code, under the conditions and maximum limits provided by the laws and regulations, on one or more occasions, in the proportions and at the times it shall assess, both in France and abroad, in euros or foreign currencies or units of account fixed by reference to several currencies, with the issue, with cancellation of the

preferential subscription right, of Company shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, the subscription of which may be made either in cash or by set-off against certain, liquid and payable receivables;

2. decides that the total nominal amount of the capital increases which may be carried out immediately and/or in the future pursuant to this delegation shall not exceed a maximum amount of twenty-nine million euros (€29,000,000) or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified that this amount shall be applied a (i) on the nominal ceiling of twenty-nine million euros (€29,000,000) provided for capital increases with cancellation of the preferential subscription right in paragraph 2 of the nineteenth resolution of this General Meeting as well as (ii) on the overall nominal ceiling provided for the capital increases in paragraph 2 of the [eighteenth] resolution of this General Meeting. These ceilings shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;
3. decides to waive the preferential subscription right of shareholders to shares and other securities to be issued pursuant to the present resolution;
4. decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€50,000,000) or its equivalent in foreign currency or in units of account fixed by reference to several currencies, it being specified that this amount shall be deducted from the overall nominal ceiling for debt issues provided for in paragraph 3 of the eighteenth resolution;
5. acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;
6. decides that if the subscriptions have not absorbed all of the capital securities and/or securities issued, the Board of Directors shall have the option, to the extent to be determined, to limit, in accordance with the law, the issue to the amount of subscriptions received under the condition that the issue reaches at least three-quarters of the issue decided, either to freely distribute all or part of the securities not subscribed to among the persons of its choice, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
7. further specifies that the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, may in particular:
   i. decide and determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription and their date of enjoyment,
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on terms and conditions that it shall determine, that the warrants may be redeemed,
   iii. more generally, determine the characteristics of any securities and, in particular, the terms and conditions for the allocation of shares, the duration of the borrowings that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premiums, the terms and conditions of redemption and, where applicable, the terms and conditions of purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; remuneration may include a variable part calculated by reference to items relating to the Company's business and profits and a deferred payment in the absence of distributable profits,
   iv. set the issue price of the shares or securities that may be created pursuant to the preceding paragraphs so that the Company receives for each share created or awarded independently of any remuneration, in any form, interest, issue premium or redemption, an amount at least equal to the minimum price provided for by the laws or regulations applicable on the day of issue or, to date, the weighted average of the Company's share prices of the last three trading sessions on the regulated market of Euronext Paris preceding the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%,
   v. decide to use the shares acquired as part of a share buyback programme authorised by the shareholders to allot them as a result of the issuance of the securities issued on the basis of this delegation,
   vi. take all measures to protect the rights of the holders of the securities issued required by the laws and regulations and the applicable contractual provisions,
   vii. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the legal, regulatory and contractual provisions,
   viii. record the completion of any increases in capital and issues of securities, proceed with the corresponding amendment of the Articles of Association, allocate the issue costs to the premiums and, if it deems it appropriate, deduct from the amount of the capital increases the sums necessary in order to increase the legal reserve to one tenth of the new share capital,

ix. take all measures and have all formalities required for the admission to trading on a regulated market of the securities created;

8. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

9. decides that this delegation, which cancels and replaces that granted by the seventeenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twenty-first resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in return for contributions in kind)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129 *et seq.*, L.225-147, L.22-10-53 and L.228-92:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, the power to decide to proceed, on a report by the contributions auditor(s), on one or more occasions, in the proportions and at the times it shall assess, both in France and abroad, in euros or currency or unit of account fixed by reference to several currencies, with the issue of Company shares and/or capital securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or securities giving access to capital securities to be issued, with a view to remunerating contributions in kind granted to the Company and constituted of equity securities or securities giving access to the capital, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable;

2. decides that the total nominal amount of the capital increases which may be carried out under this delegation shall not exceed, in addition to the legal limit of 10% of the share capital (assessed on the date of the decision of the Board of Directors deciding the issue), a maximum amount of twenty-nine million euros (€29,000,000) or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified that this amount shall be charged (i) to the nominal ceiling of twenty-nine million euros (€29,000,000) provided for capital increases with cancellation of the preferential subscription right in paragraph 2 of the nineteenth resolution of this General Meeting as well as (ii) the overall nominal ceiling provided for the capital increases in paragraph 2 of the eighteenth resolution of this General Meeting. These ceilings shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;

3. decides that the securities giving access to capital securities to be issued by the Company so issued may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. The maximum aggregate nominal amount of debt issues that could be realised immediately or in the future on the basis of this delegation may not exceed five hundred million euros (€50,000,000) or its equivalent in foreign currency or in currency units fixed by reference to several currencies, it being specified that this amount shall be deducted from the overall nominal ceiling for debt issues provided for in paragraph 3 of the eighteenth resolution;

4. decides to waive for the benefit of holders of securities subject to contributions in kind, the preferential subscription rights of shareholders to shares and other securities to be issued pursuant to this resolution;

5. acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;

6. further specifies that the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, may in particular:

   i. rule, on the report of the contributions auditor(s), on the valuation of contributions and the granting of any special benefits,

   ii. determine the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without share premium), the terms of their subscription and their date of enjoyment,

   iii. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these contributions and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

   iv. take all measures to protect the rights of the holders of the securities issued or other rights giving access to the Company's capital required by the laws and regulations and the applicable contractual provisions,

   v. record the completion of all issues of shares and securities, amend the Articles of Association rendered necessary by the completion of any capital increase, allocate the issue costs to the premium if it so wishes and also bring the legal reserve to one tenth of the new share capital as well as carry out all formalities and declarations and require all authorisations that may prove necessary for the completion of these contributions,

vi. take all measures and have all formalities required for the admission of the securities created to trading on a regulated market;

7. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

8. decides that this delegation, which cancels and replaces that granted by the eighteenth resolution of the General Meeting of May 14, 2020, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twenty-second resolution

(Delegation of authority to the Board of Directors to increase the share capital with cancellation of the preferential subscription right by issuing Company shares reserved for members of a company savings plan)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and pursuant to the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code and those of Articles L.3332-18 *et seq.* of the French Labour Code:

1. delegates to the Board of Directors, with the option of sub-delegation under the legislative and regulatory conditions, its authority, to proceed on one or more occasions, on its decisions alone, in the proportions and at the times it shall assess, both in France and, with the issue of new shares, with this issue being reserved for employees, to eligible former employees and corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, belonging to a company savings plan;

2. cancels, in favour of such members, the preferential subscription right of the shareholders to the shares which may be issued pursuant to this authorisation and waives all rights to the shares that may be granted free of charge on the basis of this resolution under the discount and/or contribution;

3. decides that the nominal amount of the capital increase which may be carried out, pursuant to this delegation of authority, may not exceed three million two hundred thousand euros (€3,200,000) or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified that the nominal amount of any capital increase carried out pursuant to this delegation shall be set off against the overall nominal ceiling for the capital increases provided for in paragraph 2 of the eighteenth resolution of this General Meeting and that the ceiling of this delegation shall be common with that of the twenty-third resolution of this General Meeting. This ceiling shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;

4. decides that the subscription price of the securities issued pursuant to this delegation will be determined under the conditions provided for by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount compared to an average of the quoted prices of the share during the twenty trading sessions preceding the decision setting the opening date of the subscription may therefore exceed 30% (or 40% when the unavailability period provided for in the plan pursuant to Articles L.3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years). However, when implementing this delegation, the Board of Directors may reduce the amount of the discount on a case-by-case basis, in particular due to tax, social security or accounting constraints applicable in the countries where the Group entities involved in the capital increase operations are located. The Board of Directors may also decide to allocate shares free of charge to the subscribers of new shares, in substitution of the discount and/or in respect of the contribution;

5. decides that the Board of Directors shall have all powers, with the option of sub-delegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above for the purpose, in particular, to:

   i. decide on the issue of new shares of the Company,

   ii. establish the list of companies whose employees, former employees and eligible corporate officers may benefit from the issue, set the conditions that the beneficiaries must fulfil, in order to be able to subscribe, directly or through a mutual investment fund, to the shares that will be issued under this delegation of authority,

   iii. set the amounts of these issues and determine the subscription prices of the securities and the subscription dates, terms and conditions of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even retroactive, from which the new shares will be exercised,

   iv. decide, pursuant to Article L.3332-21 of the French Labour Code, on the allocation, free of charge, of shares to be issued or already issued, in respect of the contribution and/or, where applicable, the discount, provided that taking into account their financial equivalent, valued at the subscription price, has the effect of exceeding the limits provided for in Article L.3332-11 of the French Labour Code and, in the event of the issue of new shares in respect of the discount and/or the contribution, to incorporate into the capital the reserves, profits or issue premiums necessary for the payment of such shares,

   v. set the time limit for subscribers to pay up their shares,

   vi. record or have recorded the completion of the capital increase up to the amount of the shares actually subscribed,

   vii. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these increases and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

viii. in general, take all measures and carry out all formalities necessary for the issue and listing of the shares issued and further to the capital increases and the corresponding amendments to the Articles of Association pursuant to this delegation;

6. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

7. decides that this delegation, which cancels and replaces that granted by the twenty-sixth resolution of the General Meeting of May 12, 2021, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twenty-third resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares with cancellation of the preferential subscription right in favour of a specific category of beneficiaries)

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L.225-129 *et seq.* and L.225-138 of the French Commercial Code:

1. delegates, with the option of sub-delegation under the legislative and regulatory conditions, its authority to proceed, on one or more occasions, on its decisions alone, in such proportions and at such times as it shall assess, both in France and abroad, with the issue new shares, the issue being reserved for one or more of the categories of beneficiaries meeting the following characteristics: (i) employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more mutual funds or other entity governed by French or foreign law, with or without legal personality, subscribing on behalf of persons designated in paragraph (i) above, and (iii) one or more financial institutions mandated by the Company to propose to the persons designated in paragraph (i) above a system of savings or shareholding comparable to those offered to the employees of the Company in France;

2. cancels, in favour of such beneficiaries, the preferential subscription right of the shareholders to the shares that may be issued under this delegation;

3. acknowledges that this delegation entails the waiver, by the shareholders, of their preferential subscription rights, of the capital securities of the Company to which the securities issued on the basis of this delegation may give right;

4. decides that the nominal amount of the capital increase which may be carried out, pursuant to this delegation of authority, may not exceed three million two hundred thousand euros (€3,200,000) or the equivalent in any other currency or currency unit established by reference to several currencies, it being specified that the nominal amount of any capital increase carried out pursuant to this resolution shall be set off against the overall nominal ceiling for the capital increases in paragraph 2 of the eighteenth resolution of this General Meeting and that the ceiling of this delegation shall be common with that of the twenty-second resolution of this General Meeting. This ceiling shall be increased, where applicable, by the nominal value of the shares to be issued in order to preserve in accordance with the laws and regulations and, where applicable, the contractual provisions applicable to the rights of holders of securities or other rights giving access to the Company's capital;

5. decides that the subscription price of the securities issued pursuant to this delegation may not be more than 30% or, where applicable, 40% of the average of the quoted prices of the share during the twenty trading days preceding the date of the decision setting the opening date of the subscription, nor higher than this average. However, when implementing this delegation, the Board of Directors may reduce the amount of the discount on a case-by-case basis, in particular due to tax, social security or accounting constraints applicable in the countries where the Group entities involved in the capital increase operations are located. Furthermore, in the event of a transaction carried out under this resolution at the same time as a transaction carried out pursuant to the twenty-second resolution of this General Meeting, the subscription price of the shares issued under this resolution may be identical to the subscription price of the shares issued on the basis of the twenty-second resolution of this General Meeting;

6. decides that the Board of Directors shall have all powers, with the option of sub-delegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above for the purpose, in particular, to:

   i. determine the list of beneficiaries, within the categories of beneficiaries defined above, of each issue and the number of shares to be subscribed by each of them, under this delegation of authority,

   ii. set the amounts of these issues and determine the prices and the subscription dates, terms and conditions of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even retroactive, from which the new shares will be exercised,

   iii. set the time limit for subscribers to pay up their shares,

   iv. record or have recorded the completion of the capital increase up to the amount of the shares actually subscribed,

   v. at its sole initiative, charge the costs of the share capital increase(s) against the premiums relating to these increases and deduct from this amount the sums necessary to raise the legal reserve to one tenth of the new capital after each increase,

vi. in general, take all measures and carry out all formalities necessary for the issue and listing of the shares issued and further to the capital increases and the corresponding amendments to the Articles of Association pursuant to this delegation;

7. decides that the Board of Directors may not, except with the prior authorisation of the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer covering the securities of the Company, until the end of the offer period;

8. decides that this delegation, which cancels and replaces the delegation granted by the twenty-seventh resolution of the General Meeting of May 12, 2021, is granted for a period of eighteen (18) months from the date of this General Meeting.

Twenty-fourth resolution
(Powers for formalities)

The General Meeting, acting with the quorum and majority required for ordinary and Extraordinary General Meetings, gives all powers to the bearer of copies or extracts of these minutes to fulfil all legal formalities.

8.3 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of COFACE SA,

In our capacity as statutory auditors of your company, we hereby present to you our report on regulated agreements.

It is our responsibility to report to you, on the basis of the information provided to us, the characteristics, the main terms and conditions and the reasons justifying the interest for the Company, of the agreements brought to our attention or which we may have identified in the course of our audit. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (code de commerce), to evaluate the advantages of entering into these agreements prior to their approval.

It is moreover our responsibility to report to you, where applicable, the information required by Article R.225-31 of the French Commercial Code (code de commerce) relating to the performance, during the past financial year, of the agreements already approved by the Shareholders' Meeting.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission.

Agreements submitted for approval to the annual general meeting

Agreements authorised and entered into during the last financial year

We hereby inform you that we have not been advised of any agreements authorized and entered into during the last financial year that should be submitted to the approval of the General Meeting of Shareholders in accordance with Article L. 225-38 of the French Commercial Code.

At its meeting of March 22, 2022, your Board of Directors decided to downgrade the following agreements, as it considered that there were no longer any persons covered by Article L. 225-38 of the French Commercial Code:

Club deal" syndicated loan for back-up lines to finance the factoring business by means of commercial paper to Coface Finanz GmbH:

Nature, purpose and reasons justifying its interest for the company:

COFACE SA currently has a syndicated loan agreement for a total of seven hundred million euros (€700,000,000) as a "back-up line" for its commercial paper program. This syndicated loan has been granted to COFACE SA by the following six banks: BNPP, BRED, CACIB, Natixis, HSBC and Société Générale.

Terms and conditions:

Natixis participates in the syndicated loan for 145,000,000 euros (€). Its remuneration is as follows:

i. 217,500 (€) of set-up fee, this amount being the same for all lenders of the same rank on the transaction;

ii. 152,250 euros (€) of estimated annual cost of use of the syndicated loan;

Persons concerned:

Natixis held more than 10% of the capital of COFACE SA. In addition, COFACE SA and Natixis had a joint corporate officer in the person of Nicolas Namias.

The syndicated club deal was authorized by the Board of Directors on July 28, 2021.

Guarantees for the financing of the Group's factoring activity:

Nature, purpose and reasons for the guarantee:

Coface Finanz GmbH and Coface Poland Factoring Sp.z.o.o. benefit from several multi-currency credit lines to finance their factoring business, most of which are covered by a payment guarantee from COFACE SA.

As the dates for issuing these guarantees are not aligned with those of the Boards of Directors, it seemed preferable to ask the Board of Directors to authorize COFACE SA to issue guarantees up to an overall ceiling rather than seeking authorization on a case-by-case basis.

In order to support the growth of the factoring business in Germany and Poland in 2022, it is planned to increase the maximum financing limit of certain existing credit lines and to set up new confirmed credit lines.

However, at no time will the commitment of COFACE SA, as guarantor of the said subsidiaries, exceed the maximum principal amount of one billion one hundred and fifty (1,150) million euros for the period between December 17, 2021 and December 17, 2022.

Terms:

Coface Poland Factoring Sp. z o.o. and Coface Finanz GmbH will pay a fee of 0.20% of the guaranteed amount.

Natixis, the lender under the credit lines, is the beneficiary of the guarantee.

Persons concerned:

Natixis held more than 10% of the capital of COFACE SA. In addition, COFACE SA and Natixis had a joint corporate officer in the person of Nicolas Namias.

Tripartite liquidity agreement with Oddo BHF and Natixis:

Nature, purpose and reasons justifying its interest for the company:

Under the authorization granted to it by the General Meeting of Shareholders on June 2, 2014, renewed on May 18, 2015, May 19, 2016, May 17, 2017, May 16, 2018, May 16, 2019 and May 14, 2020, for consecutive periods of eighteen months, the Board of Directors of COFACE SA has decided to authorize the Company to purchase its own shares, in order to stimulate the market, ensure the liquidity of the share and/or allocate shares to staff members in particular

Terms and conditions:

A liquidity agreement was signed on June 26, 2014 with Natixis, for a one-year period renewable by tacit agreement. Under this agreement, Coface authorizes Natixis to purchase up to five million (5,000,000) euros worth of COFACE SA shares in exchange for an annual fee of forty thousand (40,000) euros excluding tax. This amount was reduced to three million (3,000,000) euros in November 2017. This contract was renewed in 2015, 2016, 2017, 2018, 2019 and 2020.

As part of its partnership with Oddo BHF, Natixis has transferred its equity intermediation activities to Oddo BHF, while retaining the commercial relationship and responsibility for market surveillance services. In this context, COFACE SA was led to sign a tripartite liquidity contract with Oddo BHF and Natixis on June 28, 2018. The financial terms remain unchanged. The remuneration is received by Natixis on behalf of Oddo BHF, to which it is fully repaid.

Persons concerned:

Natixis held more than 10% of the capital of COFACE SA. In addition, COFACE SA and Natixis had a joint corporate officer in the person of Nicolas Namias.

As this is an agreement entered into by tacit renewal, it was approved by the Board of Directors of COFACE SA on July 25, 2018 and renewed by the Board of Directors of COFACE SA on July 25, 2019 and July 29, 2020.

Agreements already approved by the general meeting

Agreements authorised in prior years which that continued to be implemented during the year under review

In accordance with Article R.225-30 of the French Commercial Code (code de commerce), we have been informed that the following agreements, already approved by the Annual General Meeting in previous years, continued to be implemented during the past year.

A guarantee of the Compagnie française d'assurance pour le commerce extérieur to COFACE SA for payment of the subordinated debt

Nature and purpose:

On March 27, 2014 COFACE SA issued a subordinated debt in the form of bonds for a nominal amount of €380 million (380,000,000).

In order to improve the rating of COFACE SA's subordinated debt issuance and thus its price, Compagnie Française d'Assurance pour le Commerce Extérieur issued a guarantee that improved the rating of the issuance by 2 notches (as a reminder, the issuance was rated Baa1 / A by Moody's and Fitch, while without this guarantee the rating would have been Baa3 / BBB).

Terms and conditions:

Remuneration conditions for this guarantee: the price of the guarantee was thus set at 0.2% based on the total amount, representing a financial expense of seven hundred and sixty thousand (760,000) euros in respect of the 2021 financial year for COFACE SA.

Persons concerned:

COFACE SA holds 99.99% of the share capital of Compagnie Française d'Assurance pour le Commerce Extérieur at December 31, 2021 and Compagnie Française d'Assurance pour le Commerce Extérieur have a joint representative in the person of Mr. Xavier Durand (Chief Executive Officer of COFACE SA and Chairman and Chief Executive Officer of Compagnie Française d'Assurance pour le Commerce Extérieur).

Signed in Paris La Défense, on April 05, 2022

The Statutory Auditors

French original signed by

Mazars	**Deloitte & Associés**
Jean-Claude PAULY	Jérôme LEMIERRE
Partner	Partner

8

8.4 STATUTORY AUDITORS' REPORT ON THE REDUCTION OF CAPITAL

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of May 17, 2022 - Resolution No. 16

To the Combined General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Article L. 22-10-62 of the French Commercial Code in the event of a reduction in capital by cancelling shares purchased, we have prepared this report intended to inform you of our assessment of the terms and conditions for the proposed capital reduction.

Your Board of Directors proposes that you delegate to it, for a period of 26 months from the date of this Meeting, all powers to cancel, within the limit of 10% of the share capital per 24-month period, the shares purchased for the implementation of an authorisation to purchase its own shares by your company in accordance with the provisions of the aforementioned article.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures are designed to examine whether the terms and conditions for the proposed capital reduction, which is not likely to undermine the equality of shareholders, are legitimate.

We have no matters to report regarding the terms and conditions for the proposed capital reduction.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	*Partner*

8.5 STATUTORY AUDITORS' REPORT ON THE ISSUE OF VARIOUS SECURITIES WITH MAINTENANCE AND/OR CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of May 17, 2022 - Resolution Nos. 18 to 21

To the Combined General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code as well as Article L.22-10-52 of the French Commercial Code, we hereby present our report on the proposal to delegate various issues of shares and/or securities to the Board of Directors, operations on which you are called upon to vote.

On the basis of its report, your Board of Directors proposes that:

- You delegate it the authority, for a period of twenty-six months from this General Meeting, to approve the following transactions and set the final terms of these issues and proposes, where applicable, to remove your preferential subscription rights:
  - issue with maintenance of preferential subscription rights (18th resolution) of ordinary shares and/or securities that are equity securities providing access to other equity securities and/or conferring entitlement to the allocation of debt securities, and/or transferable securities providing access to equity securities to be issued;
  - issue with cancellation of preferential subscription rights through a public offering other than those specified in Article L. 411-2 1° of the French Monetary and Financial Code (19th resolution) of ordinary shares and/or securities that are equity securities providing access to other equity securities and/or conferring entitlement to the allocation of debt securities and/or transferable securities providing access to equity securities to be issued:
    - it being specified that these securities may be issued for the purpose of remunerating securities tendered to the Company, under a public exchange offer made in France or abroad in accordance with local rules (for example, in the context of a UK/US style reverse merger) on securities meeting the conditions set out in Article L. 22-10-54 of the French Commercial Code
  - issue with cancellation of preferential subscription rights through public offerings specified in Article L. 411-2 1° of the French Monetary and Financial Code and within the limit of 20% of the share capital per year (20th resolution) of ordinary shares and/or securities that are equity securities providing access to other equity securities and/or conferring entitlement to the allocation of debt securities and/or transferable securities providing access to equity securities to be issued.
- you delegate it, for a period of 26 months, the necessary powers to issue ordinary shares and/or securities that are equity securities providing access to other equity securities and/or conferring entitlement to the allocation of debt securities and/or transferable securities providing access to equity securities to be issued, in order to remunerate contributions in kind made to the company consisting of equity securities or transferable securities providing access to the capital (21st resolution), up to a limit of 10% of the share capital.

The overall face value of the capital increases likely to be made immediately or in the future may not, in accordance with the 18th resolution, exceed €115,000,000 under resolutions 19 to 23.

The 19th resolution provides for a sub-limit of €29,000,000, it being specified (i) that the nominal amount of capital increases carried out pursuant to this resolution and the 20th and 21st resolutions will be charged against this limit and (ii) that the nominal amount of any capital increase carried out pursuant to the 19th, 20th and 21st resolutions will be charged against the maximum limit provided for in the 18th resolution.

The total nominal amount of the debt securities likely to be issued may not, in accordance with the 18th resolution, exceed €500,000,000 for resolutions 19 to 21.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning these transactions that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the methods for determining the issue price of equity securities to be issued.

Subject to the subsequent review of the terms and conditions of the issues decided, we have no matters to report on the methods for determining the issue price of the equity securities to be issued as outlined in the Board of Directors' report in respect of the 19th and 20th resolutions.

Furthermore, as this report does not specify the procedures for determining the issue price of the equity securities to be issued in the context of the implementation of the 18th, and 21st resolutions, we cannot give our opinion on the choice of elements used to calculate this issue price.

As the final terms and conditions under which the issues will be carried out are not yet determined, we express no opinion on these nor, consequently, on the proposal to waive the preferential subscription right made to you in the 19th and 20th resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when these delegations are used by your Board of Directors in the event of the issue of securities that are equity securities providing access to other equity securities or conferring entitlement to the allocation of debt securities, in the event of an issue of securities providing access to equity securities to be issued and in the event of the issue of shares with cancellation of preferential subscription rights.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	**Mazars**
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	*Partner*

8

8.6 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR EMPLOYEES ENROLLED IN A COMPANY SAVINGS PLAN

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of May 17, 2022 - Resolution No. 22

To the Combined General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Articles L.225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to delegate the Board of Directors the authority to approve a capital increase by issuing ordinary shares without preferential subscription rights, reserved for current employees, former employees and eligible corporate officers, of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, members of a company savings plan, for a maximum amount of €3,200,000, an operation on which you are called upon to vote.

Your Board of Directors hereby informs you that this nominal amount will be charged against the maximum limit set for capital increases in the 18th resolution (€115,000,000) and that the maximum limit for this delegation will be the same as that of the 23rd resolution.

This capital increase is subject to your approval in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the French Labour Code.

On the basis of its report, your Board of Directors proposes that you delegate it the authority, for a period of twenty-six months, to approve a capital increase and to waive your preferential subscription rights to the ordinary shares to be issued. Where appropriate, the Board will be responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning the issue that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods for determining the price of shares to be issued.

Subject to the subsequent review of the terms and conditions of the capital increase decided, we have no matters to report on the methods for determining the issue price of the ordinary shares to be issued as outlined in the Board of Directors' report.

As the final terms and conditions under which the capital increase would be carried out are not yet determined, we express no opinion on these nor, consequently, on the proposal to waive the preferential subscription right made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	**Mazars**
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	*Partner*

8.7 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of May 17, 2022 - Resolution No. 23

To the Combined General Meeting of COFACE SA,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Articles L.225-135 et seq. as well as Article L.22-10-52 of the French Commercial Code, we hereby present our report on the proposal to delegate the Board of Directors the authority to approve a capital increase by issuing ordinary shares without preferential subscription rights, for a maximum amount of €3,200,000, an operation on which you are called upon to vote.

This issue shall be reserved for:

(i) employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France;

(ii) one or more mutual funds or other entity under French or foreign law, regardless of whether or not they have legal personality, subscribing on behalf of persons referred to in paragraph (i) above;

(iii) one or more financial establishments mandated by the Company to propose to those persons referred to in paragraph (i) above, a savings or shareholding scheme comparable to those proposed to the Company's employees in France.

Your Board of Directors hereby informs you that this nominal amount will be charged against the maximum limit set for capital increases in the 18th resolution (€115,000,000) and that the maximum limit for this delegation will be the same as that of the 22nd resolution.

On the basis of its report, your Board of Directors proposes that you delegate it the authority, for a period of eighteen months, to approve a capital increase and to waive your preferential subscription rights to the ordinary shares to be issued. Where appropriate, the Board will be responsible for setting the final terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information taken from the financial statements, on the proposal to cancel the preferential subscription right and on certain other information concerning the issue that is provided in this report.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods for determining the price of shares to be issued.

Subject to the subsequent review of the terms and conditions of the capital increase decided, we have no matters to report on the methods for determining the issue price of the ordinary shares to be issued as outlined in the Board of Directors' report.

As the final terms and conditions under which the capital increase would be carried out are not yet determined, we express no opinion on these nor, consequently, on the proposal to waive the preferential subscription right made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

Paris La Défense, on April 5, 2022

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Jérôme LEMIERRE	Jean-Claude PAULY
Partner	*Partner*

COFACE SA
CORPORATE NAME

MEMORANDUM
& ARTICLES OF ASSOCIATION

SELECTED FINANCIAL INFORMATION
OVER 3 YEARS

FITCH - MOODY'S - AM BEST
GROUP RATINGS

9

ADDITIONAL INFORMATION

9.1 MEMORANDUM AND ARTICLES OF ASSOCIATION

9.1.1 Legal corporate name

The corporate name of the Company is "COFACE SA".

9.1.2 Location and registration number

The Company is registered in the Nanterre Trade and Companies Register under number 432,413,599. The Legal Entity Identifier (LEI) is 96950025N07LTJYFSN57.

9.1.3 Date of formation and term

The Company was formed on August 7, 2000 for a term of 99 years as of the date of its registration in the Trade and Companies Register, save for early dissolution or extension.

9.1.4 Head office, legal form and applicable laws

Registered office: 1, place Costes et Bellonte, 92270 Bois-Colombes, France.

Telephone number of head office: +33 (0)1 49 02 20 00.

Legal form and applicable laws: limited company *(société anonyme)* under French law with a Board of Directors.

9.1.5 Articles of Association

The Company's Articles of Association were prepared in compliance with the legal and regulatory provisions applicable to limited companies with a Board of Directors.

Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose is to perform any civil or commercial operations involving moveable and real estate property and financial operations, to take all direct or indirect shareholdings and, in general, to perform any operations directly or indirectly relating to its corporate purpose.

Articles of Association relating to the management and administrative bodies – Rules of Procedure of the Board of Directors

(a) Articles of Association

Board of Directors (see also Section 2.1 "Composition and operation of the Board of Directors and its specialised committees")

Composition of the Board of Directors (Article 12 of the Articles of Association)

The Company is administered by a Board of Directors consisting of at least three (3) and at most eighteen (18) members.

Term of office – Age limit – Replacement (Article 12 of the Articles of Association)

Board members serve for a term of four years. In case of a vacancy owing to the death or resignation of one or more directors representing the shareholders, the Board of Directors may temporarily replace these members between two Shareholders' Meetings, in compliance with the terms of Article L.225-24 of the French Commercial Code. The Board must make temporary appointments within three months following the date of the vacancy if the number of directors falls below the minimum required by the Articles of Association, without however being lower than the legal minimum.

The number of directors who are aged 70 or over cannot exceed one third of the total number of serving directors. Should this proportion be exceeded, the oldest director shall be deemed to have resigned as of the end of the next Ordinary Shareholders' Meeting.

The term of office of a director expires at the end of the Ordinary Shareholders' Meeting called to approve the accounts for the previous financial year and is held in the year during which the director's term of office is due to expire.

If a director is appointed to replace another director during that director's term, they shall only serve for the remaining duration of their predecessor's term.

Directors may be re-elected without limitation, subject to legal and statutory provisions, in particular with regards to their age.

Directors are personally liable for fulfilling their mandate, in accordance with commercial laws.

Directors' shares (Article 12 of the Articles of Association)

Each director must hold at least 500 of the Company's shares.

Chairman of the Board of Directors (Article 13 of the Articles of Association)

The Board appoints a Chairman from among the individuals serving as members for a period which cannot exceed their term of office as director.

The Chairman can be re-elected.

The age limit for performing the duties of Chairman is set at 70. When a serving Chairman reaches this age, they are considered to have resigned at the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year during the Chairman reaches this age.

The Chairman of the Board of Directors organises and directs the work of the Board of Directors and reports on it to the Shareholders' Meeting. They oversee the effective operation of the Company's corporate bodies and, in particular, ensures that the directors are in a position to fulfil their duties.

Should the Chairman be temporarily indisposed or in the event of their death, the statutory and regulatory provisions are applicable.

Should the Board consider it necessary, it may appoint one or more Vice-Chairmen from the directors, who will, in the order of their own appointment, chair Board meetings in the event that the Chairman is absent or indisposed.

In the event that the Chairman or Vice-Chairmen are absent or indisposed, the Board appoints, for each meeting, one of the members present to chair the proceedings.

The amount and procedures for the compensation of the Chairman and Vice-Chairmen are set by the Board of Directors.

Exercise of general management (see also Section 2.2 "Chief Executive Officer and Group general management specialised committees")

General management (Article 14 of the Articles of Association)

The general management of the Company is handled either by the Chairman of the Board of Directors, or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer (CEO).

The Board appoints its Chairman and decides by a simple majority whether to grant them the powers of Chief Executive Officer or whether to grant these powers to another person. This decision on whether the offices of Chairman and Chief Executive Officer should be held by the same person or by two separate persons, as well as any subsequent change to this arrangement, shall remain in force until a decision is taken to the contrary by the Board of Directors, which may then decide, by a simple majority, to opt for the other arrangement for the exercise of general management. The Board of Directors of the Company keeps the shareholders and third parties informed about this change in accordance with applicable law.

Where general management is handled by the Chairman, the legal and statutory provisions of the Company's Articles of Association related to the Chief Executive Officer apply to them.

Chief Executive Officer (Article 15 of the Articles of Association)

The Board of Directors determines the duration of the Chief Executive Officer's term and their compensation.

The age limit for performing the duties of Chief Executive Officer is 65. Should a Chief Executive Officer exceed this age limit, they are considered to have resigned at the Shareholders' Meeting called to approve the accounts for the financial year during which that CEO turned 65.

The Chief Executive Officer is invested with the broadest powers to act under all circumstances on behalf of the Company. They exercise these powers within the limits of the corporate purpose and subject to those powers that the law expressly grants to Shareholders' Meetings and to the Board of Directors.

They represent the Company in its dealings with third parties. Provisions of the Articles of Association or decisions of the Board of Directors limiting the powers of the Chief Executive Officer are unenforceable against third parties.

If the Chief Executive Officer does not assume the duties of the Chairman of the Board of Directors and is not a director, they attend Board meetings in a consultative capacity.

Deputy Chief Executive Officer (Article 16 of the Articles of Association)

At the request of the Chief Executive Officer, the Board of Directors can appoint an individual to assist the CEO, with the title of Deputy Chief Executive Officer.

The Board of Directors determines the compensation of the Deputy CEO.

The age limit for performing the duties of Deputy CEO is 65. If a serving Deputy CEO attains this age, they are considered to have resigned at the Ordinary Shareholders' Meeting called to approve the accounts for the financial year in which they turned 65.

In collaboration with the CEO, the Board determines the scope and duration of the powers conferred upon the Deputy CEO. The Deputy CEO has the same powers vis-à-vis third parties as the CEO.

If the Deputy CEO is not a director, they attend Board meetings in a consultative capacity.

Operation of the Board of Directors (Article 18 of the Articles of Association)

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

Board meetings are convened by the Chairman. However, directors representing at least one third of the Board members may convene a meeting of the Board, detailing the agenda, if there has been no meeting for more than two months. Where the duties of CEO are not performed by the Chairman, the Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a fixed agenda. Board meetings are held either at the registered office or any other location indicated in the convening notice. The convening notice to attend is in the form of a simple letter or e-mail addressed to the Board members. If there is a degree of urgency, the convening notice may be given by any other appropriate means, including verbally.

Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, should they be absent, by the oldest director present, or by one of the Vice-Chairmen, if there are any.

A director may appoint another director, by means of a letter, to represent them at a meeting of the Board of Directors.

Each director may have only one proxy vote during a given meeting by virtue of the foregoing paragraph.

The meeting can only pass resolutions if at least half of the serving directors are present.

Decisions are taken by means of majority voting by those directors present or represented.

In the event of a split vote, the director chairing the meeting has the casting vote.

In compliance with applicable statutory and regulatory provisions, the Board's Rules of Procedure may provide that directors who take part in a meeting *via* video conferencing or other means of telecommunication that meet the technical requirements set by the prevailing statutory and regulatory provisions are deemed to be present for the purposes of the calculation of quorum and majority.

Certain decisions of the Board of Directors may, under the conditions provided for by the laws and regulations in force, and in particular Article L.225-37 of the French Commercial Code, be made by consulting the directors in writing.

The Board may appoint a secretary who may be, but need not be, one of its members.

At the suggestion of its Chairman, the Board may decide to form among its members, or with the involvement of persons who are not directors, committees or commissions in charge of looking into matters that it or its Chairman shall refer to them for assessment; these committees or commissions exercise their powers under its responsibility.

The minutes of each meeting shall state the names of the directors who are present or represented and the names of the directors who are absent, to act as evidence towards third parties.

Powers of the Board of Directors (Article 21 of the Articles of Association)

The Board of Directors determines the Company's business strategy and oversees its implementation. Subject to powers expressly assigned to the Shareholders' Meetings and within the limitations of the corporate purpose, the Board deliberates on all matters relating to the effective operation of the Company and decides on all matters that affect it. The Board of Directors carries out the inspections and verifications it considers necessary. The Chairman or the Chief Executive Officer must send each director all the documents and information needed to fulfil their duties.

The Rules of Procedure of the Board of Directors determine which decisions are to be submitted to the prior authorisation of the Board of Directors, in addition to those which must be submitted to it in accordance with the law.

Attendance fees (Article 19 of the Articles of Association)

Independently of all reimbursement of costs or allowances for particular services which may be granted, directors may receive remuneration recorded as overheads, in the form of directors' fees. The total amount of these fees is set by the Shareholders' Meeting. The Board of Directors divides the aforementioned remuneration among its members as it sees fit.

(b) Rules of Procedure of the Board of Directors

The Rules of Procedure of the Board of Directors specify, on the one hand, how the Board is organised and operates, its powers, rights and prerogatives and those of the committees it has established (see Article 4 "Creation of committees – Joint provisions" and Article 1.2 "Operations subject to the prior authorisation of the Board of Directors" for a description of the various committees established and the limits on the powers of general management) and, on the other hand, the terms of control and evaluation of its operations.

The Rules of Procedure of the Board of Directors may be consulted online in the "Investors/Governance" section of the corporate website at *www.coface.com*

(c) Control and evaluation of the Board of Directors' operations

Article 2 of the Board of Directors' Rules of Procedure requires at least one third of members to be independent, pursuant to the Corporate Governance Code of Listed Companies (AFEP-MEDEF code), within the Board of Directors.

Pursuant to Article 2.3.2 of the Board of Directors' Rules of Procedure, a director is considered to be independent if they do not maintain a relationship of any kind whatsoever with the Company, management or the Coface Group, which could compromise the exercise of their free judgement or be of a nature to place them in conflict with the interests of management, the Company or the Coface Group.

The qualification of an independent member of the Board of Directors is discussed by the Nominations and Compensation Committee, which drafts a report on the matter for the Board. Each year, prior to publication of the Universal Registration Document, the Board of Directors examines the status of each director with respect to the independence criteria defined in Article 2.3.2 of the Board of Directors' Rules of Procedure, using the Nominations and Compensation Committee's report as a reference. The Board of Directors must provide the shareholders with the findings of its examination in the annual report and at the Shareholders' Meeting at which the directors are appointed.

In addition, in compliance with Article 3.5 of the Board of Directors' Rules of Procedure, at least once a year, an agenda item is devoted to evaluating the Board's operations, which is reported in the Company's annual report.

The Board of Directors is formally evaluated every three years. The evaluation is conducted by the Nominations and Compensation Committee, potentially with the assistance of an outside consultant (see Section 2.1.6 "Evaluation of the work of the Board of Directors").

Rights, privileges and restrictions attached to the shares

Form of shares (Article 8 of the Articles of Association)

The Company's shares shall either be registered or bearer shares, at the discretion of each shareholder.

Ownership of the Company's shares shall result from their registration in an account in the name of their holder in the registers kept by the Company or by a duly authorised intermediary.

Voting rights (Article 11 of the Articles of Association)

Each share grants its holder the right to vote and be represented at Shareholders' Meetings, in accordance with the law and the Articles of Association.

As an exception to the allocation of a double voting right for any share that has been fully paid up, as proven by registration in the name of the bearer for two years, pursuant to Article L.225-123, paragraph 3 of the French Commercial Code, each shareholder is entitled to the same number of votes as the number of shares that they own or represent.

Right to dividends and profits (Article 11 of the Articles of Association)

Each Company share grants its holder the right to a proportional share in any distribution of the Company's earnings, assets and liquidation profits.

The rights and obligations attached to the shares follow them when they change hands.

Ownership of a share automatically implies acceptance of the Articles of Association of the Company and the decisions duly taken by Shareholders' Meetings.

Shareholders shall only bear liability to the extent of the nominal value of each share they hold.

Whenever it is necessary to hold several shares in order to exercise a particular right, in the event of an exchange, grouping or allocation of shares, or as a result of an increase in or a reduction of the share capital, a merger or other corporate operation, the owners of single shares or of an insufficient number of shares may only exercise this right provided that they arrange to group together and to buy or sell any shares as may be required.

The joint owners of shares shall be represented at Shareholders' Meetings by one of their number or by a single representative. Should the parties involved fail to agree on the appointment of their representative, the latter shall be appointed by a court order issued pursuant to a petition filed by the first joint owner to do so.

Unless otherwise agreed and notified to the Company, in the event of the division of ownership of a share, the voting right belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary or Special Shareholders' Meetings. However, in any event, the bare owner has the right to take part in all Shareholders' Meetings.

Payment of the dividend in shares (Article 24 of the Articles of Association)

The Shareholders' Meeting called to approve the accounts for the financial year has the authority to offer each shareholder the option to receive all or part of the dividend payout in the form of shares, in accordance with the legal conditions, or in cash. This option may also be granted in the case of interim dividends.

The procedures for dividend payments in cash are fixed by the Shareholders' Meeting or, alternatively, by the Board of Directors.

Preferential subscription right

The Company's shares benefit from a preferential subscription right to capital increases under the terms provided for by the French Commercial Code.

Limitation on voting rights

No statutory clause restricts the voting right attached to the shares.

Amendment of shareholders' rights (Article 23 of the Articles of Association)

The Extraordinary Shareholders' Meeting deliberates on all proposals emanating from the Board of Directors which entail modification to the Company's share capital or Articles of Association.

Shareholders' Meetings (Article 23 of the Articles of Association)

Powers

The shareholders take their decisions in Shareholders' Meetings which are designated as ordinary or extraordinary.

The Ordinary Shareholders' Meeting takes all decisions which do not entail modification to the Company's share capital or Articles of Association. In particular, it appoints, replaces, re-elects and dismisses directors. It also approves, rejects or corrects the accounts and decides on the breakdown and allocation of profits.

The Extraordinary Shareholders' Meeting deliberates on all proposals emanating from the Board of Directors which entail modification to the Company's share capital or Articles of Association.

Convening notice and meeting location

Shareholders' Meetings are convened as per the terms and conditions set forth in the law.

Meetings take place at the registered office or any other location indicated in the convening notice.

Access to and conduct of the meetings

All shareholders may take part in the Shareholders' Meetings in person or through a representative, in accordance with the prevailing regulations, upon presentation of suitable evidence of their identity and of their ownership of shares, in accordance with the applicable laws and regulations.

Shareholders who take part in a Shareholders' Meeting by video conferencing or other means of telecommunication or by remote transmission, including over the Internet, which enable them to be identified in accordance with the prevailing regulations, are deemed to be present for the purposes of calculating the quorum and the majority, subject to a decision by the Board of Directors to make use of such means of telecommunication and said decision being mentioned in the announcement or convening notice to attend the Shareholders' Meeting.

Any shareholder may vote remotely or appoint a proxy in accordance with the prevailing regulations, using a form drawn up by and sent to the Company, including by electronic means or remote transmission, if this is permitted by the Board of Directors. This form must be received by the Company in accordance with the regulatory requirements in order for it to be taken into consideration.

Chairmanship, committee, attendance sheet

Each Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in their absence, by a director appointed for that purpose by the Board.

Where the meeting is called by the Statutory Auditors or a legal officer, the meeting is chaired by the person or individuals issuing the notice to attend.

The duties of deputy returning officer are performed by the two members present at the meeting who hold the largest number of shares and are willing to act in that capacity. The committee appoints the secretary, who is not necessarily a shareholder.

An attendance sheet is kept in accordance with statutory requirements.

Deliberations, minutes

Shareholders' Meetings deliberate subject to the quorum and majority requirements prescribed by law. Voting is on a one-share, one-vote basis.

Deliberations are recorded in minutes entered in a special register and signed by members of the committee.

Copies or extracts of the minutes are duly certified by the Chairman of the Board of Directors, the Chief Executive Officer, if they are a director, or the secretary of the meeting.

Shareholders' right to information

Each shareholder has the right to receive disclosure of the documents required to enable them to make an informed decision and to develop an informed opinion on the Company's management and operations. The Company has the obligation to make these documents available to or send them to shareholders.

The nature of these documents and the terms under which they must be sent or made available are set by law.

Statutory clauses likely to have an impact on a change in control

None.

Crossing of thresholds and identification of shareholders (Article 10 of the Articles of Association) (see also Section 7.3.4)

In compliance with prevailing laws and regulations, the Company may ask any duly empowered body or intermediary for any information about the identity of the holders of any securities that confer an immediate or deferred right to vote in its Shareholders' Meetings, as well as the number of securities they hold.

Any individual or legal entity that directly or indirectly holds, alone or in conjunction with others, 2% of the share capital or voting rights (calculated in accordance with the provisions of Articles L.233-7 and L.233-9 of the French Commercial Code and the provisions of the general rules of the Autorité des marchés financiers [French Financial Markets Authority, AMF]), or any multiple of this percentage, must notify the Company of the total number (i) of the shares and voting rights held directly or indirectly, alone or in conjunction with others, (ii) of the securities that provide deferred access to the share capital of the Company, held directly or indirectly, alone or in conjunction with others, and the voting rights potentially attached thereto, and (iii) of shares already issued that this party may acquire under an agreement or a financial instrument mentioned in Article L.211-1 of the French Monetary and Financial Code. This notification must take place by means of a letter sent by registered post with acknowledgement of receipt within four stock market days after the relevant threshold has been exceeded.

The obligation to inform the Company shall also apply, within the same timescales and on the same terms, whenever the shareholder's shareholding or voting rights fall to a level below any of the above-mentioned thresholds.

Should a shareholder fail to comply with the obligation to declare the fact that it has exceeded or fallen below the above-mentioned thresholds, then at the request of one or more shareholders who account for at least 2% of the share capital or voting rights of the Company, recorded in the minutes of the Shareholders' Meeting, the shares which exceed the fraction that should have been declared are deprived of their voting rights for a period of two years from the date on which notification is effectively sent.

The Company is entitled to inform the public and bring to the attention of the shareholders either the information it has been notified of, or any failure to comply with the above-mentioned obligation by the relevant party.

Specific clauses governing modifications to share capital

There is no specific stipulation in the Company's Articles of Association governing modifications to its capital.

Such capital may thus be increased, reduced or amortised in any manner authorised by law.

9.2 PERSONS RESPONSIBLE

9.2.1 Names and positions

9.2.1.1. Person responsible for the Universal Registration Document

Xavier Durand, Chief Executive Officer of COFACE SA

9.2.1.2. Person responsible for financial information

Phalla Gervais, Chief Financial & Risk Officer

9.2.1.3. Person responsible for financial communication

Thomas Jacquet, Head of Investor Relations and Rating Agencies

9.2.2 Statement by the person responsible for the Universal Registration Document

I hereby declare that the information contained in this Universal Registration Document, to my knowledge, is true to fact and that no material aspects of such information have been omitted.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and are an accurate reflection of the assets, financial position and results of the Company and all consolidated companies, and that the management report in this Universal Registration Document presents an accurate picture of events, results and the financial position of the Company and all consolidated companies, and describes the principal risks and uncertainties that they face.

I have received a work completion letter from the Statutory Auditors indicating that they have verified the information about the financial position and the financial statements provided in this Universal Registration Document and have read the full document.

Paris, April 5, 2022

Xavier Durand

Chief Executive Officer

9.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC

The documents relating to the Coface Group (memorandum, Articles of Association, Rules of Procedure, financial report, Board of Directors' reports, thresholds crossed, letters and other documents, individual and consolidated historical financial information for each of the two financial years preceding publication of this document) are partly included in this document and can be freely consulted at its head office, preferably by appointment.

In addition, under Solvency II, the Solvency and Financial Condition report (SFCR) for financial year 2020 which is aimed at the public, was filed with the ACPR on April 28, 2021 and published in the "Investor" section of the Company website *www.coface.com*. The next SFCR report on financial year 2021 will be published at the end of April 2022.

This Universal Registration Document is available in the "Investors" section of the Company website *www.coface.com*.

Copies of this document are available free of charge at the Company's head office.

Pursuant to Article 221-3 of the General Regulation of the Autorité des marchés financiers (French Financial Markets Authority – AMF), regulated information (defined in Article 221-1 of the General Regulation of the AMF) is published on the Company's website at www.coface.com.

Any person wishing to obtain additional information on the Group may request the documents without appointment and free of charge:

- **by post:**

Coface

Financial Communications – Investor Relations

1, place Costes et Bellonte, 92270 Bois-Colombes, France

- **by e-mail:**

investors@coface.com

Thomas Jacquet, Head of Investor Relations and Rating Agencies

Benoît Chastel/Investor Relations Officer

9.4 STATUTORY AUDITORS

9.4.1 Principal Statutory Auditors

DELOITTE & ASSOCIÉS

6, place de la Pyramide

92908 Paris-La Défense Cedex

Represented by Jérôme Lemierre

Deloitte & Associés was appointed by the Company's Annual Shareholders' Meeting of May 16, 2019 for a period of six financial years until the close of the Annual Shareholders' Meeting to approve the accounts for the financial year ended December 31, 2024.

Deloitte & Associés is a member of Compagnie régionale des commissaires aux comptes de Versailles.

MAZARS SA

Tour Exaltis

61, rue Henri Regnault

92400 Courbevoie

Represented by Jean-Claude Pauly

Mazars SA was appointed by the Company's Shareholders' Meeting of May 14, 2020 for a period of six financial years until the close of the Annual Shareholders' Meeting to approve the accounts for the financial year ended December 31, 2025.

Mazars SA is a member of Compagnie régionale des commissaires aux comptes de Versailles.

9.5 SELECTED FINANCIAL INFORMATION OVER THREE YEARS

The tables below present extracts of income statements and consolidated financial statements for the financial years ended December 31, 2021, December 31, 2020 and December 31, 2019.

The financial information selected below must be read in conjunction with the consolidated financial statements in Chapter 4 and with the examination of the Group's financial position and results presented in Chapter 3 of this Universal Registration Document.

/ CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	2021	2020	2019
Gross written premiums	**1,462,424**	**1,273,767**	**1,327,635**
Premium refunds	(121,336)	(78,111)	(95,079)
Net change in unearned premium provisions	(28,451)	8,678	3,041
Gross earned premiums	**1,312,637**	**1,204,334**	**1,235,597**
Fee and commission income	140,691	143,985	140,115
Net income from banking activities	64,400	58,450	64,106
Income from services activities	50,130	44,094	41,270
Other turnover	**255,221**	**246,530**	**245,491**
Turnover	**1,567,858**	**1,450,864**	**1,481,088**
Claims expenses	**(280,456)**	**(623,653)**	**(536,247)**
Contract acquisition costs	*(259,317)*	*(238,453)*	*(242,675)*
Administration costs	*(270,990)*	*(261,807)*	*(274,784)*
Other expenses from insurance activities	*(66,243)*	*(60,971)*	*(70,739)*
Expenses from banking activities, excluding cost of risk	*(13,103)*	*(12,833)*	*(13,742)*
Expenses from services activities	*(89,674)*	*(81,608)*	*(75,198)*
Operating expenses	**(699,327)**	**(655,672)**	**(677,138)**
Cost of risk	76	(100)	(1,804)
Underwriting income before reinsurance	**588,150**	**171,439**	**265,899**
Income and expenses from ceded reinsurance	(314,288)	(44,116)	(77,963)
Underwriting income after reinsurance	**273,862**	**127,322**	**187,936**
Investment income, net of management expenses (excluding finance costs)	42,177	26,903	36,940
CURRENT OPERATING INCOME	**316,039**	**154,225**	**224,876**
Other operating income and expenses	(3,177)	(13,787)	(6,000)
OPERATING INCOME	**312,862**	**140,438**	**218,876**
Finance costs	(21,477)	(21,740)	(21,385)
Share in net income of associates	0	0	0
Badwill	0	8,910	4,662
Income tax expense	(67,511)	(44,704)	(55,434)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**223,874**	**82,904**	**146,719**
Non-controlling interests	(57)	(4)	10
NET INCOME (GROUP SHARE)	**223,817**	**82,900**	**146,729**
Earnings per share *(in €)*	1.50	0.55	0.97
Diluted earnings per share *(in €)*	1.50	0.55	0.97

/ SIMPLIFIED CONSOLIDATED BALANCE SHEET

(in thousands of euros)	2021	2020	2019
Assets			
Intangible assets	229,951	230,852	220,844
Insurance business investments	3,219,430	2,982,945	2,990,686
Receivables arising from banking activities	2,690,125	2,326,941	2,346,710
Assignees' and reinsurers' share of liabilities related to insurance and financial contracts	512,187	603,453	450,367
Other assets	1,024,871	1,007,645	1,053,538
Cash and cash equivalents	362,441	400,969	320,777
TOTAL ASSETS	**8,039,006**	**7,552,804**	**7,382,922**

(in thousands of euros)	2021	2020	2019
Liabilities			
Group equity	2,141,041	1,998,308	1,924,472
Non-controlling interests	309	267	269
Total equity	**2,141,351**	**1,998,575**	**1,924,741**
Provisions for risks and charges	85,748	96,307	100,932
Financing liabilities	390,553	389,810	389,261
Lease liabilities	81,930	88,124	92,990
Liabilities relating to insurance contracts	1,859,059	1,804,092	1,827,219
Payables arising from banking sector activities	2,698,525	2,318,392	2,362,805
Other liabilities	781,841	857,504	684,974
TOTAL LIABILITIES	**8,039,006**	**7,552,804**	**7,382,922**

/ TURNOVER BY BUSINESS LINE AS AT DECEMBER 31, 2021

Consolidated turnover by business line *(in thousands of euros and as a% of the Group total)*	**See also Section**	DEC. 31, 2021 *(in €k)*	DEC. 31, 2020 *(in €k)*	DEC. 31, 2019 *(in €k)*
Gross earned premiums – Credit		1,242,767	1,132,876	1,164,752
Gross earned premiums – Single Risk		15,839	21,141	21,193
Gross earned premiums – Credit insurance		**1,258,606**	**1,154,017**	**1,185,945**
Fee and commission income (1)		**140,691**	**143,985**	**140,114**
Other related benefits and services (2)		**156**	**102**	**94**
Turnover from credit insurance activity	**1.3.1**	**1,399,453**	**1,298,104**	**1,326,153**
Gross earned premiums – Surety bonds	**1.3.3**	**54,031**	**50,317**	**49,652**
Financing fees		26,409	26,995	35,226
Factoring fees		39,712	32,758	30,304
Other		(1,720)	(1,302)	(1,424)
Net income from banking activities (factoring)	**1.3.2**	**64,400**	**58,450**	**64,106**
Business information and other services		42,266	34,523	31,108
Receivables management		7,708	9,469	10,069
Turnover from business information and other services	**1.3.4**	**49,974**	**43,992**	**41,177**
CONSOLIDATED TURNOVER	**NOTE 22**	**1,567,858**	**1,450,864**	**1,481,088**

In order to ensure greater consistency between the financial statements and the aggregates published and commented on in financial reporting, the Group is changing the presentation structure of its consolidated income statement. A detailed explanation is provided in the notes to the consolidated financial statements.

(1) Policy management costs.

(2) IPP commission – International policies commission; business contributors' commission.

/ TURNOVER BY REGION AS OF DECEMBER 31, 2021 [1]

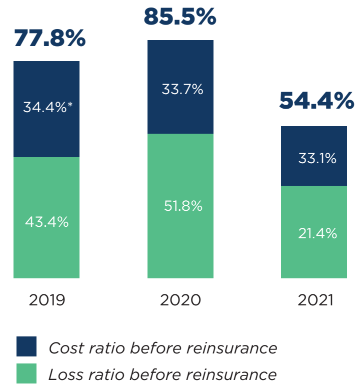
(in thousands of euros)	2021	2020	2019
Northern Europe	331,529	297,721	307,465
Western Europe	316,684	291,848	294,649
Central and Eastern Europe	156,263	143,081	148,078
Mediterranean and Africa	429,399	394,890	394,174
North America	137,481	136,518	138,474
Latin America	73,330	67,328	80,653
Asia-Pacific	123,171	119,478	117,593
TOTAL	**1,567,858**	**1,450,864**	**1,481,087**

Performance indicators

These operating ratios and the methodology for calculating them are defined in Section 3.7 "Key financial performance indicators".

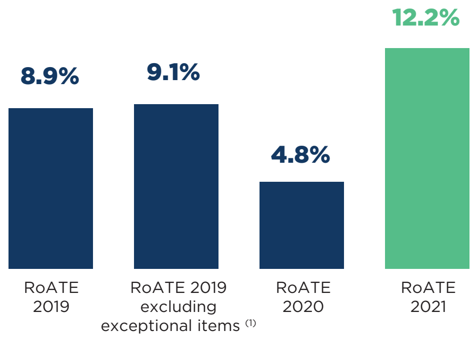
/ COMBINED RATIO BEFORE REINSURANCE

(as a%)



/ ROATE

(as a%)

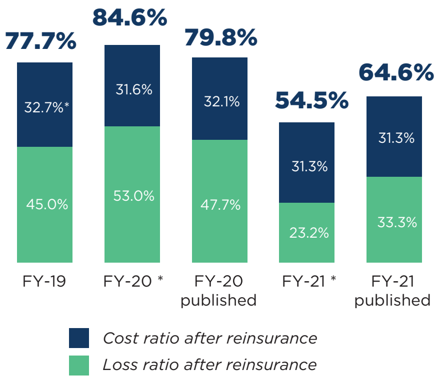


(1) Non-recurring items amounted to €(4.6)m and are mainly including €(4.0)m regulatory projects. €(5.3)m of restructuring charges partially offset by badwill for €4.7m.

Return on average tangible equity (RoATE) is computed as net income (Group share)/average book equity (Group share) net of intangible assets – see Section 3.4.3. "Return on equity".

/ COMBINED RATIO AFTER REINSURANCE

(as a%)

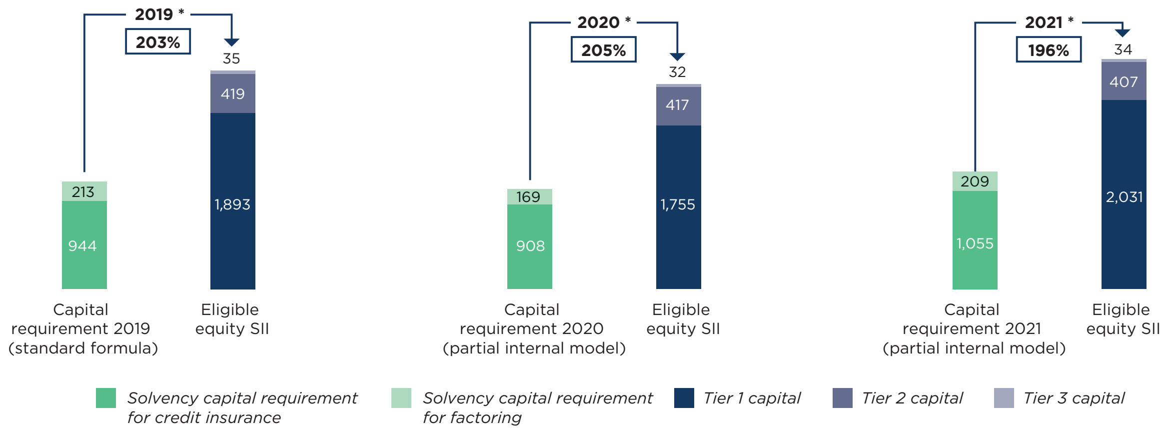


** FY-20 w/o schemes*

(1) See details in Note 22.

/ **SOLVENCY RATIO**

(as a%)



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

9.6 MAIN RATINGS OF THE COFACE GROUP AT FEBRUARY 28, 2022

The Company and some of its subsidiaries are assessed by well-known ratings agencies. The Company rating can vary from agency to agency.

At February 28, 2022, the main ratings for the Company and its principal operational subsidiary are as follows:

INSURER FINANCIAL STRENGTH RATING	AGENCY	RATING	OUTLOOK
Compagnie française d'assurance pour le commerce extérieur and its branches	Fitch Moody's AM Best	AA- A2 A	Stable Stable Stable

RATING FOR COFACE SA DEBT			
Long-term counterparty risk rating	Fitch Moody's	A+ Baa1	Stable Stable
Subordinated hybrid debt	Fitch Moody's	A- Baa1	Stable Stable
Short-term counterparty risk rating (commercial paper)	Fitch Moody's	F1 P-2	Stable Stable

The ratings shown above may be subject to revision or withdrawal at any time by the ratings agencies awarding them. None of these ratings represent an indication of past or future performance of Coface shares or debt issued by the Company and should not be used as part of an investment decision. The Company is not responsible for the accuracy and reliability of these ratings. The information is available and updated on the Company's website: *http://www.coface.com/Investors/Ratings*.

9.7 CROSS-REFERENCE TABLE

9.7.1 Universal Registration Document

This cross-reference table contains the items provided for in Annex I and II of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of this Universal Registration Document on which the information relating to each of these items is provided.

INFORMATION		PAGE
14.	**Practices of administrative and management bodies**	
	14.1. Date of expiration of current terms of office	54
	14.2. Service contracts	72-73
	14.3. Information on the Audit Committee and the Compensation Committee	65-71
	14.4. Declaration of compliance with the applicable corporate governance regimes	73
	14.5. Potential material impacts on corporate governance	73
15.	**Employees**	
	15.1. Number of employees and breakdown of headcount	255-264
	15.2. Shareholdings and stock options of directors	77-90
	15.3. Agreements providing for employee share ownership in the capital	na
16.	**Major shareholders**	
	16.1. Crossing of thresholds	287
	16.2. Existence of different voting rights	na
	16.3. Control of the issuer	287
	16.4. Agreement known to the issuer, implementation of which could lead to a change in its control	286-287
17.	**Related party transactions**	**201-202 ; 283 ; 286**
18.	**Financial information on assets and liabilities, financial position and results**	
	18.1. Historical financial information	130-210; 340-343; 350
	18.2. Interim and other financial information	na
	18.3. Auditing of historical annual financial information	210-216
	18.4. *Pro forma* financial information	na
	18.5. Dividend policy	42-43 ; 294-295 ; 313-314
	18.6. Legal and risk underwriting proceedings	na
	18.7. Significant change in the financial position	90-100
19.	**Additional information**	
	19.1. Share capital	
	19.1.1 Subscribed capital	280-285
	19.1.2 Other shares	285
	19.1.3 Treasury shares	281-285
	19.1.4 Transferable securities	na
	19.1.5 Vesting conditions	na
	19.1.6 Options or agreements	285
	19.1.7 History of capital	285
	19.2. Memorandum and Articles of Association	
	19.2.1 Corporate purpose	334
	19.2.2 Share rights and privileges	336-338
	19.2.3 Change of control elements	287
20.	**Material contracts**	**291**
21.	**Documents available**	**339**

9.7.2 Annual financial report

This Universal Registration Document contains all the elements of the financial report as mentioned in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

INFORMATION	PAGE
Parent company financial statements	196-210
Consolidated financial statements	130-195
Management report	see details in Section 9.7.4
Corporate governance report	see details in Section 9.7.4
Statement of the person responsible for the annual financial report	339
Statutory Auditors' report on the annual financial statements	214-216
Statutory Auditors' report on the consolidated financial statements	210-213
Statutory Auditors' report on the corporate governance report	215

9.7.3 AMF tables on the remuneration of directors and corporate officers

The following thematic table has been prepared in order to make it possible to look at the information provided on remuneration from the perspective of the presentation in the form of 11 tables recommended by the AMF in its guide for preparing universal registration documents published on 5 January 2022 (see also AFEP-MEDEF Code).

TABLES WITH REGARD TO REMUNERATION PROVIDED FOR IN THE AMF'S RECOMMENDATIONS	PAGE
Table No 1. Summary of the remuneration, stock options and performance shares granted to each corporate officer	82
Table No 2. Summary of the remuneration of each corporate officer	83
Table No 3. Remunerations granted to Directors and other remuneration received by directors	89
Table No 4. Stock options for the subscription or purchase of shares granted during the financial year to each corporate officer by the issuer and by any Group company	na
Table No 5. Stock options for the subscription or purchase of shares exercised during the financial year by each corporate officer	na
Table No 6. Performance shares granted to each corporate officer	90
Table No 7. Performance shares that have vested for each corporate officer	90
Table No 8. History of grants of stock options for the subscription or purchase of shares	na
Table No 9. Historical information on free grants of shares	91
Table No 10. Stock options for the subscription or purchase of shares granted to the ten employees who are not directors or corporate officers receiving the largest number of options and options exercised by them	na
Table No 11. Commitments related to the termination of the functions of corporate officer	92

9.7.4 Management report

In order to facilitate the reading of this document, the concordance table below identifies the information that must be included in the management report, in accordance with the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors.

REQUIRED ELEMENTS	REFERENCES	CHAPITRES	PAGES
1. Group situation and activity			
Situation of the Company during the past fiscal year and objective and exhaustive analysis of the business development, results and financial situation of the Company and the Group, in particular its debt situation, in relation to the volume and complexity of business	L. 225-100-1, I-1°, L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	3; 4	101-113; 130-210
Key financial performance indicators	L. 225-100-1, I-2° of the French Commercial Code	0; 3	4, 14-15 ; 101-107
Key non-financial performance indicators relating to the Company and the Group's specific activity	L. 225-100-1, I-2° of the French Commercial Code	0; 6	4 ; 242-243
Significant events since the beginning of the current fiscal year	Articles L. 232-1, II. et L. 233-26 du code de commerce	3	113
Identity of the main shareholders and voting rights holders in the General Meeting, and modifications during the fiscal year	L .233-13 of the French Commercial Code	7	286-287
Existing branch offices ("succursales")	L. 232-1, II of the French Commercial Code	4	140-143
Significant acquisitions during the fiscal year of equity interests in companies which have their registered office in France	Article L. 233-6 paragraph 1 of the French Commercial Code	NA	NA
Disposal of cross-shareholdings	L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	NA	NA
Foreseeable developments in the Company's situation and future outlook	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	3	113-116
Research and Development activities	L. 232-1, II and L. 233-26 of the French Commercial Code	NA	NA
Table of Company results over the past five fiscal years	R. 225-102 of the French Commercial Code	4	209
Information on suppliers and customers payment terms	D. 441-6 of the French Commercial Code	4	210
Intragroup loans granted and auditors declaration	L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	NA	NA
2. Internal control and risk management			
Main risks and uncertainties to which the Company is exposed	L. 225-100-1, I, 3°of the French Commercial Code	5	220-232
Financial risks associated with the effects of climate change and description of mitigation measures	L. 22-10-35, 1°of the French Commercial Code	5; 6	231 ; 242-243
Main characteristics of internal control and risk management procedures relating to the preparation and processing of accounting and financial information	L. 22-10-35, 2° of the French Commercial Code	5	233-238
Information on the objectives and policy regarding the hedging of each main category of transactions and on the exposure to price, credit, liquidity and treasury risks, including the use of financial instruments	L. 225-100-1., 4° of the French Commercial Code	5	220-228
Anti-corruption policy	Loi n° 2016-1691 of December 9, 2016 called "Sapin 2"	6	243, 252-253
Vigilance Plan and update on its effective implementation	L. 225-102-4 of the French Commercial Code	6	253
3. Corporate governance			
Information on remuneration			
Remuneration policy for directors and corporate officers	L. 22-10-8, I, paragraph 2 of the French Commercial Code	2	79-81
Remuneration and benefits of any kind paid during or awarded in respect of the fiscal year to each Director and Corporate Officer	L. 22-10-9, I-1° of the French Commercial Code	2	82-83

REQUIRED ELEMENTS	REFERENCES	CHAPITRES	PAGES
Relative proportion of the fixed and variable remuneration	L. 22-10-9, I-2° of the French Commercial Code	2	84
Use of the "claw back" possibility to claim the return of variable remuneration	L. 22-10-9, I-3° of the French Commercial Code	NA	NA
Commitments of any kind made by the Company for the benefit of its Directors and Corporate Officers, corresponding to elements of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change in their duties, or thereafter	L. 22-10-9, I-4° of the French Commercial Code	2	92
Remuneration paid or granted by a company included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code	L. 22-10-9, I-5° of the French Commercial Code	NA	NA
Remuneration ratios between the remuneration of each Corporate Officer and the average and median remunerations of the Company employees	L. 22-10-9, I-6° of the French Commercial Code	2	86
Annual change in the remuneration, the Company's performances, the average remuneration of the Company employees and the abovementioned ratios over the five past fiscal years	L. 22-10-9, I-7° of the French Commercial Code	2	88
Explanation on how the total remuneration complies with the remuneration policy adopted, including the way it contributes to long term performances of the Company and the way the performance criteria has been applied	L. 22-10-9, I-8° of the French Commercial Code	2	87
Manner in which the vote of the last ordinary general meeting provided for by I of article L. 22-10-34 of the French Commercial Code has been taken into account	L. 22-10-9 I-9° of the French Commercial Code	2	84-88
Derogation from the remuneration policy and any other derogations	L. 22-10-9, I-10° of the French Commercial Code	NA	NA
Application of Article L. 225-45 al. 2 of the French Commercial Code (suspension of payment of directors' remuneration in the event of failure to comply with the Board of Directors' gender diversity)	L. 22-10-9, I-11° of the French Commercial Code	NA	NA
Attribution and retention of stock options by Directors and Corporate Officers	L. 225-185 & L. 22-10-57 of the French Commercial Code	2	82-83, 89-92
Attribution and retention of free share grants to Corporate Officers	L. 225-197-1 and L. 22-10-59 of the French Commercial Code	2	82-83, 89-92
Information on governance			
List of all terms of office and functions held in any company by each Director and Corporate Officer during the fiscal year	L. 225-37-4, 1° of the French Commercial Code	2	54-61
Agreements between an Executive Officer or a major shareholder and a subsidiary	L. 225-37-4, 2° of the French Commercial Code	NA	NA
Table summarizing the authorisations in force granted by the Annual General Meeting	L. 225-37-4, 3° of the French Commercial Code	7	280
Procedures for exercising the General Management	L. 225-37-4, 4° of the French Commercial Code	2	74-77
Composition, preparation and modus operandi of the work of the Board of Directors	L. 22-10-10, 1° of the French Commercial Code	0; 2	16 ; 62-71
Description of the diversity policy, objectives and results applied to Board members (including gender diversity)	L. 22-10-10, 2° of the French Commercial Code	2	64-64
Limits provided by the Board of Directors on Chief Executive Officer's powers	L. 22-10-10, 3° of the French Commercial Code	2	73
Reference to of the AFEP-MEDEF Corporate Governance Code and application of the comply or explain principle	L. 22-10-10, 4° of the French Commercial Code	2	73
Specific conditions related to shareholders' attendance at the Annual General meeting	L. 22-10-10, 5° of the French Commercial Code	9	337-338
Description and implementation of the evaluation procedure of non-regulated agreements	L. 22-10-10, 6° of the French Commercial Code	2	63
Information that may have an impact in the event of a takeover bid or exchange offer Shareholders' agreements relating to the securities comprising the Company's share capital	L. 22-10-11 of the French Commercial Code	2; 7	73 ; 290
4. Share ownership and capital			
Structure and change in Company capital and threshold notifications	L. 233-13 of the French Commercial Code	0; 7	5 ; 285-287
Acquisition and disposal by the Company of treasury shares	L. 225-211 of the French Commercial Code	7	281-284

REQUIRED ELEMENTS	REFERENCES	CHAPITRES	PAGES
Employee share ownership	L. 225-102, paragraph 1 of the French Commercial Code	0; 7	5 ; 286, 288
Possible adjustments for securities giving access to share capital in case of buybacks of shares or financial transactions	R. 228-90 and R. 228-91 of the French Commercial Code	7	285
Information on trading by directors and corporate officers and related persons in shares of the Company	L. 621-18-2 of the French Monetary and Financial Code	7	286
Amount of dividends paid out in respect of the three previous fiscal years	243 bis of the French Tax Code	8	pending
5. Statement of non-financial performance (SNFP)			
Business model	L. 225-102-1 and R. 225-105 of the French Commercial Code	0	14-15
Overview of the main risks related to the Company's business activities	L. 225-102-1 and R. 225-105, I, 1° of the French Commercial Code	6	242-243
Information on the manner in which the Group takes into account the social and environmental consequences of its business activities as well as the impact of these business activities on respect for human rights, anti-corruption measures and the prevention of tax evasion (Overview of policies adopted by the Company)	L. 225-102-1, III, L. 22-10-36, R. 225-105, I, 2° and R. 22-10-29 of the French Commercial Code	6	242-277
Results of policies adopted by the Company or the Group, including key performance indicators	L. 225-102-1 and R. 225-105, I, 3° of the French Commercial Code	6	242-243
Workforce-related information (employment, work organisation, health and safety, labour relations, training, equal treatment)	L. 225-102-1 and R. 225-105, II, A, 1° of the French Commercial Code	6	255-264
Environmental information (general environmental policy, pollution, circular economy, climate change)	L. 225-102-1 and R. 225-105, II, A, 2° of the French Commercial Code	6	264-268
Social information (civic engagement to promote sustainable development, subcontractors and suppliers, fair business practices)	L. 225-102-1 and R. 225-105, II, A, 3° of the French Commercial Code	6	245-254
Information relating to anti-corruption measures and actions implemented to prevent corruption	L. 225-102-1 and R. 225-105, II, B, 1° of the French Commercial Code	6	242, 243, 252-253
Information relating to actions to support human rights	L. 225-102-1 and R. 225-105, II, B, 2° of the French Commercial Code	6	242, 252
Specific information : - the company's technological accident risk prevention policy; - the company's ability to cover its civil liability with respect to property and persons arising from the operation of such facilities - the means provided by the company to manage compensation for victims in the event of a technological accident for which it is liable.	L. 225-102-2 of the French Commercial Code	NA	NA
Collective agreements concluded in the company and their impact on the economic performance of the company and on the working conditions of employees	L. 225-102-1, III et R. 225-105 of the French Commercial Code	NA	NA
Certification by the independent third party	L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	6	275-277
6. Other information			
Additional tax information	223 quater and 223 quinquies of the French Tax Code	4	197, 204
Injunctions or financial penalties in respect of anti-competitive practices	L. 464-2 of the French Commercial Code	NA	NA

9.7.5 Shareholders' Meeting

(Article L.225-100 *et seq.* of the French Commercial Code)

SUMMARY OF THE COMPANY'S POSITION DURING THE PAST FINANCIAL YEAR	PAGE
Parent company financial statements	196-210
Consolidated financial statements	130-195
Group management report	see details in Section 9.7.4
Corporate governance report	see details in Section 9.7.4
Usual first names and surnames of directors and executive officers, as well as the details of the other companies in which these persons exercise management, leadership, administration or supervisory roles (Articles L.225-115 and R.225-83 of the French Commercial Code)	54-61
The draft resolutions proposed and the explanations of the reasons, as well as information concerning candidates for the Board of Directors, if applicable (Articles L.225-115 and R.225-83 of the French Commercial Code)	294-311 ; 312-325
A table of appropriation of income, specifying in particular the origin of the sums proposed for distribution (Article R.225-83 of the French Commercial Code)	294-295
Board of Directors' report on the draft resolutions proposed	312-325
Report of the Statutory Auditors on the annual financial statements (Article L.823-9 of the French Commercial Code)	214-216
Report of the Statutory Auditors on the consolidated financial statements (Article L.823-9 of the French Commercial Code)	210-213
Report of the Statutory Auditors on the corporate governance report (Article L.823-10 of the French Commercial Code) included in the Statutory Auditors' report on the annual financial statements	215
Report of the Statutory Auditors on regulated agreements and commitments (Articles L.225-40 and R.225-83 of the French Commercial Code)	326-331
Report of one of the Statutory Auditors, a designated independent third party, on the consolidated corporate, environmental and societal information presented in the management report (Articles L.225-102-1 and R.225-105 of the French Commercial Code)	275-277

9.8 INCORPORATION BY REFERENCE

Pursuant to Article 19 of European regulation No. 2017/1129, the following information is included by reference in this Universal Registration Document:

- For the year ended December 31, 2020:

The management report (as set out in the cross-reference table), the consolidated financial statements, the annual financial statements of the Company and the related Statutory Auditors' reports, appearing in the Universal Registration Document for the 2020 financial year filed with the AMF on March 31, 2021, under number D.21-0233, respectively on pages 354, 132-199, 200-212, 214-217 and 218-221;

- For the year ended December 31, 2019:

  The management report (as set out in the cross-reference table), the consolidated financial statements, the annual financial statements of the Company and the related Statutory Auditors' reports, appearing in the Universal Registration Document for the 2019 financial year filed with the AMF on April 16, 2020, under number D.20-0302, respectively on pages 341, 118-188, 189-202, 204-207 and 208-210.

The information included in these two Universal Registration Documents other than that referred to above is, as applicable, replaced or updated by the information included in this Universal Registration Document. These two Universal Registration Documents are available at the Company's registered office and on the website https://www.coface.com/Investors/financial-results-and-reports under the annual reports tab.

9.9 GLOSSARY

This glossary is a sample of terms used in the credit insurance sector and is therefore not exhaustive. It does not contain all the terms used in this Universal Registration Document or all terms used in the credit insurance industry.

Fee and commission income: fees ancillary to the insurance policy corresponding to the remuneration of services related to credit insurance, such as the costs of monitoring the credit limits issued to the policyholder on its clients.

Factoring: all the services a factor provides to companies, enabling them to outsource the management of their accounts receivable: management of invoices, including payment collection, protection against insolvency, financing, etc.

Credit insurance: a technique whereby a company protects itself against the risks of non-payment of its trade receivables.

Earnings per share: ratio calculated by dividing net income for the year attributable to shareholders by the weighted average number of shares outstanding.

Gains/losses on premiums: liquidation of provisions on premiums from years prior to the financial year with a positive or negative impact on premiums earned in the current financial year.

Gains/losses on claims: liquidation of provisions for claims and recoveries from years prior to the financial year with a positive or negative impact on the cost of benefits under insurance contracts for the current financial year.

Stock market capitalisation: a company's market value, calculated by multiplying the share price by the number of shares comprising share capital.

Surety bond: a credit transaction and not an insurance transaction, a surety bond is a written undertaking given to a creditor by a guarantor to fulfil a debtor's obligation in the event of default.

Turnover: sum of earned premiums and service revenues.

Ceding commission: the commission paid by the reinsurer to the ceding company on reinsurance agreements as compensation for placing the business with the reinsurer and to cover the ceding company's business acquisition expenses.

Broker: an independent intermediary who canvasses companies in order to offer them a credit insurance policy. Brokers advise policyholders during the implementation of the policy or agreement and in its day-to-day management.

Dividend: the portion of a company's profit attributable to the shareholder. A distinction is made between the net dividend, the sum actually paid by the company to its shareholder, and the gross dividend, which also includes the tax credit.

Price effect: indicator of trends in policy pricing.

Indemnities paid: amount of claims paid by the insurer during the accounting year.

Insolvency: legally recognised incapacity of the debtor to meet its commitments and as such to pay its debts.

Limit: the maximum amount up to which the insurer accepts the trade credit risk (risk of default) on the debtor.

Partial internal model: used to quantify the risks incurred by Coface. In particular, it is used to calculate the Solvency Capital Requirement.

Premium: amount paid by the policyholder in exchange for the insurer's commitment to cover the risks provided for in the policy.

Earned premium: sum of gross written premiums and reserves for premiums: the portion of the premium issued during the accounting year or earlier, corresponding to the coverage of the risks covered during the accounting year in question.

Issued premium: amount of premium invoiced during the financial year to cover the risks provided for in the contract.

Provision for premiums payable: premiums related to an accounting period that could not be invoiced during this period.

Unearned premium provisions: portion of premiums written during the accounting period relating to the coverage of risks covered for the period between the closing date of the accounting period and the expiry date of the contracts.

Provisions for incurred but not yet reported (IBNR) claims: provision relating to claims not yet known but deemed probable.

Combined ratio: represents total expenses, including service margin, and total claims, divided by total earned premiums. It is therefore the sum of the cost ratio and the claims ratio.

Cost ratio: contract acquisition expenses, administrative expenses and the service margin as a proportion of earned premiums. The service margin corresponds to service revenues less other ordinary operating income and expenses. It can be expressed in gross terms, *i.e.* before reinsurance, or net terms, which includes the ceding commission.

Loss ratio: claims costs from all related years as a proportion of earned premiums. It can be expressed in gross terms, *i.e.* before reinsurance, or net terms, which includes the portion ceded to reinsurers.

Solvency II ratio: a regulatory indicator that reflects the company's ability to meet its commitments to its clients, investors and other counterparties. It corresponds eligible own funds divided by the amount of own funds required by the company according to the risks to which it is exposed (SCR: Solvency Capital Requirement).

Reinsurance: a transaction whereby an insurance company transfers some of the risk it covers to a third party (the reinsurer) in exchange for the payment of a premium.

Debt collection: an amicable and/or legal procedure undertaken by the Group to obtain payment by the debtor of it debt.

Recovery: amounts recovered by the insurer from the debtor (buyer in default of payment) after the insured party has been compensated for the claim.

Underwriting income: sum of turnover, claims expenses, operating expenses (contract acquisition costs, administrative costs and service costs) and reinsurance income.

Credit risk: the risk of a loss resulting from a deterioration in a counterparty's credit quality or default by a counterparty.

Market risk: the risk of loss arising from to changes in prices on the financial markets or changes in the parameters that may influence these prices.

RoATE – Return on average tangible equity: net income (Group share) over average tangible equity (average equity (Group share) for the period restated for intangible assets).

Loss: a situation in which a risk occurs, giving the right to compensation for the policyholder that makes a claim under the cover provided for in the credit insurance policy.

Ceded claims/total claims (rate of ceded claims): ratio of ceded claims to total claims. Ceded claims correspond to the share of Coface claims ceded to its reinsurers under reinsurance treaties signed with them.

Claims paid: indemnities paid net of recoveries received, plus expenses incurred to manage them (claims handling expenses).

Net production: a business performance indicator equal to the sum of annualised premiums relating to credit insurance policies newly written during the financial year and annualised premiums relating to policies cancelled during the same financial year.

Solvency II: European regulatory reform of the insurance sector aimed at better adapting the capital requirements of insurance and reinsurance companies to the risks they incur in their business.

Premium ceding rate (ceded premiums/gross earned premiums): ratio of premiums ceded to earned premiums. Ceded premiums correspond to the share of earned premiums that Coface cedes to its reinsurers under reinsurance treaties signed with them. Earned premiums correspond to the sum of written premiums and provisions on earned premiums not written.

Accounting rate of return of financial assets: investment income before income from equity securities, foreign exchange income and financial expenses compared with the balance sheet total of financial assets excluding equity securities.

Accounting rate of return of financial assets excluding income from disposals: investment income before income from equity securities, foreign exchange income and financial expense excluding capital gains or losses on disposals compared with the balance sheet total of financial assets excluding equity securities.

Economic rate of return on financial assets: the economic performance of the asset portfolio. This measures the change in revaluation reserves for the year over the balance sheet total of financial assets plus the accounting rate of return.

Retention rate: ratio between the total value of policies actually renewed and the total value of policies to be renewed. This indicator is expressed as a percentage.

Business volume: reported value of customer turnover relative to the amount of the annualised premiums of the corresponding policies.

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

coface
FOR TRADE

COFACE SA
1 place Costes et Bellonte
92270 BOIS-COLOMBES - FRANCE
SA (FRENCH LIMITED COMPANY)
WITH CAPITAL OF €300,359,584
NANTERRE REGISTRY OF TRADE
AND COMPANIES NO. 432 413 599