SOLVENCY AND FINANCIAL CONDITIONS REPORT

2016

coface
FOR SAFER TRADE

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General comments

Coface SA, a French public limited company (with board of directors), whose registered office is at 1 Place Costes et Bellonte, 92270 Bois Colombes, France; registered under identification number 432 413 599 (Nanterre Trade and Companies Register) is referred to as the "company" in this report. The term "Group" or "Coface Group" shall, unless specifically specified otherwise, refer to the company, its subsidiaries, branches and equity holdings.

The Compagnie française d'assurance pour le commerce extérieur, a French public limited company (with board of directors), whose registered office is at 1 Place Costes et Bellonte, 92270 Bois Colombes, France; registered under identification number 552 069 791 (Nanterre Trade and Companies Register) is referred to as the "Compagnie" in this report.

Forward-looking information

This report contains information on the Coface Group's development prospects and priorities. This information is sometimes identified by use of the future tense, conditional tense or expressions of a forward-looking nature such as "consider", "envisage", "think", "for the purpose of", "anticipate", "intend", "should", "aspire", "estimate", "believe", "wish", "could" or, as applicable, the negative form of such expressions, or any other variant or similar terminology. This information is not historical data and must not be interpreted as guaranteeing that the facts and data as stated will actually occur. This information is mentioned in various sections of the report and contains data relating to the Coface Group's intentions, estimations and objectives, in particular with regard to the Coface Group's market, strategy, growth, results, financial position and cash management.

This information is based on data, assumptions and estimates that are deemed to be reasonable by the Coface Group. This information is likely to evolve or be modified as a result of uncertainties relating in particular to the economic, financial, competitive and regulatory environment. In addition, the forward-looking statements contained in the report also concern known and unknown risks, uncertainties and other factors that may, in the event that they take place, affect the Coface Group's future earnings, performances and achievements. These factors may in particular include changes in the economic and business environment and the risk factors set out in paragraph 2.4 "Chairman's report on corporate governance, internal control and risk management procedures" and also in chapter 5 of the Registration Document filed with the AMF (French Financial Markets Authority), on 12 April 2017 under number R.17-016.

Risk factors

You are strongly encouraged to carefully examine the risk factors described in the above-mentioned paragraphs of the Registration Document filed with the French Financial Markets Authority, on 12 April 2017 under number R.17-016. The occurrence of all or some of these risks is likely to have a negative effect on the Coface Group's activities, financial situation or financial results. In addition, other risks, as yet not identified or considered to be insignificant by the Coface Group at the date of this report, may have the same negative effect on the Coface Group, its business, its financial situation, its operating results or prospects for growth as well as on the price of shares listed on Euronext Paris (**ISIN: FR0010667147**).

All such information is available on the websites of the company (www.coface.com/Investors) and the AMF (www.amf-france.org)..

Clarifications pertaining to the presentation

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

Pursuant to articles L.356-25 and R.356-60 of the French Insurance Code, and in accordance with ACPR instruction no.2015-I-27, this report is a single report on the solvency and financial situation of Coface SA (Trade and Companies Register no.432413599) and the Compagnie (Trade and Companies Register no.552069791).

For information, Coface SA forms the Coface Group ("Coface SA" or "the Group"), monitored on a consolidated basis and the Compagnie, an institution monitored on a solo basis.

The COFACE Group's general scope of consolidation is stated on page 10 of this document and the reader's attention is drawn to the following information:

- The quantitative information relating to Coface SA is drawn up in line with IFRS or Solvency 2 standards as the case may be.
- In accordance with the regulations, the Compagnie has no obligation to draw up consolidated financial statements and, as a result, the quantitative information in this document is provided on a statutory basis, under French accounting standards, in respect of the business and under Solvency 2 standards, in respect of the prudential items.
- The quantitative information for the Compagnie primarily comprises information relating to the ultimate holding company and to the 31 full-function branches itemised in appendix F.1
- The factoring activities and credit insurance subsidiaries are not consolidated by the Compagnie but by Coface SA: this for the most part explains the discrepancies in revenue and results.
- External reinsurance activities are covered by Coface Re, an entity consolidated by Coface SA
- In the absence of a specific paragraph or note, the qualitative or quantitative information in this document is valid for both establishments.
- This report has not been reviewed by the Statutory auditors of Coface SA or the Compagnie, although it has been approved by the respective boards of Coface SA and the Compagnie.

Contents

Summary

2016 was a year of strategic change for Coface SA and the Compagnie. Key highlights are as follows:

"Fit to win" strategic plan

Coface gave a presentation on its new strategic plan at its first "investor day", organised on 22 September 2016 in London. This plan, entitled Fit to Win, is intended to position Coface as the most agile global partner in the sector, while at the same time evolving towards a more efficient capital model. The plan addresses three key points over three years: strengthening of risk and information management, improvement of operational efficiency and implementation of selective and profitable growth.

Transfer of the management of state export guarantees

Coface disposed of its state export guarantee management business to Bpifrance on 31 December 2016. The teams and information systems dedicated to this business line were transferred as of 2 January 2017.

Governance

Pursuant to decisions made by their respective boards, Coface SA and the Compagnie appointed Xavier Durand as chief executive officer.
In 2016, Coface strengthened its teams and developed its structure to boost efficiency, speed and service to the client, while at the same time significantly consolidating its control functions.
Furthermore, the Coface Group executive board decided to adjust the European structure with a view to rebalancing the regions and enhancing consistency from a geographical point of view. Spain and Portugal have therefore been added to the Mediterranean region and no longer form part of Western Europe and Russia has been moved from the Northern Europe region to Central Europe.

Capital transactions and financial soundness

Coface put in place a contingent capital facility of 100 million euros, for a period of three years, available in one tranche and exercisable on the occurrence of certain extreme events. This contingent capital facility supplements existing capital management and solvency tools. It is part of the prudent management of capital in the context of Pillar 2 of Solvency 2 and protects the Group against extreme risks.

Risk profile

Coface SA and the Compagnie continued to implement actions to reduce risks in various sensitive geographical areas and various economic sectors deemed to be risky. This led to a drop in global revenues, mainly in Asia.

The group's reinsurance strategy also changed between 2016 and 2017, with cessions under the quota share treaty increasing from 20% to 26% in order to strengthen the group's financial soundness and optimise its capital.

With regard to the investment portfolio, the Group and the Compagnie reduced their exposure to European equities.

A Activity and results

A.1 Business

A.1.1 General Introduction

A.1.1.1 Name and legal form of the companies

Coface SA is a public limited company with share capital of 314,496,464 euros whose registered office is located at 1 Place Costes et Bellonte, 92270 Bois Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 432 413 599.
The Compagnie is a public limited company with share capital of 137,052,417 euros whose registered office is located at 1 Place Costes et Bellonte, 92270 Bois Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 552 069 791.

A.1.1.2 Name and contact details of the supervisory authority responsible for financial control

Coface SA and the Compagnie are both governed by the French Insurance Code and subject to prudential supervision by ACPR (French prudential and resolution control authority) located at 61 rue Taitbout in Paris (75009).

A.1.1.3 Name and contact details of the external auditors

A.1.1.3.1 Principal statutory auditors – Coface SA

- Deloitte & Associés
  185 avenue Charles-de-Gaulle
  92200 Neuilly-sur-Seine
  Represented by Damien Leurent

- KMPG S.A.
  Tour EQHO
  2 avenue Gambetta
  CS 60055 92066 Paris la Défense Cedex
  Represented by Francine Morelli

A.1.1.3.2 Alternate statutory auditors – Coface SA

- BEAS
  195 avenue Charles-de-Gaulle
  92200 Neuilly-sur-Seine
  Represented by Mireille Berthelot

- KPMG AUDIT FS I
  Tour EQHO
  2 avenue Gambetta
  CS 60055 92066 Paris la Défense Cedex
  Represented by Isabelle Goalec

A.1.1.3.3 Principal statutory auditors – the Compagnie

- Deloitte & Associés
  185, avenue Charles de Gaulle
  92524 Neuilly sur Seine Cedex
  Represented by Damien Leurent

- KPMG SA
  EQHO- 2 Avenue Gambetta
  CS 60055 92066 Paris La Défense
  Represented by Francine Morelli

A.1.1.3.4 Alternate statutory auditors – the Compagnie

- BEAS
  195 avenue Charles-de-Gaulle
  92200 Neuilly-sur-Seine
  Represented by Mireille Berthelot

- KPMG AUDIT FS I
  Tour EQHO
  2 avenue Gambetta
  CS 60055 92066 Paris la Défense Cedex
  Represented by Régis Tribout

A.1.2 Holders of qualifying stakes in the company

A.1.2.1 Coface SA

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

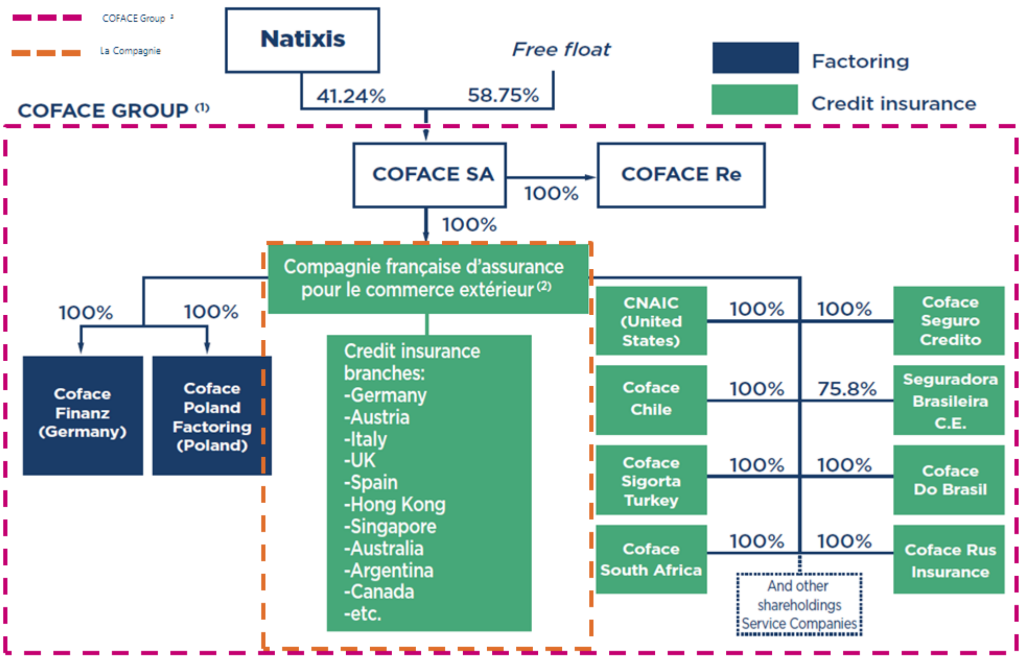
	As at 31/12/16				As at 31/12/15		As at 31/12/14	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Natixis [1]	64,853,881	41%	64,853,881	41%	64,853,870	64,853,870	64,853,869	64,853,869
Employees	383,618	0%	383,618	0%	378,937	378,937	390,959	390,959
Public	91,666,723	58%	91,666,723	58%	91,718,823	91,718,823	91,922,573	91,922,573
Treasury shares (liquidity contract and transactions on treasury shares)	344,010	0%	0	0%	296,591	0	80,819	0
Other	0	0%	0	0%	11	11	12	12
Total	**157,248,232**	**1%**	**156,904,222**	**1%**	**157,248,232**	**156,951,641**	**157,248,232**	**157,167,413**

A.1.2.2 The Compagnie

The Compagnie is wholly owned by Coface SA.

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

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



[1] *Registered office of Natixis: 30* avenue Pierre Mendès France - Immeuble Arcade de seine - 75013 Paris - France
[2] *Details of the parent-subsidiary relationships are presented in appendix F1. This summarises the entities, their addresses, the consolidation method, the control and interest percentage, by region and by country, as at 31/12/2016 and 31/12/2015.*
[3] *The Compagnie is thus the Group's main operating company and main insurance company. It also holds the two Group companies authorised to carry out factoring activity: Coface Finanz in Germany and Coface Factoring Poland in Poland.*

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

The business of the establishments is mainly focused on credit insurance which represented 89% of Coface SA's revenues in 2016. It consists of offering solutions to companies in order to protect them against the risk of financial default by their debtor clients, on both domestic and export markets.
In some countries, primarily in Central Europe, the Group is marketing information and recovery products without insurance or surety bond cover.
As a general rule, Coface SA carries out its activities through wholly owned subsidiaries, while the Compagnie carries out its business through 31 branches, credit insurance subsidiaries and 2 factoring companies.

Both establishments (Coface SA and the Compagnie) operate in seven operational regions:

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

The Group also operates on the German and Polish factoring markets and on the surety bond market.

A.1.5 Substantial transactions and significant events in 2016

A.1.5.1 "*Fit to Win*" strategic plan

In September 2016, after a strategic study initiated by Xavier Durand when he began his role as the Group's chief executive officer in February 2016, Coface SA announced its three-year strategic plan, "*Fit to Win*", to the market and to its staff. This plan is the result of in-depth consultations, involving 31 countries, all the regions and all the Group's key functions.
Fit to Win aims to reposition the Group as the most agile international credit insurer in the sector and to steer its capital management model towards greater efficiency and profitability. This plan should enable Coface SA to strengthen its customer service, increase its market share and exercise greater control over its risks, costs and therefore earnings throughout the cycle.
In support of this plan, the Group has placed four values at the heart of the Group's culture:

- Client focus,
- Expertise,
- Courage & Responsibility,
- Collaboration.

These values guide the operational principles and behaviours that every Group employee is required to adopt.

A.1.5.2 Transfer of the management of state export guarantees

The Compagnie has managed export guarantees since 1946 on behalf of and under guarantee from the French State, covering risks that are uninsurable by the private market. In 2016, this activity represented 4% of its consolidated revenue.

The amending finance law of 29 December 2015 (no. 2015-1786) provided for the transfer of this management activity to a subsidiary of the Bpifrance group. The law of 29 December 2016 (no. 2016-1917, article 47 and 127) set the effective date of transfer at 1 January 2017. Coface SA therefore disposed of its state export guarantees management business to Bpifrance on 31 December 2016, and the teams and information systems dedicated to this business line were transferred as of 2 January 2017.
In consideration for this transfer, Coface SA received compensation and incurred costs, corresponding to a net exceptional gain of 75 million euros before tax recorded in the accounts for the financial year ended on 31 December 2016.

A.2 Underwriting results

A.2.1 Aggregated results

At the end of 2016, which marked the start of its transformation, Coface SA recorded revenues of 1,411.3 million euros, down 3.6% (at constant scope and exchange rates) compared with 2015. The claims ratio after reinsurance amounted to 65.5%, within the target range announced on 4 July 2016 and, thanks to tight cost controls, the cost ratio after reinsurance was 31.9%.
Net income (group share) amounted to 41.5 million euros; this included 36.5 million euros for non-recurring items relating to the transfer of the management of State guarantees and the roll-out of *Fit to Win*.
The new Solvency 2 prudential regime came into effect on 1 January 2016. Calculated in accordance with the standard formula, the capital coverage ratio necessary for covering insurance and factoring risks stood at 150% at 31 December 2016 for Coface SA. This level, within the target range of 140%-160%, enables the group to renew its commitment to distribute at least 60% of its net income, as proposed this year.
The Compagnie's capital ratio stood at 255% at 31 December 2016.

A.2.2 Detailed results

A.2.2.1 Coface SA

A.2.2.1.1 Turnover

Coface SA’s consolidated revenue fell from 1,489.5 million euros in 2015 to 1,411.3 million euros in 2016. There was no scope effect for the 2016 financial year. The foreign exchange effect was a fall of 1.7 points, mainly linked to devaluations of the Argentinean peso, pound sterling, Turkish lira and Mexican peso.

The following table illustrates the change in Coface SA's consolidated revenue for each activity as at 31 December 2015 and 2016:

Change in consolidated revenue by business line Coface SA *(in millions of euros)*	**As at 31 December**		**Change**		
	2016	**2015**	**(In €m)**	**(as %)**	**(as %: at constant scope and exchange**
Insurance	1,341	1,419	-78	-5.5%	-3.8%
Gross earned premiums	*1,115*	*1,186*	*-71*	*-6.0%*	*-4.1%*
*Services**	*226*	*233*	*-8*	*-3.2%*	*-2.7%*
Factoring	*71*	*71*	*0*	*0.0%*	*0.6%*
Consolidated revenue	**1,411**	**1,490**	**-78**	**-5.3%**	**-3.6%**

** Amount of the revenue originating from services related to credit insurance ("Fee and commission income" and "Compensation for public procedures management services") and services marketed for the benefit of customers without credit insurance (services comprising access to information on the solvency of companies and to marketing information ("Information and other services") and for recovery of receivables ("Receivables management")).*

Revenue for the insurance business line (including surety bond and single risk) was down by 5.5% (down by 3.8% at constant scope and exchange rates), from 1,418.9 million euros in 2015 to 1,340.7 million euros in 2016.

Gross earned premiums fell by 6.0% (-4.1% at constant scope and exchange rates), from 1,185.9 million euros in 2015 to 1,115.1 million euros in 2016, as a result of pressure on prices and lower client activity in the most mature regions (Western Europe and Northern Europe) and the impact of action plans on risk, more particularly in Asia.

Annual new business amounted to 139.1 million euros in 2016, i.e. a drop of 2.5% compared with 2015, and remained stable outside of Asia.

The contract retention rate (relationship between the annual value of renewed policies and the value of policies to be renewed during the year) improved slightly to 88.5% as at 31 December 2016 (against 87.7% in 2015).

The decline in prices was more moderate over 2016 at -1.7% against -2.5% in 2015 (as at 31 December 2016). Mature markets were beginning to stabilise despite the background of strong pressure on prices. Price rises were observed in Latin America.

The "volume of client business" component (turnover/business of policyholders) rose by only 0.8% in 2016 (against +2.5% in 2015) marked by the economic downturn especially in emerging regions. It did however remain positive and contributed to the growth of our portfolio due in particular to the good stability of the Mediterranean & Africa region.

Revenue from the services business was down by 7.5 million euros, falling from 233 million euros in 2015 to 225.5 million euros in 2016, i.e. a fall of 3.2% (-2.7% at constant scope and exchange rates) mainly due to the decrease in fees on public procedures.

A.2.2.1.2 Change in revenues by region[1]

The following table illustrates the changes in the Coface Group's consolidated revenue (net of intra-group cash flows) for its seven geographical regions for the financial years ended on 31 December 2015 and 2016:

Change in consolidated revenue by invoicing region Coface SA *(in millions of euros)*	As at 31 December		Change			
	2016	2015	(In €m)	(as %)	(as %: at constant exchange rates)	(as %: at constant scope and exchange rates)
Western Europe	327	363	-36	-10,0%	-8,4%	-8,4%
Northern Europe	307	325	-17	-5,3%	-5,3%	-5,3%
Mediterranean & Africa	332	340	-8	-2,5%	-1,3%	-1,3%
North America	136	131	5	3,7%	4,0%	4,0%
Central Europe	121	125	-4	-3,2%	-1,1%	-1,1%
Asia Pacific	110	121	-12	-9,5%	-10,9%	-10,9%
Latin America	78	84	-6	-6,9%	9,0%	9,0%
Consolidated revenue	**1 411**	**1 490**	**-78**	**-5,3%**	**-3,6%**	**-3,6%**

In Western Europe, revenue was down by 10% (-8.4% at constant scope and exchange rates) due to a downturn in business activity and pressure on prices. In particular, revenue generated by the Single Risk offering fell heavily due to difficult market conditions in the United Kingdom, Switzerland and France. Lastly, fees on public procedures fell by 6.6 million euros.

In Northern Europe, revenues shrank by 5.3%. The region suffered from heavy pressure on prices and volumes. Against a background of widespread access to market liquidity and falling interest rates, the factoring business in Germany showed resilience (falling by 0.9%).

In the Mediterranean & Africa, revenue was down by 2.5% (-1.3% at constant scope and exchange rates). Italy saw good business performances which were however cancelled out by premium rebates granted on the Spanish market where the risk environment was favourable.

In North America, revenue was up by 3.7% (+4.0 % at constant scope and exchange rates) thanks to the large accounts client base.

Central Europe showed a decrease of 3.2% (-1.1% at constant scope and exchange rates) due to a decrease in revenues from recovery of receivables, in line with the relatively low level of claims in this region. Factoring in Poland was up 6.7% (+11% at constant scope and exchange rates), indicating a rebound in business performances.

In Asia Pacific, revenue was down 9.5% (-10.9%, at constant scope and exchange rates), as a result of the measures to reduce risks and tighten underwriting rules.

In Latin America, a rise in revenue was observed of 9 % at constant scope and exchange rates. This growth was attributable not only to the high inflation recorded in the region but also to rate increases as well as a dynamic business environment particularly in Argentina.

A.2.2.2 The Compagnie

A.2.2.2.1 Turnover

[1] *A change in the structure of the regions was put into operation on 11 April 2016 and has led to certain adjustments. Portugal and Spain, initially included in the Western Europe region, have been transferred to the Mediterranean & Africa region. Russia, initially included in the Northern Europe region, has been transferred to the Central Europe region.*

The revenue of the Compagnie amounted to 1,115.3 million euros, down 6.4% compared with December 2015 at constant scope.
The following table illustrates the changes in revenue, for each business activity, as at 31 December 2015 and 2016:

Change in consolidated revenue by invoicing region The Compagnie *(in millions of euros)*	**As at 31 December 2016**	**As at 31 December 2015**	**Change**
Direct business premiums	857	916	-6,4%
Accepted premiums	169	183	-7,2%
Earned premiums	**1 027**	**1 098**	**-6,5%**
Fee and commission income	**30**	**29**	**3,6%**
Other underwriting revenue	**58**	**64**	**-9,2%**
Total revenue	**1 115**	**1 192**	**-6,4%**

The earned premiums of the Compagnie amounted to 1,026.7 million euros, down 6.5% compared with December 2015. Fee and commission income increased by 3.6% to reach 30.1 million euros as at 31 December 2016. Finally, other revenues amounted to 58.5 million euros, down 9.2% compared with December 2015.

A.2.2.2.2 Change in revenues by region

The following table illustrates the changes in the revenue of the Compagnie for its seven geographical regions for the financial years ended on 31 December 2015 and 2016:

Change in consolidated revenue by invoicing region The Compagnie *(in millions of euros)*	**As at 31 December 2016**	**As at 31 December 2015** *(Proforma *)*	**As at 31 December 2015** *(published)*	**Change**
Western Europe	293	328	531	-10,9%
Northern Europe	213	230	231	-7,6%
Central Europe	92	95	89	-3,6%
Mediterranean and Africa	277	289	180	-4,2%
Latin America	51	50	15	1,9%
North America	79	76	23	4,1%
Asia Pacific	111	123	122	-9,4%
Total revenue	**1 115**	**1 192**	**1 192**	**-6,4%**

** 31-dec.-15 proforma: From now on, accepted premiums are shown by country of invoicing. Previously they were shown by country of accounting (2015 published accounts). In addition, Spain and Portugal are now attached to the "Mediterranean and Africa" region although in the 2015 published accounts, they were attached to "Western Europe".*

In Western Europe, revenue was down by 10.9% due to a downturn in business activity and to pressure on prices. In particular, revenue generated by the Single Risk offering fell heavily due to difficult market conditions in the United Kingdom, Switzerland and France.

In Northern Europe, revenues shrank by 7.6%. The region suffered from heavy pressure on prices and volumes.

In Mediterranean & Africa, revenues were down by 4.2%. Italy saw good business performances which were however cancelled out by premium rebates granted on the Spanish market where the risk environment was favourable.

In North America, revenue was up by 4.1% thanks to the large accounts client base.
Central Europe showed a decrease of 3.6% due to a decrease in revenues from recovery of receivables, in line with the relatively low level of claims in this region.

In Asia Pacific, revenue was down by 9.4%, as a result of the measures to reduce risks and tighten underwriting rules.

In Latin America, a rise in revenue was observed of 1.9%. This growth was attributable not only to the inflation recorded in the region but also to rate increases as well as a dynamic business environment particularly in Argentina.

A.2.3 Comparison

A.2.3.1 Income – Coface SA

Consolidated income statement Coface SA *(in millions of euros)*	**As at 31 December 2016**	**As at 31 December 2015**	**Change (%)**
Revenue	**1 411**	**1 490**	**-5,3%**
Gross written premiums	1 202	1 269	-5,3%
Premium rebates	-93	-81	14,0%
Net change in unearned premium provisions	6	-2	-437,9%
Gross earned premiums	**1 115**	**1 186**	**-6,0%**
Fee and commission income	**129**	**126**	**2,6%**
Net banking income	**71**	**71**	**0,0%**
Cost of risk	-4	-5	-10,1%
Revenue or income from other activities	**97**	**107**	**-10,0%**
Investment income, net of management expenses	47	50	-6,6%
Gains and losses on disposals of investments	1	3	-61,2%
Investment income, net of management expenses (excluding finance c	48	53	-9,5%
TOTAL INCOME FROM ORDINARY ACTIVITIES	**1 455**	**1 538**	**-5,4%**
Claims expenses	-706	-605	16,6%
Expenses from banking activities, excluding cost of risk	-13	-14	-6,4%
Expenses from other activities	-44	-45	-1,1%
Income from ceded reinsurance	240	214	12,0%
Expenses from ceded reinsurance	-258	-266	-3,1%
Income and expenses from ceded reinsurance	-18	-51	-65,8%
Policy acquisition costs	-255	-274	-6,8%
Administrative costs	-275	-270	1,9%
Other current operating expenses	-83	-82	1,7%
TOTAL CURRENT INCOME AND EXPENSES	**-1 394**	**-1 341**	**3,9%**
CURRENT OPERATING INCOME	**61**	**197**	**-69,0%**
Other operating expenses	-55	-5	900,8%
Other operating income	108	1	8520,1%
OPERATING INCOME	**114**	**192**	**-40,5%**
Finance costs	-18	-18	-0,6%
Share in net income of associates	-6	2	-370,7%
Income taxes	-48	-49	-1,5%
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTER	**42**	**127**	**-66,9%**
Non-controlling interests	-1	-1	-41,1%
NET INCOME (GROUP SHARE)	**42**	**126**	**-67,1%**
Earnings per share (in €)	0,26	0,80	-67,5%
Diluted earnings per share (in €)	0,26	0,80	-67,5%

A.2.3.1.1 Breakdown by geographical area

Consolidated income statement Coface SA *(in millions of euros)*	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN-AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COSTS	INTER-ZONE	TOTAL GROUP
REVENUE	**303**	**331**	**124**	**334**	**136**	**78**	**110**	**956**	**27**	**-**	**- 987**	**1 141**
including earned premiums	*197*	*236*	*96*	*282*	*123*	*75*	*107*	*956*	-	-	- *956*	*1 115*
including factoring	*62*	-	*9*	-	-	-	-	-	-	-	-	*71*
including fee and commission income and related services	*45*	*95*	*19*	*52*	*13*	*3*	*3*	-	*27*	-	- *32*	*226*
Claims expenses (including management costs)	- 115	- 91	- 48	- 140	- 104	- 45	- 157	- 661	-	- 3	659	- 706
Cost of risk	- 4	-	- 0	-	-	-	-	-	-	-	-	- 4
Commissions	- 21	- 34	- 6	- 34	- 30	- 9	- 23	- 264	-	-	268	- 153
Other internal overheads	- 118	- 134	- 40	- 98	- 31	- 22	- 32	-	- 28	- 45	30	- 518
UNDERWRITING INCOME BEFORE REINSURANCE *	**44**	**71**	**29**	**61**	**- 29**	**3**	**- 101**	**31**	**- 0**	**- 49**	**- 30**	**30**
Net income from ceded reinsurance	5	- 33	- 3	- 3	1	- 3	18	- 30	-	-	31	- 18
Other operating income and expenses	- 20	78	- 2	- 0	- 2	- 1	-	-	-	-	-	53
Financial income, net of management expenses (excluding finance costs)	8	17	5	9	1	8	2	-	0	- 1	- 1	48
Finance costs	- 0	1	- 0	- 0	- 1	- 0	- 0	-	- 0	- 16	- 0	- 18
OPERATING INCOME INCLUDING FINANCE COSTS	**37**	**134**	**30**	**67**	**- 31**	**6**	**- 82**	**1**	**- 0**	**- 66**	**-**	**96**
Share in net income of associates	-	- 6	-	-	-	-	-	-	-	-	-	- 6
PRE-TAX INCOME	**37**	**128**	**30**	**67**	**- 31**	**6**	**- 82**	**1**	**- 0**	**- 66**	**-**	**90**
Income taxes	- 12	- 48	- 6	- 21	10	1	4	- 0	0	23	1	- 48
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**25**	**81**	**24**	**46**	**- 20**	**7**	**- 78**	**0**	**- 0**	**- 43**	**1**	**42**
non-controlling interests	-	- 0	- 0	- 0	0	- 0	0	-	-	-	-	- 1
NET INCOME (GROUP SHARE)	**25**	**81**	**23**	**46**	**- 20**	**7**	**- 78**	**0**	**- 0**	**- 43**	**1**	**42**

A.2.3.1.2 Underwriting income

Gross reinsurance underwriting income fell by 164.3 million euros, from 194.8 million euros in 2015 to 30.5 million euros in 2016. It is obtained by subtracting the gross or net claims and acquisition and management costs from the gross or net premiums collected during a financial period. This fall was the main consequence of declining revenue (down 78.2 million euros) combined with a rise in losses (100.3 million euros).

The combined ratio before reinsurance stood at 96.4% (an increase of 13.9 points) breaking down into a loss ratio up by 12.2 points and a cost ratio up by 1.7 points. The deterioriation in the cost ratio was primarily due to a significant decrease in revenue, in particular for earned premiums (down by 70.8 million euros). Internal overheads remained well under control, down by 1.1% (+0.4 % at constant scope and exchange rates).

Net reinsurance underwriting income fell by 130.6 million euros, from 143.4 million euros in 2015 to 12.8 million euros in 2016, in line with gross reinsurance underwriting income (down 164.4 million euros) but benefiting from a positive impact on the group's external reinsurance.

The cost of reinsurance decreased substantially, from 51.4 million euros in 2015 to 17.6 million euros in 2016 due to the increase in the loss ratio and a non-recurrent gain of 13.8 million euros (exceptional adjustment for claim recovery costs in Northern Europe).

A.2.3.1.3 Operating income

Current operating income, i.e. exclusive of finance costs and other operating income and expenses, was down by 135.6 million euros, i.e. -69.0%, from 196.5 million in 2015 to 60.9 million euros in 2016.

The net combined ratio, including exceptional items, increased by 14.3 points, from 83.1% in 2015 to 97.4% in 2016 ,+12.9 points of which was attributable to the net loss ratio and +1.4 points to the cost ratio.

Other operating income and expenses amounted to 53.5 million euros and were mainly made up of:

- compensation payments received following the transfer of the export support public procedures management activity to the Bpifrance group and other revenues and expenses connected with this business leaving the scope of consolidation (75 million euros);
- revenue associated with a reversal of the provision for employee-related commitments of 14.1 million euros and the corresponding discounting of actuarial rates of 5.1 million euros.
- expenses of 38.6 million euros in connection with the roll-out of the *Fit to Win* strategic plan.

Interest charges on hybrid debt amounted to 16.1 million euros in 2016, stable compared with 2015 (debt issued on 27 March 2014).

The decrease in the Coface Group's operating income stemmed simultaneously from deterioration in the loss rate and from negative growth in revenues. All regions contributed positively to operating income except for Asia Pacific and North America which were heavily impacted by a rise in loss rates. We want to highlight the return to better fortunes of the Latin America region.

A.2.3.1.4 Net income

The Coface Group's effective tax rate was up, rising from 28.1% in 2015 to 50.1% in 2016. This increase is partly explained by the total non-recognition of deferred taxes on fiscal deficits and the removal of an exceptional positive effect recognised for Italy in 2015.
Net income (group share) amounted to 41.5 million euros, down 67%.
Restatement of the following non-recurring exceptional items:

- revenue and expenses connected with transfer of the public procedures management activity;
- revenue connected with the alignment of certain employee-related benefits;
- costs incurred by the roll-out of the *Fit to Win* strategic plan;

Excluding income generated by the operational activities of public procedures management (17.1 million euros), a net loss (group share) of -12.0 million euros was recognised in 2016.

A.2.3.2 Income – the Compagnie

Income statement (F-GAAP) **The Compagnie** *(in millions of euros)*	**As at 31 December 2016**	**As at 31 December 2015**	**Change (%)**
Revenue	**1,115**	**1,192**	**-6%**
Gross written premiums	1,113	1,178	-6%
Premium rebates	-90	-79	15%
Net change in unearned premium provisions	4	-2	-318%
Gross earned premiums	**1,027**	**1,098**	**-6%**
Fee and commission income	**30**	**29**	**4%**
Revenue or income from other activities	**58**	**64**	**-9%**
Investment income, net of management expenses (excluding finance costs)	102	71	43%
Total income from ordinary activities	**1,217**	**1,263**	**-4%**
Claims expenses	-653	-536	22%
Change in the equalisation reserve,	71	-23	-409%
Income and expenses from ceded reinsurance	-28	-70	-61%
Policy acquisition costs	-231	-251	-8%
Administrative costs	-180	-181	-1%
Other current operating expenses	-61	-54	12%
Total current income and expenses	**-1,082**	**-1,117**	**-3%**
CURRENT OPERATING INCOME	**135**	**146**	**-7%**
Other operating expenses	-114	-6	1663%
Other operating income	128	5	2450%
OPERATING INCOME	**146**	**145**	**1%**
Finance costs	-14	-14	0%
Incentive and profit-sharing	-4	-5	-18%
Income taxes	-80	-54	48%
NET INCOME	**52**	**72**	**-28%**

A.2.3.2.1 Breakdown by geographical area

Income statement (F-GAAP) By geographical area The Compagnie *(in millions of euros)*	As at 31 December 2016	As at 31 December 2015	Change
Western Europe	39	7	423%
Northern Europe	-21	69	-130%
Central Europe	0	18	-102%
Mediterranean and Africa	11	11	0%
Latin America	1	-4	-137%
North America	4	1	538%
Asia Pacific	18	-30	-160%
Reinsurance income	**52**	**72**	**-28%**

A.2.3.2.2 Underwriting income

Gross reinsurance underwriting income fell by 61.4 million euros (down 33.6% compared with December 2015), from 182.8 million euros in 2015 to 121.3 million euros in 2016. This fall was the main consequence of declining revenue (down 76.2 million euros) combined with a rise in the loss rate.
The cost of reinsurance fell by 60.6% in 2016, from 70.5 million euros in 2015 to 27.7 million euros in 2016.

The fall in the cost of reinsurance resulted from the increase in the loss ratio and a non-recurring gain of 13.8 million euros (exceptional adjustment for claim recovery costs, ceded to reinsurers in Northern Europe).

The underwriting income of the Compagnie fell by 17% from 112.3 million euros in 2015 to 93.6 million euros in 2016.

A.2.3.2.3 Operating income

Current operating income, i.e. exclusive of finance costs and other operating income and expenses, was down by 10.6 million euros, i.e. -7.3 %, from 145.9 million in 2015 to 135.3 million euros in 2016.

The net combined ratio, including exceptional items, increased by 22.1 points, from 85.5% in 2015 to 107.7% in 2016, +16.4 points of which was attributable to the loss ratio and +5.7 points to the cost ratio.
Other operating income and expenses amounted to 14.3 million euros and were mainly made up of:

- compensation payments received following the transfer of the export support public procedures management activity to the Bpifrance group and other revenues and expenses connected with this business leaving the scope of consolidation (75 million euros);
- revenue associated with a reversal of provision on employee-related commitments of 13.7 million euros,
- expenses of 34.7 million euros in connection with the roll-out of the *Fit to Win* strategic plan,
- a change in accounting method for the Colombes funds leading to an expense of 63.9 million euros (before tax),
- revenue of 19.8 million euros in connection with accounting corrections in respect of previous financial years following the branch conversion process carried out in 2012.

Interest charges on debt amounted to 14.3 million euros in 2016, stable compared with 2015 (debt incurred with Coface SA following issuance of the hybrid debt on the market on 27 March 2014).

A.2.3.2.4 Net income

Net income for financial year 2016 was therefore 52 million euros, down 28% compared with 2015.

A.3 Earnings from investments

A.3.1 Detailed results over the period

A.3.1.1 Changes in financial markets

2016 was a year marked above all by two political events with totally unexpected outcomes: the British vote for the Brexit in June, and then Donald Trump's election as US president in November. The current economic climate did not reserve any major surprises in developed countries: recoveries continued at a modest pace on either side of the Atlantic. In emerging markets, after serious doubts at the beginning of the year, the situation gradually improved (with significant disparities however between the countries), helped by the stabilisation of the situation in China and by the rebound in the oil price.

A.3.1.2 Financial income from investments– Coface SA

A.3.1.2.1 Changes in the investment portfolio

In this economic environment, the Group, in line with the defined strategic allocation, increased its exposure to the sovereign debt of the main issuers of financial markets, as well as to European unlisted real estate while at the same time reducing its exposure to European equities.
These investments were all carried out in a strictly defined risk framework; the quality of issuers, the sensitivity of issuances, the dispersion of issuer statuses and geographical areas are the subject of specific rules defined in the different management mandates granted to the Group's dedicated managers.
The portfolio's market value increased during the 2016 financial year, thanks to a positive return on the investment portfolio. The investment portfolio by major asset classes can be broken down as follows[2]:

Investment portfolio				**As at 31 December**
Coface SA	**2016**		**2015**	
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
Investment property	137.9	5.4%	111.7	4.5%
Equities	126.5	5.0%	218.9	8.8%
Bonds	1,796.3	70.3%	1,691.1	68.3%
Loans, deposits and other financial investments	494.9	19.4%	453.3	18.3%
Total financial assets	**2,555.7**	**100%**	**2,475.0**	**100%**

[2] *The figures shown may differ from those in the 2016 Registration Document. This difference is explained by an introduction to the Solvency 2 standards in this document and an introduction to the IFRS standards in the 2016 Registration Document.*

A.3.1.2.2 Performance of the investment portfolio

The ever-weaker rates of return have led to a slight fall in the rate of return for the Group's portfolio. Income from investments amounted to 43.5 million euros, compared with 49.9 million euros in 2015.

Income from the investment portfolio COFACE SA *(in millions of euros)*	**As at 31 December 2016**	**As at 31 december 2015**	**Change**
Equities	1.6	14.2	-88.7%
Fixed-income instruments	37.5	33.4	12.3%
Investment property	4.4	2.3	91.3%
Total investments	**43.5**	**49.9**	**-12.8%**
Including outsourcing	3.5	4.5	-22.2%
non consolidated subsidiaries	1.4	7.0	-80.0%
Income from foreign exchange	6.3	-1.2	-625.0%
Financial costs and investment expenses	-3.2	-2.7	18.5%
TOTAL	**48.0**	**53.1**	**-9.6%**

After income from non consolidated subsidiaries, foreign exchange and derivatives, financial expenses and investment expenses, the financial income in 2016 amounted to 48 million euros.

A.3.1.3 Financial income from investments – the Compagnie

A.3.1.3.1 Changes in the investment portfolio

The Compagnie investment portfolio followed the same trends as the group in terms of allocation. However there was a reduction in outstandings in respect of reinsurance payments (payments sent to Coface Re).
The investment portfolio of the Compagnie can be broken down as follows:

Investment portfolio The Compagnie *(in millions of euros)*	**As at 31 December 2016**		**2015**	
	(In €m)	***(as %)***	***(In €m)***	***(as %)***
Investment property	117,0	5,3%	99,8	4,3%
Shares	101,3	4,6%	198,9	8,6%
Bonds	1 444,9	65,0%	1 434,4	62,3%
Loans, deposits and other financial investments	559,0	25,2%	567,9	24,7%
Total financial assets	**2 222,2**	**100%**	**2 301,0**	**100%**

Revenue relating to investments (excluding revenue from equity holdings) was 20.5 million euros in 2016 compared to 48.1 million euros in 2015.

A.3.1.3.2 Performance of the investment portfolio

The financial income of the Compagnie amounted to 87.9 million euros in 2016 and 57.2 million euros in 2015. It included 70.8 million euros of revenue from equity holdings, compared to 20.3 million euros in 2015.

Income from the investment portfolio The Compagnie *(in millions of euros)*	As at 31 December 2016	 2015
Revenue from investments	91	68
Gains on the realisation of investments	55	45
TOTAL INCOME	**146**	**113**
Financial expenses	- 17	- 16
Management of investments	- 2	- 2
Provision for impairment in value of investmer	- 5	- 2
Other investment expenses	- 3	- 1
Losses on the realisation of investments	- 31	- 35
TOTAL EXPENSES	**- 58**	**- 56**
FINANCIAL INCOME	**88**	**57**

This income is not in line with group income due mainly to the differences in scope of consolidation and standards.

In the statutory accounts of the Compagnie, due to the German cash-pooling agreement, the income of the German subsidiaries was recorded as financial income while in the group's IFRS accounts these entities were consolidated and contributed to overall outcome.
Furthermore, French accounting standards do not permit a detailed breakdown of dedicated funds, unlike the IFRS standards for the group.

A.3.2 Impact on equity

A.3.2.1 Coface SA

(in millions of euros)	Investment instruments	Reserves - Non-recyclable gains and losses (IAS19R)	Tax	Revaluation reserves - group share	Non-controlling interests	Revaluation reserves
Amounts as at 1 January 2016	107.4	- 25.3	- 5.3	76.9	3.0	79.9
Fair value adjustments on available-for-sale financial assets - reclassified to income	1.9	-	- 1.3	0.6	-	0.6
Fair value adjustments on available-for-sale financial assets - recognized in equity	30.3	-	- 9.6	20.7	- 0.6	20.2
Change in reserve for non-recyclable gains and losses (IAS19R)	-	- 7.8	2.4	- 5.4	-	- 5.4
Amounts as at 31 December 2016	**139.7**	**- 33.1**	**- 13.8**	**92.8**	**2.4**	**95.2**

(in millions of euros)	Investment instruments	Reserves - Non-recyclable gains and losses (IAS19R)	Tax	Revaluation reserves - group share	Non-controlling interests	Revaluation reserves
Amounts as at 1 January 2015	120.3	- 31.2	- 3.4	85.7	3.9	89.7
Fair value adjustments on available-for-sale financial assets - reclassified to income	- 4.3	-	1.5	- 2.8	- 0.1	- 3.0
Fair value adjustments on available-for-sale financial assets - recognized in equity	- 8.7	-	- 1.5	- 10.2	- 0.8	- 10.9
Change in reserve for non-recyclable gains and losses (IAS19R)	-	5.9	- 1.9	4.0	-	4.0
Transactions with shareholders	0.1	-	-	0.1	-	0.1
Amounts as at 31 December 2015	**107.4**	**- 25.3**	**- 5.3**	**76.9**	**3.0**	**79.9**

A.3.2.2 The Compagnie

The Compagnie prepares its financial statements under French GAAP. Profit and loss are not there directly recognised as equity.

A.3.3 Securitisation

Not applicable for Coface SA and the Compagnie.
In effect, as at 31/12/2016, no establishment has investments in securities issued in the context of a securitisation in its financial portfolio.

A.4 Income from other activities

A.4.1 Other revenue and expenditure

A.4.1.1 Transfer of the management of state guarantees to the Bpifrance Group

The Compagnie has managed export guarantees since 1946 on behalf of and under guarantee from the French State, covering risks that are uninsurable by the private market. The amending finance law of 29 December 2015 (no. 2015-1786) provided for the transfer of management activity to a subsidiary of the Bpifrance group. The law of 29 December 2016 (no. 2016-1917, article 47 and 127) set the effective date of transfer at 1 January 2017. Coface SA therefore disposed of its state export guarantees management business to Bpifrance on 31 December 2016, and the teams and information systems dedicated to this business line were transferred as of 2 January 2017. In consideration for this transfer, Coface SA received compensation and incurred costs, corresponding to a net exceptional gain of 75 million euros before tax recorded in the accounts for the financial year ended on 31 December 2016.

The management of state export guarantees was a service activity that Coface SA used to carry out on behalf of the French State. In 2016, this activity represented 4% of its consolidated revenue.

A.4.1.2 Fit To Win

The roll-out of the *Fit To Win* strategic plan incurred an operating expense of 38.6 million euros.

A.4.2 Rental agreements

A.4.2.1 Operating leases

Rental agreements mainly concerned office rentals and computer equipment rental and maintenance contracts.

Expenditure relating to rental agreements were as follows:

Expenditure on leases Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Expenses relating to office rentals	36.0	38.2	- 2.1
Expenses relating to information technology expenditures	16.4	14.2	2.2
Total	**52.4**	**52.3**	**- 0.1**

Expenditures on leases The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Expenses relating to office rentals	27.9	28.6	- 0.7
Expenses relating to information technology expenditures	14.7	12.9	1.9
Total	**39.8**	**38.4**	**1.2**

The main office rental agreements are in respect of the Headquarter of the group and of the German branch.

The group's registered office is located at 1, Place Costes et Bellonte, 92270, Bois Colombes, France. The Compagnie holds a 9 year commercial lease over the registered office which began on 15 April 2013 and which will terminate on 14 April 2022 (firm and non-reducible period).

The registered office of the German branch, Coface Deutschland, is located at Isaac-Fulda-Allee in Mayence, Germany. Coface Deutschland has entered into a lease over its registered office with a term running from 2001 to 2017. The property assets financed by means of leasing contracts are presented in the consolidated financial statements as if they had been acquired directly by financial indebtedness.

As a reminder, a lease is classified as a finance lease if it substantially transfers the corresponding risks and rewards incidental to ownership.

A.4.2.2 Financial leases

Coface SA and the Compagnie do not have any financial leases.

A.5 Other information

No other material information is to be made publicly available.

B Governance system

B.1 General information on the governance system

B.1.1 Governance structure

B.1.1.1 Coface SA's governance structure

The company has a board of directors and a chief executive officer.

B.1.1.1.1 The board of directors

Until its meeting on 8 February 2017, the board of directors was made up of eleven members, of whom 54% were women and 45% were independent[3]:

- Mr Laurent MIGNON, chairman;
- Mr Jean Arondel;
- BPCE represented by Ms Marguerite BERARD-ANDRIEU[4];
- Mr Jean-Paul DUMORTIER;
- Mr Éric HEMAR;
- Ms Linda JACKSON;
- Ms Sharon MACBEATH;
- Ms Martine ODILLARD;
- Ms Isabelle RODNEY, coopted to the seat of Mr Pascal MARCHETTI, who has resigned;
- Ms Anne SALLE-MONGAUZE, coopted to the seat of Mr Laurent ROUBIN, who has resigned;
- Mr Olivier ZARROUATI.

The board of directors is governed by rules of procedure which may be consulted on the website (http://www.coface.com/Group/Our-organisation) under the tab relating to the board of directors.

B.1.1.1.1.1 Notice to attend the board meeting

The board of directors meets as often as required by the company's interests, and at least once a quarter.

It meets when convened by the chairman. Furthermore, board members representing at least one third of the members of the board may, by stating the agenda for the meeting, convene a board meeting if a meeting has not been held for more than two months. Where the role of chief executive officer is not held by the chairman, the chief executive officer may also ask the chairman to convene the board meeting on a predetermined agenda.
The board meets either at the registered office, or at any other place specified in the notice to attend. The notice to attend is sent to members of the board by ordinary letter or by electronic mail a reasonable period before the scheduled meeting date. It is issued by the secretary of the board of directors.

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[3] Since the company was controlled by Natixis as defined in article L. 233-3 of the French Commercial Code, the recommendation of article 8.3 of the AFEP-MEDEF Code, under which at least one third of this committee must be independent members, was met.
[4] BPCE, represented by Marguerite BERARD-ANDRIEU, resigned on 8 February 2017. As such, at its meeting on 8 February 2017, the board of directors coopted Mr Daniel KARYOTIS, chief executive officer of Banque Populaire Auvergne Rhône Alpes, as board member.

In the event of an Emergency as defined below ("Emergency"), the accelerated procedure described below may be used.

An Emergency is defined as an exceptional situation (i) characterised by the existence of a short deadline, imposed by a third party under penalty of foreclosure and where non-compliance would be likely to result in prejudice for the company or one of its subsidiaries or (ii) requiring a rapid response from the company that would be incompatible with the usual time frames for convening board meetings.
In the event of an Emergency, the notice to attend may be sent by any appropriate means, even verbally, and the time frames for the convening and meeting of the board of directors shall not be subject to the provisions set out above, provided the chairman of the company's board of directors has:

(i) sent prior notification explaining the Emergency to board members within the meaning of the above definition; and
(ii) sent all board members, together with the notice to attend the board meeting, all relevant documents.

B.1.1.1.1.2 Information meeting at the initiative of the board of directors.

The board of directors meets with the heads of key functions, directly and on its own initiative, every time that it deems necessary and at least once a year. Such meetings may take place without the chief executive officer being present if the members of the board consider this to be necessary. The board of directors may refer such meetings to a specialised committee set up by the board.

B.1.1.1.1.3 Information meeting at the initiative of the head of a key function.

The heads of key functions may inform the board of directors, directly and on their own initiative, of the occurrence of events that justify such interventions. They must do so immediately on the occurrence of any major problem arising within their area of responsibility. The information is sent by means of a written report from the head of the relevant key function to the chairman. This report includes a detailed explanation of the problem together with all items of information needed for it to be understood. This report issues recommendations on how to remedy the situation. The chairman sends the report to the board members.

B.1.1.1.1.4 Specialised committees set up by the board of directors

Under article 18 of the company's articles of association, the board of directors may decide to form, internally or with the assistance of non board members, committees or commissions responsible for studying issues that the board or its chairman has referred to them for examination. The board is responsible for the work carried out by those committees or commissions.
In this context, the board of directors has set up an audit committee and an appointments and remunerations committee, the structure, duties and operating rules of which are described below.

B.1.1.1.1.4.1 Audit committee

At the date of this report, the audit committee , comprises Mr Éric Hémar (chairman), Ms Martine Odillard and Ms Sallé-Mongauze (since 3 November 2016 as a replacement for Mr Pascal Marchetti).

Two thirds of the audit committee's members are independent members of the board of directors. The recommendation of the AFEP-MEDEF Code which states that the committee must comprise a majority of independent members is therefore satisfied.

- Duties (article 3 of the audit committee's rules of procedure)
- The audit committee's role is to follow up on issues relating to the preparation and supervision of accounting and financial information and to ensure the effectiveness of the mechanism for risk monitoring and operational internal control, in order to facilitate the performance by the board of directors of its supervisory and audit duties in this area.

In this context, the audit committee carries out the following key tasks:

a) Monitoring the process of preparing financial information
b) Monitoring the effectiveness of internal control, internal auditing and risk management systems relating to financial and accounting information
c) Monitoring the statutory oversight of corporate and consolidated financial statements by the company's auditors
d) Monitoring the independence of the statutory auditors and compliance with the code of professional ethics
e) Selection and reappointment of the Statutory auditors

The audit committee's advices and recommendations are set out in a report, a copy of which is sent to all members of the audit committee and, where applicable, by the chairman to the company's board members.

B.1.1.1.1.4.2 Appointments and remunerations committee

The appointments and remunerations committee was introduced in 2014 and comprises the Chairman of the Board of Directors and two independent board members. It therefore complies with the AFEP-MEDEF Code.

It formulates proposals on the level and terms of executive remuneration, the rules for allocation of board member attendance fees, the general policy on remuneration, and issues recommendations for executive appointments.
The board of directors decided to establish an appointments and remunerations committee at its meeting of 15 July 2014. As from 15 July 2014 until the date of this report, the appointments and remunerations committee has, , comprised Mr Olivier Zarrouati (chairman), Ms Sharon MacBeath and Mr Laurent Mignon.

The appointments and remunerations committee is chaired by an independent board member and two thirds of its members are independent members of the board of directors. The recommendation of the AFEP-MEDEF Code which states that the committee must comprise a majority of independent members is therefore satisfied.

- Duties (article 3 of the appointments and remunerations committee's rules of procedure)

a) Role of the appointments and remunerations committee
The chief executive officer works with the appointments and remunerations committee on all matters relating to the appointment of executives (save for any issue addressing their remuneration).
The appointments and remunerations committee prepares the decisions of the company's board of directors on the following matters:

(i) The terms and conditions of remuneration
The appointments and remunerations committee is responsible for formulating proposals to the company's board of directors concerning:

- the level and terms of remuneration of the chief executive officer and, where applicable, the deputy chief executive officer, including benefits in kind, payments to pension and welfare schemes and also allotments of stock subscription or stock purchase options where applicable;
- the rules on the allocation of directors' attendance fees to the company's board members and the total amount subject to the decision of the company's general shareholders' meeting;
- the policy on remuneration.

(ii) The terms and conditions of appointment
The appointments and remunerations committee:

- issues proposals to the board of directors on the appointment of members of the board of directors and members of general management;
- establishes and maintains a succession plan for the principal executive officers of the company and of the Group;
- issues proposals to the board of directors on the appointment of board members by the ordinary general meeting of shareholders.
- Specifically in relation to the appointment of members of the board of directors, the appointments and remunerations committee takes the following criteria into account: (i) the desirable balance in the composition of the board of directors in view of the structure of and changes to the company's shareholder group, (ii) the desirable number of independent members, (iii) the proportion of men and women required by prevailing regulations, (iv) the potential for terms of office to be renewed and (v) the integrity, competence, experience and independence of each candidate. The appointments and remunerations committee must also organise a procedure for selecting future independent members and carry out its own investigations on potential candidates before any approach is made to them.
- The independent status of independent members of the board of directors is discussed by the appointments and remunerations committee which prepares a report to the board on this matter. Each year, in light of this report and before publication of the annual report, the board of directors examines the situation of each board member against the independence criteria defined in the board of directors' rules of procedure.

b) Resources and prerogatives of the appointments and remunerations committee

The company's chief executive officer provides the appointments and remunerations committee with all documents it requires to carry out its missions and to be fully informed. It may also, at the request of the company's board of directors, commission any study or analysis to be undertaken by experts from outside the company on the conditions of remuneration for the corporate officers of comparable companies in the banking sector.

The appointments and remunerations committee's advice and proposals are set out in a report, a copy of which is sent to all members of the appointments and remunerations committee and, where applicable, to the company's board members.

B.1.1.1.2 Chief executive officer and Group general executive committee

Since 2012, the functions of Chairman of the Board of Directors and Chief Executive Officer have been dissociated.

The board of directors decided at its meeting of 22 November 2012 to dissociate the functions of chairman of the board of directors and chief executive officer.
At its meeting of 15 January 2016, the board of directors terminated Jean-Marc PILLU's term of office early. This decision took effect on 9 February 2016, the date on which Xavier DURAND took up the post. For the purposes of the following table, the chief executive officer is domiciled at the company's registered office.

The company's chief executive officer has formed a Group general executive committee. In addition to Mr Xavier Durand, the Group general executive committee comprises the following people:

- Valérie BRAMI, Chief Operating Officer
- Thibault SURER, Strategy and Business Development Director
- Cyrille CHARBONNEL, Underwriting Director
- Carine PICHON, Chief Financial & Risk Officer
- Carole LYTTON, General Secretary
- Nicolas de BUTTET, Director in charge of Risk Underwriting & Information
- Nicolas GARCIA, Commercial Director

B.1.1.2 Governance structure – the Compagnie

The Compagnie is administered by a board of directors which has not set up any specific committees. As of 31 December 2016, the board of directors comprised eight board members appointed by the ordinary general meeting of shareholders and four board members representing the employees, as follows:

- Mr Xavier DURAND, chairman
- Mrs Cécile BOYER, employee board member [5]
- NATIXIS, represented by Jean CHEVAL
- Mr Cyrille CHARBONNEL
- Mr Peter ESMANN, employee board member

[5] *Since Ms Cécile BOYER left the Compagnie on 31 December 2016, elections have been called to elect a new employee board member. On 21 February 2017, Ms Marguerite FOUGEREUX was appointed as an employee board member.*

- Mr Daniel LOUIS
- Mr Antonio MARCHITELLI
- Mr André-Jean OLIVIER
- Mr Avelino PEREIRA, employee board member
- Ms Carine PICHON
- Mr Roland RICHTER, employee board member
- Mr Juan SABORIDO

At its meeting of 15 February 2016, the board of directors reaffirmed a governance model in which the functions of chairman of the board of directors and chief executive officer are carried out by the same person. As a result, Mr Xavier Durand was appointed chief executive officer of Compagnie d'assurance pour le commerce extérieur to replace Mr Jean-Marc PILLU.

B.1.1.3 Description of the key functions

In order to manage and prevent risks, and in compliance with Solvency 2 regulations, the Group has put a complete and effective governance system in place, intended to guarantee sound and prudent management for the business. This governance system is based on a clear separation of responsibilities and must be proportionate to the nature, scale and complexity of the Group's operations.
Heads of key functions carry out their roles for both Coface SA and the Compagnie.

The Solvency 2 regulations confer the status of Group de facto executive officers on the chief executive officer or deputy chief executive officer, if there is one. They authorise the appointment of one or more de facto executive officers by the board of directors.

They also define the following four key functions:
- the risk management function;
- the compliance function;
- the internal audit function;
- the actuarial function.

Each key function falls under the authority of the chief executive officer or a de facto executive officer and the board of directors is ultimately responsible for their actions. Each function has direct access to the board of directors so that it can report any major problem arising within its area of responsibility. This right is enshrined in the board of directors' rules of procedure.

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

Key functions are free from influences that might compromise their ability to perform the tasks that are incumbent upon them in an objective, loyal and independent fashion. In 2016, the actuarial function was separated from the risk management function, with both these functions reporting directly to a de facto executive officer.

In December 2016, in order to strengthen the control channels, a decision was taken to have regional managers of the audit, risk and compliance functions report hierarchically to the managers in charge of those functions at Group level.

B.1.1.3.1 Risk management function

The risk management function is intended to cover all of the Group's risks and consists of defining risk policies and supervising their application, appraising the relevance and effectiveness of the internal control system, monitoring the business continuity plan, collating incidents and losses and updating risk mapping.

The risk management function:

- implements and ensures follow-up of the risk management system;
- ensures follow-up of the Group's general risk profile and identifies and assesses emerging risks;
- reports on exposures to risks and advises the board of directors on risk management issues;
- defines and monitors the Group's appetite[6] in respect of these risks: risk appetite takes five aspects into account through the use of 14 indicators.

The risk management function is responsible for the roll-out and coordination of Solvency 2 at Group level. It reports on its activity to the Coface Group Risk Committee (CGRC) which meets on a quarterly basis and deals with all risks for Coface SA or the Compagnie. It liaises closely with the actuarial function, which is responsible for tests, documentary follow-up and also analysis of the performances of the partial internal model.

The Group risks department coordinates a network of seven regional risk managers at each regional level. These managers in turn are responsible for running a network of correspondents in the countries within their geographical remit. These correspondents are responsible for the local performance of centrally defined level 2 controls, checking compliance with Group rules and monitoring the progress of action plans that have been decided.

In accordance with the regulations, risk policies are reviewed annually by the Group risks department, and then approved by the boards of Coface SA and the Compagnie. These policies are then communicated to all entities in the Group, thus helping to forge a common risk culture.

B.1.1.3.2 Compliance function

The compliance function consists of checking the compliance of operations with the rules and carrying out controls on operational activities. It is overseen by the Group compliance department, reporting to the secretary general's office. The compliance function is in particular responsible for implementing procedures to ensure that the company is always compliant with applicable laws and for controlling its effective application. In this respect, it ensures that level 1 controls are properly implemented by the business lines, it defines and carries out level 2 controls and issues recommendations with a view to correcting possible shortfalls highlighted at the time of those controls. It provides advice on all issues relating to compliance with legislative, regulatory and administrative provisions pertaining to the access to insurance activities and their performance.

The risk of non-compliance is defined as the risk of legal, administrative or disciplinary penalty, of significant financial loss or damage to reputation, which arises as a result of the non-compliance with provisions pertaining to banking and financial activities, whether of a legislative or regulatory nature, or whether concerning professional and ethical standards, or mandatory rules in the company. It is covered by the compliance department set up in 2016 as an independent department of the legal division. The compliance department communicates on a regular basis with the Coface Group's governing bodies on the status of the non-compliance risk, quarterly in the context of the CGRC, and, as applicable, directly to the Coface Group's general management in the event that a major incident should occur.

[6] *Risk appetite represents the risk levels that the Group wishes and is able to accept, for the purpose of achieving its strategic objectives and implementing its Business Plan.*

B.1.1.3.3 Internal-audit function

The Group's internal audit department falls within the remit of the Group audit director who is also head of the internal audit key function. He/she attends Group general executive committees, without decision-making powers. He/she reports hierarchically to the Group's chief executive officer and functionally to Natixis' Internal Audit division, since the internal audit function is integrated into the periodic control mechanism of Natixis, as reference shareholder, and also of BPCE.

Since 2016, the internal audit function has been structured so that it reports hierarchically to the Group audit director. An internal audit policy specifies the framework for the function.
The principal aims of this function are to assess, in line with the scope of each mission, and report on all or some of the following points:

- the quality of the financial position;
- the level of risks actually involved;
- the quality of organisation and management;
- the consistency, adequacy and proper functioning of assessment and risk management mechanisms, as well as their compliance with regulatory requirements;
- the reliability and integrity of accounting information and management information, including information on Solvency 2 issues;
- compliance with laws, regulations and the Group's rules (compliance). The audit checks the quality and adequacy of procedures put in place to ensure compliance with the laws, regulations and professional standards applicable to the audited activities, in France as well as internationally, and also with policies, decisions by corporate bodies and the Group's internal rules;
- the quality, effectiveness and proper functioning of the permanent control mechanism put in place and of other components of the governance system;
- the quality and level of security offered by the information systems;
- the effective implementation of recommendations by previous audit assignments, whether involving those resulting from work by the Group's auditing process, internal audits by BPCE and Natixis, or external controls by supervisory authorities.

Assignments are defined in an audit plan approved by the board of directors that covers the whole of the Group's scope of consolidation over a limited number of financial periods. These lead to the issuance of a report and the formulation of recommendations, the implementation of which is monitored by the audit function. The independence of the audit function is a fundamental part of its role. It must remain free from all interference in the determination of its scope of intervention, in the performance of its work and in the communication of its results.

The Group audit director has full discretion to involve the chairman of the audit committee and has free access to the audit committee. Where necessary, and after having consulted the chief executive officer and/or the chairman of the audit committee, the Group audit director may inform the ACPR (French prudential and resolution control authority) of any infringement of which he/she may become aware. The Group audit department does not perform any operational activity. It does not define or manage the mechanisms that it controls. Internal auditors are not responsible for any other function. Lastly, the Group audit department has access to all the information it requires to carry out its assignments.

B.1.1.3.4 the actuarial function

The actuarial function is performed by the chief actuary, and has reported to the financial director since 1 July 2016. Its role is to advise general management and to support its action in order to ensure the Group's solvency and profitability in the long term and also its compliance with requirements established by the Solvency 2 directive in particular on provisioning. The actuarial function has direct access to the board of directors in the context of carrying out its assignments. The actuarial function is the intermediary for many Group departments (financial, information, sales or litigation), for all the Group's entities on actuarial matters, and informs the board of directors of the adequacy of the calculation of technical provisions.

The actuarial function:

- coordinates the calculation of technical provisions and the methodology used, appraises the quality of data used in the calculation and compares the best estimates to actual figures;
- informs the board of directors on the reliability and adequacy of the calculation of technical provisions;
- issues an opinion on the reinsurance provisions as well as on the overall commercial underwriting policy;
- models the risks relating to the calculation of capital requirements;
- issues an actuarial report once a year on the work that it has carried out;
- reviews the debtor risk assessment (DRA) ratings and the price setting model;
- contributes to the internal assessment of risks and solvency.

The actuarial function is in particular involved in the following committees: CGRC, DRA committee, provisioning committee, new products committee, economic expectations committee and pricing committee.

B.1.2 Significant change in governance during the period

In 2016, apart from the change in chief executive officer and board members as mentioned previously, the main changes in governance concerned:

- The separation of the actuarial function from the risk function;
- The separation of the compliance and legal functions;
- The hierarchical reporting line of regional managers for risk, compliance and auditing to the heads of key functions at group level.

B.1.3 Policy on remuneration and other employee benefits

The remuneration policy has been approved by the board of directors of both Coface SA and the Compagnie.

B.1.3.1 Regulatory framework

The remuneration policy of Coface SA falls within the provisions of the Solvency 2 Directive and delegated regulation 2015/35 (article 258(1)(1) and article 275).
As a general rule, remuneration practices must therefore contribute to the effective management of risks within the company, and in particular:

- ensure strict compliance with the legal and regulatory provisions applicable to insurance companies;

- prevent conflicts of interests and not encourage risk taking above and beyond the company's risk tolerance limits;
- be consistent with the company's long-term strategy, interests and results;
- ensure that the company is able to maintain adequate shareholders' equity.

As such, Coface SA's remuneration policy sets out general provisions that apply to all employees by reference to certain criteria, and specific provisions intended for the population identified as regulated.
Specific provisions have been put in place for the board members of the Compagnie.

B.1.3.2 General guidelines

The remuneration policy is a key instrument in implementing Coface SA's strategy. Its purpose is to attract, motivate and retain the best talents. It encourages individual and collective performance and aiming at being competitive on the market while at the same time respecting the Group's financial equilibrium. It is respectful of prevailing regulations, guarantees internal equityand professional equality, in particular between men and women. It is underpinned by the Group human resources department and is supported by the function in the regions and the countries.

With its clear and transparent structure, the remuneration policy is intended to be appropriate to the Group's objectives and to accompany its long-term development strategy:

- Fixed remuneration: the main component of individual remuneration, in line with the skills and expertise expected for a given job. It is established at the time of hiring and is reviewed annually by reference to market practices, the individual contribution and internal equity, in strict compliance with the budgetary constraints allocated for the financial year;
- Annual individual variable remuneration ("bonus"): the Group's policy on variable remuneration takes account of individual and collective performances in a given year and it is assessed by reference to financial and non-financial criteria. The eligibility rules and level of variable remuneration are set in line with the role, level of responsibility and the relevant market. For the Group's key managers, the target variable remuneration is set as a percentage of base salary and cannot exceed 100% of that amount. It is important to note that the Group only allows guaranteed bonuses where employees are externally recruited and then only for one year of performance;
- Long-term individual variable remuneration (Long-Term Incentive Plan): in 2014, the year of its stock market listing, the Group set up an annual plan for the allocation of free performance shares to its executive committee that aimed to align the interests of beneficiaries with the interests of shareholders over the long term. In 2016, the Group extended the allocation of freeperformance shares to certain target groups in order to satisfy the requirements of the Solvency 2 regulations, but also for the purpose of retaining key employees;
- Collective variable remuneration (employee savings scheme): in 2015, the Group negotiated a profit-sharing agreement in France for a period of three years. This agreement benefits all employees on permanent or fixed-term contracts with more than three months' seniority in companies comprising the economic and social unit Compagnie française d'assurance pour le commerce extérieur–Fimipar (a wholly owned subsidiary of the Group). Incentives are calculated by reference to five cumulative criteria linked to changes in certain financial indicators. Profit-sharing is processed in accordance with the legal formula. Similar collective mechanisms exist in other Group entities in line with legal constraints, and seek to involve employees in the company's performance;

- Employee benefits: employee benefits are determined by each entity in the Group so that they reflect local practices as closely as possible. The Group ensures that practices are consistent and guarantees a level of employee benefits that is competitive on the market and shows respect for its employees worldwide.

Employee remuneration comprises all or part of these elements, depending on the job held, the level of responsibility and the reference market.

B.1.3.3 Specific provisions applicable to the regulated population

B.1.3.3.1 Scope of the regulated population

In the context of the provisions of article 275(1)(c) of regulation 2015/35, the company has identified the following people as falling within the regulated population:

- Members of the executive committee who perform general management, the finance, strategy, operations, legal, sales, risk underwriting functions, and regional managers;
- People performing the key functions referred to in articles 269 to 272 of regulation 2015/35: audit, risk, compliance and actuarial services;
- People whose professional activity has a significant impact on the company's risk profile: investment, reinsurance, human resources, information technology, economic research, financial communication, country managers whose revenue exceeds a certain threshold defined each year by reference to the company's overall revenue.

In 2016, 25 functions fell within the regulated population. The identification of these functions is validated by the appointments and remunerations committee, before being presented and approved by the board of directors. This list is reviewed each year so as to guarantee full consistency between changes in the company's risk profile and that of its employees.

B.1.3.3.2 Specific provisions in terms of remuneration

The Group ensures that the proportion and structure of the variable remuneration are balanced and that the objectives set are aligned with the company's strategy and risk profile.

- Above and beyond the rules common to all employees, the Group has established specific rules on the remuneration of the population identified as regulated:

    - Overall variable remuneration is made up of annual variable remuneration ("bonus") and long-term variable remuneration (Long-Term Incentive Plan) in the form of company free performance shares,
    - The bonus shares make up the deferred part of variable remuneration and represent at least 30% of overall variable remuneration. They are subject to presence and performance conditions and have a vesting period of 3 years.
    - Any individual hedging or insurance strategy is prohibited.

- The company's executive corporate officer is subject to the following specific provisions:

    - Overall variable remuneration is made up of annual variable remuneration ("bonus") and long-term variable remuneration (Long-Term Incentive Plan) in the form of company free performance shares,

- Deferred variable remuneration is made up of 2 components:

  - Free performance shares representing at least 30% of the overall variable remuneration. They are subject to presence and performance conditions and have a vesting period of 3 years; the executive corporate officer will also need to keep 30% of the shares allocated until expiry of his/her term of office.
  - Payment of 30% of the annual variable remuneration ("bonus") is deferred and paid out 15% in Y+2 and 15% in Y+3. A malus mechanism is introduced in the event of losses at the date of payment.

- Any individual hedging or insurance strategy is prohibited.

The overall rate of deferred remuneration thus represents more than 50% of the executive corporate officer's overall variable remuneration.

As far as benefits in kind are concerned, apart from the coverage of up to 62.5% of contributions due in respect of unemployment insurance for company directors and corporate officers, no specific mechanism has been put in place to date; the executive corporate officer together with the holders of key functions as defined above, in effect enjoy the benefits applicable to all employees, in particular in terms of social welfare (health, death, disability) and retirement.
The executive corporate officer benefits from compensation for termination of employment limited to two years' remuneration (fixed and variable) subject to performance conditions.

All specific provisions applicable to the regulated population and to the company's executive corporate officer are validated by the appointments and remunerations committee, then submitted for approval by the board of directors.

B.1.3.4 Remuneration of members of the Board of Directors of Coface SA

The rules on the remuneration of members of the Board of Directors are set out in the policy on the allocation of directors' attendance fees. The overall budget for directors' attendance fees allocated to board members amounts to 400,000 euros, divided between the Board of Directors, the Audit committee and the Appointments and remunerations committee.

B.1.3.4.1 The Board of Directors

For members of the Board of Directors, the policy for allocation of directors' attendance fees is determined as follows:
- Fixed component: 8,000 euros per annum (pro rata to the term of office)
- Variable component: 2,000 euros per sitting, capped at 6 sittings

B.1.3.4.2 The Audit Committee

For members of the Audit committee, the policy for allocation of directors' attendance fees is determined as follows:
- For the Chairman:

  - Fixed component: 17,000 euros per annum (pro rata to the term of office)
  - Variable component: 2,000 euros per sitting, capped at 6 sittings

- For members of the Audit committee:

  - Fixed component: 5,000 euros per annum (pro rata to the term of office)
  - Variable component: 1,000 euros per sitting, capped at 6 sittings

B.1.3.4.3 The Appointments and Remunerations Committee

For members of the Appointments and remunerations committee, the policy for allocation of directors' attendance fees is determined as follows:

- For the Chairman:

  - Fixed component: 8,000 euros per annum (pro rata to the term of office)
  - Variable component: 2,000 euros per meeting, capped at 5 meetings

- For members of the Appointments and remunerations committee:

  - Fixed component: 3,000 euros per annum (pro rata to the term of office)
  - Variable component: 1,000 euros per meeting, capped at 5 meetings

B.1.3.5 Remuneration of members of the Board of Directors of the Compagnie

The amount allocated to the board of directors is 50,000 euros. The policy of the Compagnie is that directors' attendance fees should not be allocated to management representatives who carry out board member functions in the Group's companies. Only directors who represent employees should receive these allowances. The allocation policy is 500 euros per meeting, with that sum being increased to 1000 euros in the event of effective presence.

This policy is the same as for the previous period of reference.

B.1.4 Information on significant transactions

For both Coface SA and the Compagnie, no significant transaction with shareholders, persons exercising significant influence on the company or members of the administrative, management or supervisory body took place in 2016.

B.2 Competence and probity

The Group has put in place a policy on competence and probity, applicable to executive officers and heads of key functions at Coface SA and the Compagnie.

B.2.1 Competence

Any person called upon to carry out the duties of board member, effective executive officer, head of key functions, general representative of a branch or holding the power to sign on the company's behalf, must always have the appropriate qualifications, knowledge and professional experience to ensure sound and prudent management.

The assessment of competence includes an assessment of professional diplomas and qualifications, of know-how and relevant experience in the insurance sector as well as in finance, accounting, actuarial services and management sectors. It takes account of the various entrusted tasks.

Furthermore, in order to appraise the competence of members of the board of directors, account is also taken of their training and experience to ensure that it is consistent with their duties, in particular experience gained as chairman of a board or committee. In each person's appraisal, account is also taken of the competence, experience and duties of the other members of the board of directors. When mandates have been exercised previously, competence is assumed due to the experience gained. For new members, account is taken of training courses from which they may benefit throughout their term of office.

B.2.2 Probity

The assessment of a person's probity includes an assessment of their honesty and financial soundness, based on tangible evidence of character, personal behaviour and professional conduct, including any relevant information of a criminal, financial or prudential nature for the purposes of the assessment.

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

- a final and binding conviction as described in article L. 322-2 of the French Insurance Code;
- a definitive personal bankruptcy measure or any permanent disqualification under the conditions set out in book VI of the French Commercial Code. Such incapacity also applies to any non-rehabilitated person who has been the subject of a personal bankruptcy order handed down by a foreign court where the declaratory judgement has been declared enforceable in France.

B.3 Risk management system, including internal assessment of risks and solvency

B.3.1 Risk Management

In the context of the Group's line of business, risk taking comprises the search for opportunities and the intention to expand the company in an environment intrinsically subject to uncertainties. The primary objective of the risk management function is to identify the risks to which the Group is subject and to put in place an effective internal control system for creating value.

In this context, the Group has established a risk management structure intended to ensure (i) that all its internal processes function properly, (ii) that it complies with the laws and regulations in all countries where it has a presence, and (iii) that all operational entities comply with Group rules that have been laid down, with a view to managing the risks relating to activities and optimising its effectiveness.

The Group defines the internal control system as a set of mechanisms designed to manage its development, profitability, risks and the company's operations. These mechanisms are intended to ensure (i) that risks of any kind are identified, assessed and managed, (ii) that activities and behaviours are based on compliance with decisions made by the corporate bodies and are in line with the laws, regulations, values and rules accepted within the Group; where this more specifically involves financial and management information, they are intended to ensure that such information gives a true reflection of the Group's situation and activity, and (iii) that such activities are conducted with a view to ensuring effectiveness and an efficient use of resources.

Lastly, this system enables directors to access the information and tools required for proper analysis and management of these risks, to ensure the accuracy and relevance of the Group's financial statements as well as the information communicated to financial markets.

The internal control and risk management mechanism comprises:

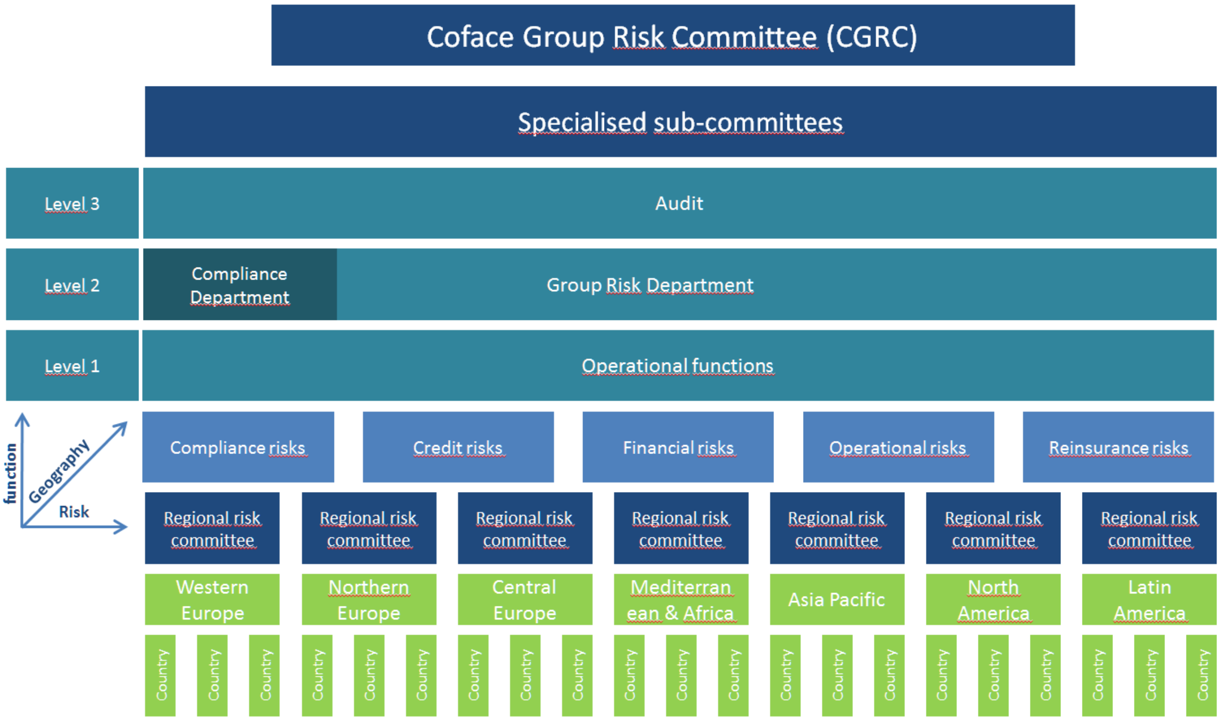
- a governance structure designed to allow supervision and appropriate management of the Group's activities; and
- management structures and control mechanisms designed to enable the Group's directors to gain a clear understanding of the main risks to which the Group is exposed, and to hold the necessary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

B.3.1.1 Governance structure

The Coface Group has introduced a system of risk management and control that covers the activities of Coface SA and the Compagnie.

It is structured around clear governance supported by a dedicated structure based on key functions (see paragraph B.1.1.3). It has developed its governance with support from the Boards of Directors and, as applicable, from their specialised committees (see paragraph B.1.1.1.1.4) as well as from the three specialised general management committees (see paragraph B.1.1.1.2) that determine the Group's strategy, the limits and indicators of risk appetite and their control mechanisms, review and approve policies, and identify, measure and manage the risks identified.

The governance system is structured around first level operational committees and second level supervisory committees. The *Coface Group Risk Committee* (CGRC) is the second level lead committee that relies on specialised sub-committees covering different scopes or categories of risks as described in the following diagram: each committee covers the activities of both Coface SA and the Compagnie.



In 2016, the regional risk committees for Coface SA's 7 world regions were strengthened. They are held on a quarterly basis, chaired by the regional risk manager and fulfil the same missions as the CGRC.

B.3.1.2 Management structures and control mechanisms

Management structures and control mechanisms are dependent on the CGRC. This is chaired by the chief executive officer and, at least every quarter, brings together the members of the Group executive committee, the Group's strategic and operational management body, the Group risk director and the Group Secretary general, the Group compliance director, as well as, where applicable, representatives of the relevant operational or functional departments, which are also represented depending on the subjects under discussion.

The CRGC's role is to:

- establish risk policies;
- supervise the company's exposure to risks;
- measure the effectiveness of risk management mechanisms;
- validate and define control plans and audit plans;
- check the company's ability to deal with crisis situations (business continuity plan, solvency); and,
- ensure the compliance of processes and the structure.

In 2016, specific sessions were organised to review the Group's risk mapping, involving each Group entity, the regional directors and regional risk managers.

In accordance with article 246 of directive 2009/13/EC, risk policies and group rules are circulated quickly within each regional head office and then communicated by the regional head offices to each entity. Specific communications also take place during various forums involving group managers and their equivalents in the regions.

B.3.1.3 Identification and control of risks

The Group's risk management system is intended to ensure the proper functioning of all of the company's activities and processes, via management and supervision of the risks identified. This system is based on the CGRC, described in paragraph B.3.1.1.

B.3.1.3.1 Identification of risks

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

B.3.1.3.1.1 Strategic risks

Strategic risk arises from the Group's business lines and activities worldwide. It may be defined as the risk impacting on our earnings and our solvency by way of changes in conditions, poor strategic decisions or incorrect application of such decisions intended to address changes in market conditions.

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

B.3.1.3.1.2 Credit risks

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

Credit risk may be aggravated due to the concentration of our exposures (countries, sectors, debtors, etc.) and is modelled in the form of a premium risk, a reserve risk and a disaster risk.

B.3.1.3.1.3 Financial risks

Financial risks comprise all risks associated with the management of assets and liabilities. These include: interest rate risk, foreign exchange risk, liquidity risk, property risk, spread risk, equity risk and counterparty risk:

- interest rate risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the interest rate curve or the volatility of interest rates;
- foreign exchange risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of foreign exchange rates;
- liquidity risk results from the inability to deal with contractual or contingent payment obligations;
- equity risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of equities;
- property risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of property assets;

- spread risk results from the sensitivity in the value of assets, liabilities and financial instruments to changes affecting the level or volatility of credit margins (“spreads”) compared with the risk-free interest rate curve;
- counterparty risk results from the unexpected default, or deterioration in credit status, of the company’s counterparties or debtors.

B.3.1.3.1.4 Operational risks and non-compliance

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

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

- the non-compliance risk is defined as the risk of administrative or disciplinary legal penalties, of significant financial losses or damage to reputation arising from non-compliance with provisions pertaining to the insurance business, the sale of information, the recovery of receivables, or factoring, whether such provisions are of a legislative or regulatory nature, or are the result of professional standards or mandatory internal rules. The main areas of non-compliance are as follows: laws against financial crime (legislation against money laundering, or against the financing of terrorist activities, the protection of personal data, professional conduct rules, tax laws and laws applicable to insurance businesses;
- the models risk is defined by a risk on income resulting from inappropriate or incorrectly used models, due to poor design, poor follow-up or incorrect use;
- the dilution risk is included in the operational risks for the factoring business (resulting in particular from litigation or falsified invoices). This risk comprises all factors that might make invoices technically valueless independently of the solvency of debtors: litigation, compensation, pre-billing, duplicate sale for example.

B.3.1.3.1.5 Reinsurance risks

In view of its risk appetite, COFACE reinsures itself against the extreme risks that it may encounter. Reinsurance generates four types of risks:

- residual insurance risk which may originate from differences between the reinsurance requirements and the actual coverage provided for in the agreement;
- counterparty risk that results from the incapacity or potential unwillingness of the reinsurer, or of a party to the treaty, to fulfil its obligations towards the ceding insurer;
- liquidity risk which arises from the possible delay between payment for the service by the insurer and receipt of the reinsurance service;
- operational risk relating to performance of the agreement.

B.3.2 Procedure for the internal assessment of risks and solvency

The internal assessment process for risks and solvency is described in the ORSA (Own Risk and Solvency Assessment) policy which applies to Coface SA and the Compagnie.

This policy ensures the proper integration of ORSA into the structure of the relevant companies. Coface SA's Audit Committee is the body that manages the whole of the ORSA process on behalf of Coface SA's Board of Directors. It establishes the ORSA assumptions and approves the results, basing itself on the guidelines issued by the ORSA Committee, which acts on behalf of both Coface SA and the Compagnie.

The ORSA is assessed and approved by the Boards of Coface SA and the Compagnie on an annual basis but may be requested after any change in the company's risk profile (creation of a new product, change in the reinsurance structure, etc.).
It may also be reviewed in the context of a change in the structure of equity by tier, particularly following buybacks, redemptions, or expiries.

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

As explained in the ORSA policy, the ORSA is identical for Coface SA (group) and for the Compagnie (Solo), with the only difference being the scope of exposure to risks. The governance of Group and Solo ORSAs is common to both (except for approval by their respective Boards) and results in a single ORSA declaration within the meaning of article 246 of directive 2009/138/EC.

B.4 Internal-control system

B.4.1 Internal control

Since it is an insurance company with a banking Group as its reference shareholder, Coface SA implements an internal control system in accordance with the Solvency 2 directive and the [French] order of 3 November 2014 relating to the internal control of companies in the banking, payment services and investment services sector under the supervision of the ACPR (French prudential and resolution control authority).

The risk management mechanism put in place within the Group is structured around three levels of control:

- Level-1 operational controls, assigned to the business lines;
- Level 2 ongoing controls assigned to the Group risk division and the Group compliance department,
- Periodic level 3 controls assigned to the Group audit department.

The internal control system is based on the same functions as the risk management system (see paragraph B.3.1), it makes it possible to check the application of rules and principles defined in the context of the risk management system.

These controls are applicable within the Compagnie as well as all Group entities, in particular in respect of:

- integration into the organisation: internal control procedures are integrated into the organisation, produced either through appropriation of the functions themselves, or through control actions provided for in the different processes;
- universality: there is no excluded area. All processes, activities and management structures are involved.

Likewise, within the risk department, the function of information systems security manager coordinates a system of regional correspondents, carries out level 2 controls on site to ensure compliance with the information technology security policy.

B.4.2 Accounting control system

The accounting control system allots a share of responsibility for controls to the *Chief Financial Officers* (CFO) of each region.

As a matter of principle, local CFOs are responsible for their remit:

i) local accounting system: (compliance with local regulations and with Group rules);

ii) their IFRS financial statements as reported in the CACIS Group consolidation tool (compliance with IFRS regulations and Group rules);

iii) financial risks, particularly for compliance with the principle of congruity between assets and liabilities so as to limit the financial risks on their balance sheet.

For his part, the Group CFO is responsible, at Group level, for:

i) the quality of financial information,

ii) the definition and follow-up of investment policy,

iii) the management of financial risks and the implementation of rules for the management of other risks, with support from the risk department, and

iv) the management of solvency, in particular relating to Solvency 2.

The Group accounting and tax business unit provides a control and reporting tool to the regions making it possible to supervise the correct performance of reconciliations between management applications and the accounting tool.

At each cut-off date, each entity sends in the controls and reconciliations performed which have made it possible to validate the quality and integrity of consolidated data. A reporting file, listing the controls to be carried out as well as instructions on the details and supporting documents required, is forwarded to them each quarter.

This file as well as supporting documents are sent to the regional CFO (or the person appointed by the regional CFO to collect said data), who supervises the correct performance of all said reconciliations. A summary of these controls must then be forwarded to the Group underwriting accounts department.

This process makes it possible to have a full audit trail, with standardisation and improved reliability of the quality of data produced within the Group.

B.4.3 Processing of accounting and financial information

The Group accounting and tax business unit, reporting to the finance division, stands surety for the quality of financial information and is in charge of the production and control of accounting information for the whole Coface Group (consolidated financial statements; corporate financial statements of the parent company COFACE SA and its daughter companies the Compagnie, Cofinpar, Fimipar and Cogeri; declarations and inspections in the tax domain).

In detail, its tasks are as follows:

- keeping of general and sub-ledger accounts for these entities (France only): accounting treatment of transactions, control and justification of transactions, production of quarterly financial statements, production of consolidated financial statements (processing of equity investments, reciprocal transactions, etc.);
- production of regulatory reports and presentation of accounts: production of internal reports, production of periodic statutory statements in compliance with timing constraints (declarations to supervisory, tax and social security authorities), relations with the supervisory authorities and statutory auditors;
- preparation of Group standards, regulatory watch and strategic projects: definition of rules and drawing up of Group accounting rules, drawing up and monitoring accounting procedures in liaison with the Natixis finance division in the case of IFRS, watch over the evolution of accounting and tax regulations, coaching, training and technical support for subsidiaries and branches, analyses and studies of impact of changes in the scope of consolidation on consolidated financial statements;
- control system: follow-up of the correct application of standards and procedures within the Group;
- Group tax affairs.

Coordination with the various Group entities is based on the principles of the Group functional matrix, with delegation to the entities of different countries of certain responsibilities within their remit. In this respect, consolidated entities have responsibility for producing the following, in line with their local standards and with IFRS:

i) accounting information;
ii) tax information;
iii) regulatory information;
iv) social security information.

They also supervise the production of consolidation packages in accordance with Group standards and procedures.

B.4.4 Tool common to general accounting, consolidation and financial control

Since January 2014, the monthly management control reporting, the French GAAP and quarterly IFRS packages have been entered into a common tool making it possible to develop automatic reconciliation statements and to improve the quality of information received.

In the context of quarterly inventory operations, additional controls are carried out, in particular based on analyses of accounts and reconciliations with management data. Consistency checks are carried out with the data resulting from management control reporting.

In the context of consolidation operations, the following overall checks are carried out: analytical review of the balance sheet and income statement, closure of Group equity capital, consistency check on the most significant items and entities, closure of net position on all consolidated entities, checking of intra-group transactions and their correct reconciliation, specific checks on reinsurance results, specific checks on the breakdown of expenses by function, analytical review allowing an overall consistency check.

Inward reinsurance transactions within the Group are subject to a special inspection by the accounting department, consisting of checking the thoroughness and conformity of statements of account entered within the reinsurance accounting tool, from source data until correct integration into the accounts.

B.4.5 Obligations to publish financial and accounting information

The financial communications department, reporting to the Group finance division, produces the financial information circulated to financial markets, analysts and investors, with support from other departments.
The departments concerned help this service in particular through their contributions and reviews, to manage risks of substantive error or dissemination of erroneous information, delay in dissemination and breach of confidentiality or equality between shareholders. This department is AMF's preferred correspondent.

B.4.6 Compliance function

The compliance verification function implemented is described in chapter B.1.1.3.2.

B.5 Internal audit function

B.5.1 Internal audit function of the Coface Group

B.5.1.1 Organisation of the internal audit function

Coface SA's internal audit function is incorporated in the periodic control mechanism of Natixis, reference shareholder, and of the BPCE group.
The Coface Group's internal audit department is placed under the responsibility of the Group Chief Audit Officer who is also head of the internal audit key function. It reports hierarchically to the Group Chief Executive Officer and functionally to the Natixis Internal Audit Director. He attends Group General Executive Committees, without decision-making powers.
The Group Audit Department is in particular in charge of auditing head office, regional and local entity functions. It is organised in the following manner:

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

Since the end of 2016, internal audit has been integrated hierarchically: the strong functional links existing respectively between regional audit officers and the Group Chief Audit Officer, and between local auditors and regional audit officers, have been transformed into direct hierarchical links (except in the event that local regulations should require an auditor to report to the entity's Board of directors).

B.5.1.2 Independence of the internal audit function

The independence of the audit function is a fundamental part of its assignment. It must be kept free from all interference in the definition of its scope of intervention, in the performance of its work or in the communication of its results. It is strengthened by the new hierarchical organisation in place.
The Group Chief Audit Officer has every latitude for involving the chairman of the audit committee and has free access to the Audit committee.
In order to avoid any conflict of interests, any new auditor must wait for a minimum period of one year before intervening on a process or entity where he/she has been previously involved. The Group Audit Department has access to all information, all systems and all persons required for carrying out its audit assignments. In this context, no professional secrecy or reserved area can be invoked against it. This principle of free access to information means that:

- it has communication of any document, on any medium whatsoever, and may obtain a copy in electronic format;
- it has a right to query any computer file or database no matter what Group company is providing storage and maintenance.

B.6 The actuarial function

Each year, the actuarial function expounds to the decision-making body of each regulated entity its opinion on the entities different facets, namely on the adequacy of technical provisions, risk coverage by reinsurance, and the underwriting policy.

Coface SA is a group within which the Actuarial department is integrated into the various decision-making processes, ranging from underwriting to reinsurance via provisioning.
In 2016, the actuarial report will therefore have been comprised of

- An actuarial report on provisioning, validating the adequacy of technical reserves in financial statements in order to cover the underlying risk,
- An actuarial report on reinsurance, demonstrating the compatibility of our current reinsurance with the risk profile and studying the impact in terms of solvency ratio of changes in the reinsurance structure,
- An actuarial report on underwriting, highlighting the recurrent contribution of the Actuarial department to the supervision of debtor rating systems, the pricing and assessment of risks taken (with proposals in 2016 of methods for oversight of the greatest exposures).

B.7 Subcontracting

In accordance with regulations relating to the outsourcing of important or critical operational activities, in 2016 the company enacted a Group policy in this area intended to identify so-called "important or critical" activities and to set out:

(i) the fundamental principles on the use of outsourcing,
(ii) the standard terms of any contract providing such outsourcing and also
(iii) the control procedures pertaining to the activities and functions outsourced in this manner.

This policy, approved by the company's board of directors at the time of its meeting for the 4th quarter of 2016, qualifies as important or critical activities (i) the following four key functions: the risk management function (in particular the underwriting of credit insurance risks, the administrative processing of insurance operations, the issue and custody of credit-limit, the provision of information on any given company), the compliance function, the internal audit function and the actuarial function, together with (ii) other functions, the interruption of which is likely to have a significant effect on the company's business or on its ability to manage risks efficiently or the interruption of which is likely to jeopardise the conditions of its license.

Coface SA and all of its subsidiaries have therefore undertaken, when certain important or critical activities are outsourced, to select service providers meeting high quality service standards and holding the necessary qualifications and skills so as to provide the outsourced service with diligence, avoiding any conflict of interests and ensuring the confidentiality of data. They have also undertaken to inform the French prudential supervisory authority of their intention to outsource services entering into the policy's scope. Lastly, any outsourcing contract to be signed with any selected service provider shall include the mandatory provisions imposed by Coface SA and be approved by the company's board of directors before signature.
Compliance with these requirements is subject to checks at several levels within the Group as described in the procedure.
To date, the main important or critical activities outsourced by the Group involve activities such as the provision of information, management of the company's financial investments and the underwriting of risks in countries where Coface SA does not have a licence and acts through the intermediary of a locally accredited company. They do not involve key functions.

A proportion of the information technology activities is also deemed to be important or critical. The *Fit To Win* strategic plan defined in 2016 will reduce the use of subcontracting in favour of internalising such activities, which will make it possible to ensure a secure monitoring of computerised systems and sustain those skills within Coface.

B.8 Other information

No other material information is to be made publicly available.

C Risk profile

C.1 Underwriting risk

C.1.1 Exposure

The Group's main business line is credit insurance. The Group also carries out factoring activities in Germany and Poland. Assessment of the credit risk associated with these activities form an essential part of its business. Credit risk covers the following:

- in respect of credit insurance, the underwriting risk inherent to insurance activities (namely short term credit insurance, special risks such as Single Risk and surety bond) within the meaning of the Solvency 2 directive, i.e. the risk of loss or of unfavourable change in the value of insurance commitments, due to inadequate assumptions in terms of pricing and provisioning; and
- in respect of the factoring activity within the meaning of the regulation adopted on 3 November 2014 i.e. the risk incurred in the event of failure of a counterparty or of counterparties deemed to be a single beneficiary.

The quality and reliability of the information on the solvency of debtors is essential for managing the pricing policy and the subscription decisions of underwriters. The Group cannot rule out the possibility that, on certain markets, it will, in the same way as other operators, encounter difficulties in obtaining reliable data on the solvency of debtors, or that the service providers that it may use cannot provide it with quality information that does not contain any errors.

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

Furthermore, if the credit insurance or factoring products, which it develops and sells, are intended to meet the needs of policyholders (or customers in the case of factoring activities) and their evolution in terms of coverage, the Group owes it to itself to manage risks in terms of exposure and therefore profitability. An incorrect assessment of the solvency of debtors and customers to underwriting, and for the credit insurance during the product's life or even at the time of its renewal, is of a nature to involve a poor match between the premium, the commitments made and the management made of it by the Group, and therefore to generate a risk of potentially significant loss.

C.1.2 Risk mitigation technique

Since January 2015, the group's external reinsurance has been carried by Coface Re SA on behalf of the Group's entities.
The Coface Group's external reinsurance is intended to cover catastrophe risk (on a debtor group or on the whole portfolio) and the risk of recession.

Catastrophe risk is addressed by means of one quota share treaty and two excess of loss treaties (by debtor and by country).
Risk of recession is addressed by a stop-loss treaty against the disproportionate change in the frequency of claims.

These claims may also be limited by "disbursement limits". This means a compensation cap for each policy expressed as a percentage of premiums (30 times the premium for example). These liability limits have not been taken into account as part of this exercise.

C.1.3 Risk concentration

Coface SA and the Compagnie have put indicators in place for monitoring concentration risks (debtors or group of debtors, sectors and geography) which are managed at least quarterly and fully integrated into the risk appetite of the companies.
Where it involves risk on major debtors, a specific body periodically monitors the cumulative risks of more than 500 million euros on a debtor or a group of debtors and these are then subject to coverage by the Group's XS reinsurance programme.
Furthermore, through the operational management of their activities, Coface SA and the Compagnie are implementing procedures making it possible to manage debtor risks in the event of deterioration of the claims rate together with reinsurance programmes as described in chapter E.

C.2 Market risk

C.2.1 Exposure

Since May 2013, Coface Group centralized its investment management and delegate management to various investment managers under the auspices of a single investment management company: Amundi. Coface Re, an entity created in September 2014 and the Group's dedicated reinsurance company, has also delegated the management of its investments to various delegated representatives under the aegis of the asset management company Amundi, in a dedicated manner and under its own governance.

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

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

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

- The Coface Board of Directors is responsible for ensuring compliance with the rules on insurance regulation : representation of regulated assets, asset dispersion, matching and solvency.
- The Investment Strategy Committee carries out a twice-yearly review of the Group's strategic allocation recommended by Amundi. In this way, the Committee defines the desired general objectives as regards investment policy and exposure to the various asset classes, as determined by market conditions, changes in the Group's asset inflows and liabilities, yield optimisation and changes in binding regulatory requirements. In addition to these three bodies which govern the

general organisation of the Group's investment policy, other specialised committees make it possible to continually monitor the management of investments and its results:

- The monthly investment committee: deals with the evolution of financial markets and the detailed review of the Group's investments. Macroeconomic scenarios and underlying risk factors are presented by the manager together with an analysis of the investment strategies and possible tactical recommendations;
- the half-yearly risk committee: is for the purpose of checking the coverage and management of risks, in relation to the manager's services. It therefore covers investment risks (market risk, spread risk (including counterparties and derivatives), liquidity risk) and operational risks. These risks are considered in particular with regard to the meaning given to them by the Solvency 2 directive.

The Group has put an investment policy in place taking into account the management of financial risks through the definition of its strategic allocation, the regulations applicable to insurance companies and the investment constraints resulting from the management of its liabilities. The investment strategy implemented must make it possible to deal with the Group's commitments in respect of its policyholders while at the same time optimising investments and performance in a defined risk context.

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

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

As an insurance company, the Group retains an allocation predominantly focused on fixed-income instruments offering more recurrent and stable revenues[7].

Investment portfolio Coface SA			**As at 31 December**	
	2016		**2015**	
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
Investment property	137.9	5.4%	111.7	4.5%
Equities	126.5	5.0%	218.9	8.8%
Bonds	1,796.3	70.3%	1,691.1	68.3%
Loans, deposits and other financial investments	494.9	19.4%	453.3	18.3%
Total financial assets	**2,555.7**	**100%**	**2,475.0**	**100%**

[7] *The figures shown may differ from those in the 2016 Registration Document. This difference is explained by an introduction to the Solvency 2 standards in this document and an introduction to the IFRS standards in the 2016 Registration Document.*

Investment portfolio The Compagnie *(in millions of euros)*	2016 *(In €m)*	*(as %)*	As at 31 December *(In €m)*	2015 *(as %)*
Investment property	117.0	5.3%	99.8	4.3%
Equities	101.3	4.6%	198.9	8.6%
Bonds	1,444.9	65.0%	1,434.4	62.3%
Loans, deposits and other financial investments	559.0	25.2%	567.9	24.7%
Total financial assets	**2,222.2**	**100%**	**2,301.0**	**100%**

As at 31 December 2016, bonds represented 70.3% of the group's total investment portfolio. The same observation can be made at the level of the Compagnie where the bond portfolio represented the largest part of the investment portfolio (65.0%), while allocations in equities and property remained substantially similar to those of the group.

In the context of the strategic allocation as defined, the Group and the Compagnie have increased their exposure to the sovereign debt of the main issuers on financial markets, as well as to European non listed real estate while at the same time reducing their exposure to European equities.

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

Specific limits applying to the whole investment portfolio are also defined in terms of the portfolio's rating, counterparty and country limits. A regular follow-up is carried out on the credit portfolio's liquidity, the evolution of spreads and the Group's cumulative exposure to the main asset/liability exposures. Hedging operations are finally carried out where appropriate: they are systematic on foreign exchange risk and discretionary on interest rate and spread risks.
As at 31 December 2015 and 2016, the main characteristics of the bond portfolio were as follows:

Breakdown by geographical area of the bond portfolio Coface SA *(in millions of euros)*	2016 *(In €m)*	*(as %)*	As at 31 December *(In €m)*	2015 *(as %)*
Asia	259	14,4%	155	9,1%
Emerging countries	163	9,1%	160	9,4%
Europe	145	8,1%	136	8,1%
North America	408	22,7%	449	26,6%
Eurozone	821	45,7%	791	46,8%
Total	**1 796**	**100%**	**1 691**	**100%**

The investment portfolio is exposed primarily in areas of developed countries in the Eurozone and in North America. The particularly significant risk associated with sovereign issuers in the Eurozone for 2013, due to the various efforts by the European Central Bank, started to fall in 2014. Continuous improvement in the economic situations of Spain, Ireland and Italy have made it possible to increase our investments in sovereign securities from these countries since 2014, however exposures remain limited due in particular to the significant political risk .

In contrast, exposures on the sovereign debt of Portugal and Greece are still zero. The Group increased its international diversification during 2015 and 2016, in particular on the developed countries of Asia, so as to benefit from higher rates of return and keep up with the various rate increases.

The breakdown by geographical area over the scope of consolidation of the Compagnie remained in line with that of the group with a strong leaning towards the Eurozone (50.0%).

Breakdown by geographical area of the bond portfolio			As at 31 December	
The Compagnie	2016		2015	
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
Asia	245	16,9%	145	10,1%
Emerging countries	111	7,7%	117	8,1%
Europe	120	8,3%	123	8,6%
North America	247	17,1%	323	22,5%
Eurozone	722	50,0%	727	50,7%
Total	**1 445**	**100%**	**1 434**	**100%**

The interest rate risk carried by the Group on its financial portfolio was limited, since the maximum modified duration authorised on the bond asset class was intentionally capped at 4[8]. The bond portfolio's modified duration stood at 3.6 as at 31 December 2016 and at around 3.7 for the Compagnie.

Subsidiaries or branches whose financial statements are drawn up in euros and who underwrite in other currencies must comply with the same principles of congruity (matching between assets and liabilities denominated in a currency other than the one used as reference in the issuance of accounting statements).
On an exceptional basis, positions opened in other currencies may be hedged. No investment is made in foreign currencies by the Group for speculative purposes.

The vast majority of the Group's investment instruments are denominated in euros. Exposure to foreign exchange risk in respect of the investment portfolios is limited: as at 31 December 2016, over 69% of investments were therefore denominated in euros.

Breakdown by currency of the investment portfolio			As at 31 December	
Coface SA	2016		2015	
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
EUR	1,780.2	69.7%	1,707.2	69.0%
USD	398.0	15.6%	503.6	20.3%
Other (<3%)	377.4	14.8%	264.2	10.7%
Total	**2,555.7**	**100%**	**2,475.0**	**100%**

For the Compagnie, we find the same high exposures to the EUR (73.3%) and the USD (11.7%).

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[8] *A bond's sensitivity measures its impairment loss in the event of an increase in interest rates. The market value of a bond with a sensitivity of 4 will therefore decrease by 4% if interest rates increase by 1%.*

Breakdown by currency of the investment portfolio The Compagnie *(in millions of euros)*	As at 31 December 2016 *(In €m)*	*(as %)*	2015 *(In €m)*	*(as %)*
EUR	1,629.9	73.3%	1,671.1	72.6%
USD	261.1	11.7%	414.0	18.0%
Other (<3%)	331.2	14.9%	215.9	9.4%
Total	**2,222.2**	**100%**	**2,301.0**	**100%**

C.2.2 Risk mitigation techniques

The Group's investment department, in charge of supervising investments and managing the investment portfolio, may authorise the use of hedges on the risk of rising interest rate, by means of forward financial instruments (swaps, futures, options) that can be liquid on a regulated market or else over-the-counter with counterparties rated A- or better.

Such transactions are carried out exclusively for hedging purposes and in strict application of the regulations applicable to insurance companies. The nominal value of the hedge is then strictly limited to the amount of underlying assets held in the portfolio (equities or fixed-income products) so as to hedge the assets effectively held in the portfolio.
As at 31 December 2016, only the Compagnie and Coface Re held out-of-the-money put options with long maturity and call options with short maturity on shares listed on a Eurozone market. This hedging strategy has been put in place on the equities exposure of the investment portfolio, with its level and management being defined and reviewed in line with market circumstances and management of the unrealised gains and losses levels at the time of the monthly investment committee meetings between the Group's management and the manager of the investment platform Amundi.

In addition, for the greater part of the portfolio covering all of the Group's European entities as well as the Coface Re portfolio, the foreign exchange risk is systematically hedged for investments in foreign currencies derogating from the principle of congruity. Therefore, as at 31 December 2016, investments in bonds denominated in US dollars, pounds sterling, Canadian dollars and Australian dollars in this portfolio were the subject of systematic hedges against the euro by managers in charge of the portfolios in question.

C.2.3 Sensitivity to risk

Monthly simulations are also carried out on the invested portfolio of the group, the Compagnie and Coface Re and presented during investment committee. Over different periods, these cover the expected maximum loss in terms of economic performance asset class by asset class with special attention to the spread risk in particular.

Such sensitivity tests cover all asset classes on which the Group is invested and make it possible each month to appraise the overall risk to which the portfolio is exposed in the event of an adverse scenario and to take possible precautions for reducing this risk as applicable (reduced exposure to certain risk factors, introduction of hedging strategies, protection of the economic result over a given period, etc.).

It is desirable for results to be representative of the various risks relating to investments made but, like any quantitative analysis, they present limitations associated with the data and models used.

The following tables show that, as at 31 December 2016, the portfolio's sensitivity, excluding the effect of the equity hedge put in place, was virtually stable for 2016.

C.2.3.1 The portfolio's sensitivity to variations on the equity and bond markets as at 31 December 2016

Portfolio's sensitivity to changes in the equity and bond markets Coface SA *(in millions of euros)*	Market value 31/12/2016	As at 31 December 2016 Impact of rate increases of 100 bp	Impact of fall in the equity market of 10%	Impact of fall in the equity market of 20%
Bonds	1,796	-64.7	0.0	0.0
Shares	127	0.0	-12.7	-25.3
TOTAL	**1,923**	**-64.7**	**-12.7**	**-25.3**

Portfolio's sensitivity to changes in the equity and bond markets The Compagnie *(in millions of euros)*	Market value 31/12/2016	As at 31 December 2016 Impact of rate increases of 100 bp	Impact of fall in the equity market of 10%	Impact of fall in the equity market of 20%
Bonds	1,445	-53.3	0.0	0.0
Shares	101	0.0	-10.1	-20.3
TOTAL	**1,546**	**-53.3**	**-10.1**	**-20.3**

C.2.3.2 The portfolio's sensitivity to variations on the equity and bond markets as at 31 December 2015

Portfolio's sensitivity to changes in the equity and bond markets Coface SA (in millions of euros)	Market value 31/12/2015	As at 31 December 2015 Impact of rate increases of 100 bp	Impact of fall in the equity market of 10%	Impact of fall in the equity market of 20%
Bonds	1,691	-54.5	0.0	0.0
Shares	219	0.0	-21.9	-43.8
TOTAL	**1,910**	**-54.5**	**-21.9**	**-43.8**

Portfolio's sensitivity to changes in the equity and bond markets The Compagnie *(in millions of euros)*	Market value 31/12/2015	As at 31 December 2015 Impact of rate increases of 100 bp	Impact of fall in the equity market of 10%	Impact of fall in the equity market of 20%
Bonds	1,434	-48.5	0.0	0.0
Shares	199	0.0	-19.9	-39.8
TOTAL	**1,633**	**-48.5**	**-19.9**	**-39.8**

Insofar as equities and bonds are recorded in the available-for-sale category, the sensitivity would have an effect on the "consolidated statement of comprehensive income", to which the equity capital is sensitive. Unrealised gains and losses on such financial securities have no effect on net income with the exception of possible impairment losses. In the event of sale, the resulting gain or loss would have an effect on the operating income in the income statement.

C.3 Credit risk

C.3.1 Exposure

As already written previously in the framework of the strategic allocation defined, Coface SA and the Compagnie have increased their exposure to the sovereign debt on the financial markets main issuers. Both portfolios are significantly exposed to non-sovereign issuers.

Breakdown by type of liability in the bond portfolio	As at 31 December			
Coface SA		**2016**		**2015**
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
Sovereign	922	51.3%	818	48.4%
Non-Sovereign	874	48.7%	873	51.6%
Total	**1,796**	**100%**	**1,691**	**100%**

Breakdown by type of liability in the bond portfolio	As at 31 December			
The Compagnie		**2016**		**2015**
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
Sovereign	663	45.9%	636	44.3%
Non-Sovereign	782	54.1%	798	55.7%
Total	**1,445**	**100%**	**1,434**	**100%**

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

The bond portfolios of the Group and the Compagnie remain primarily invested in rated companies and countries rated in investment grade category[9]. The breakdown by rating for the Compagnie is very similar to that of the group with a significant proportion on bonds having AA-A and BBB ratings.

[9] *According to the scale of the Standard & Poor's rating agency, all bonds rated at minimum BBB- are considered to be investment grade and bonds having a rating lower than or equal to BB+ to be high yield*

Breakdown by rating of the bond portfolio		As at 31 December		
Coface SA		**2016**		**2015**
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
AAA	354	19.7%	331	19.5%
AA - A	675	37.6%	542	32.1%
BBB	576	32.1%	560	33.1%
BB - B	186	10.3%	257	15.2%
< CCC	6	0.3%	2	0.1%
Total	**1,796**	**100%**	**1,691**	**100%**

Breakdown by rating of the bond portfolio		As at 31 December		
The Compagnie		**2016**		**2015**
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
AAA	192	13.3%	208	14.5%
AA - A	587	40.6%	485	33.8%
BBB	504	34.8%	493	34.4%
BB - B	156	10.8%	248	17.3%
< CCC	6	0.4%	2	0.1%
Total	**1,445**	**100%**	**1,434**	**100%**

Furthermore, investments in corporate bond securities represent 48.7% of the group bond portfolio and are concentrated over 85% on companies of investment grade quality. For the Compagnie, corporate bond securities represent 54.1 % of the bond portfolio and are concentrated over 85% on companies of investment grade quality.

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

Limits are also set on sovereign bonds so as to limit the risk on specific countries. Such exclusions or limits are defined in line with the current state of affairs, the Coface country rating and the rating produced by rating agencies.

One finds mainly sovereign exposures and groups recognised worldwide.

C.3.2 Risk mitigation techniques

Within the introduction of its investment policy, the Group has defined specific limits applying to the whole investment portfolio in terms of rating of the portfolio, limits by counterparties and countries. A regular follow-up is carried out on the credit portfolio's liquidity, the evolution of spreads and the Group's cumulative exposure to the main asset/liability exposures. Hedging operations can also be carried out in a discretionary fashion on the spread risk. However, as at 31/12/2016 the portfolio of the Group and of the Compagnie did not have any.

C.4 Liquidity risk

Coface SA and the Compagnie do not take expected profit into account in future premiums.
The liquidity risk corresponds to the risk that the Group is not in a position to deal with its payment obligations using liquid financial resources.

The liquidity risk is subject to specific risk limits monitored in the context of the risk appetite of Coface SA and the Compagnie.

C.4.1 Exposure

Follow-up of the liquidity risk is framed by the liquidity and concentration risk policy whether for Coface SA or the Compagnie.

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

Liquidity risk is monitored through analysis by the Group treasury department of cash flow availabilities and forecasts from the various entities across the whole scope of consolidation. Such data is the subject of constant analyses making it possible to manage liquidities for purposes of monetary needs or financial investments in the event of recurring excess liquidities.

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

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

Breakdown by maturity of the bond portfolio	As at 31 December			
Coface SA	2016		2015	
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
<1 year	451	25.1%	370	21.9%
1-3 years	480	26.7%	550	32.5%
3-5 years	374	20.8%	425	25.1%
5-10 years	444	24.7%	313	18.5%
>10 years	47	2.6%	34	2.0%
Other	-	0.0%	-	0.0%
Total	**1,796**	**100%**	**1,691**	**100%**

Close to 52% of securities in the bond portfolio had a maturity of less than 3 years as at 31 December 2016.

An insurance company's situation in terms of liquidity is assessed by standards that measure the company's ability to deal with its financial commitments.

The breakdown by maturity over the scope of consolidation of the Compagnie is in line with that of the group:

Breakdown by maturity of the bond portfolio				As at 31 December
The Compagnie		2016		2015
(in millions of euros)	***(In €m)***	***(as %)***	***(In €m)***	***(as %)***
<1 year	365	25.2%	288	20.1%
1-3 years	378	26.1%	461	32.1%
3-5 years	284	19.7%	361	25.2%
5-10 years	372	25.8%	291	20.3%
>10 years	46	3.2%	33	2.3%
Other	-	0.0%	-	0.0%
Total	**1,445**	**100%**	**1,434**	**100%**

C.4.2 Risk mitigation techniques

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

Depending on the results of the monitoring of liquidity carried out in the Risk committees, the Group may decide to increase the portfolio's liquidity by focusing primarily on two areas: increasing the cash component of the asset allocation or / and reducing the portfolio's average maturity.

C.4.3 Sensitivity to risk

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

C.5 Operational risk

In 2016, the Group Risk Department set up a dedicated tool for operational risk mapping integrating high-performance reporting functionalities.

For each business line or support process over which the entity has responsibility, a list is drawn up of significant risk situations that may affect that business line or support. This list is established on the basis of interviews between the Group Risk Department, local Risk managers and managers of the business line in question.

The assessment of risk, carried out by each Entity, is based on appraisal of its frequency and on the intensity of its impact as well as on the effectiveness of first-level controls. A four-level assessment scale is used (low, medium, significant, high).

Each risk situation is the subject of a detailed description, including the assessment of inherent risk (i.e. before first- level controls), the description and assessment of first-level controls, the assessment of residual risk and any possible action plans.

Operational incidents and losses are identified in addition to this. A synthesis is produced each month and circulated to the CGRC.
An incident is the occurrence of an operational risk which could lead to or which may have led to a financial loss, an unjustified profit, or other non-financial consequences.
Incidents that are reported become the subject of corrective measures and are taken into account when updating the operational risk mapping.

These various measures make it possible to design and spread out a consistent level 2 control programmes for all entities, focusing on the most significant risks.

In order to limit the major risk of business interruption, each entity in the Group has set up a business continuity plan ("BCP") for coping with the prolonged or permanent unavailability of its premises, the unavailability of its information systems or of its staff.

The BCP is drawn up on the basis of Group rules, supplemented by rules in the field of mutual assistance between entities and remote work in respect of which three tests were carried out in 2016. These rules embody the Group's policy in terms of business continuity. Each entity produces its business continuity plan locally. The needs and resources of users are identified by means of a business impact analysis.

The overall approach is compliant with the main standards in terms of business continuity. The principal operational components of the BCP are the crisis management plan and the operation continuity plans. The backup of key IT data and applications used by the Group is provided on two data processing centres located in the Paris area, apart from each other and operating in "active-active" mode.

In the event of operational risk assessed at an unacceptable level or in the event of the occurrence of a major operational incident, preventive or corrective action plans are defined and spread out.
The Group risk department is in charge of reporting to the CGRC.

C.6 Other significant risks

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

These types of risk are incorporated into the risk mapping but are not quantified in the standard SCR formula. Their assessment and the definition of an appetite for such risks pass through appraisal criteria of a qualitative nature and their monitoring takes the form of a surveillance system.

C.6.1 Reputational risk

Reputational risk corresponds to the negative impact that an internal or external event may have on the reputation of the Compagnie or Coface SA.
The Group has developed a mechanism for mitigating this risk in particular by means of a code of ethics and a code of conduct together with clear rules on internal and external communication.

C.6.2 Strategic risk

Strategic risk corresponds to a significant negative impact (present or future) on the earnings or equity of Coface SA or the Compagnie.

The Group strategy and development department, set up in 2016, manages the process of strategic planning by working with the general executive committee. They meet on a regular basis for the purpose of assessing the plan's effectiveness and determining what changes, where appropriate, are necessary. The board of directors is responsible for the supervision of strategic risk, by adopting a strategic planning process and by determining, as applicable, any necessary modifications.

C.6.3 Emerging risks

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

A surveillance system is in the process of being developed, at the level of the seven world regions of Coface SA and the head office, which will make it possible to identify and monitor emerging risks.

C.7 Other information

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

C.7.1 Sensitivity to financial factors

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

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

The sensitivities of the SCR coverage ratio to rates, spread and equity factors are also monitored on a regular basis in capital management committee and presented to investors. The results communicated to the markets on 8 February 2017 show the low sensitivity of the Solvency ratio as at 31/12/2016 to instantaneous market shocks:

Central scenario	150%
+ 100 basis points interest rates	146%
+ 100 basis points Spreads	145%
-25% shares	148%

C.7.2 Sensitivity to other risk factors

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

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

C.7.3 Scenarios measuring the sensitivity to risks

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

By way of example, the scenario replicating the 2008 crisis on the group's current portfolio stresses the market and underwriting risks in combination, by replicating the deviations of markets and claims observed in 2008. In this same scenario, the impacts on counterparty rating, the portfolio's liquidity, the reinsurance structure, the loss of revenue and also the group's expenses in particular, are also taken into account. The assessment produced at the time of the 2016 ORSA has made it possible to ensure that the solvency of Coface SA and the Compagnie was not compromised by this scenario.

D Valuation for solvency purposes

D.1 Assets

D.1.1 Intangible assets

Intangible assets represent information technology research and development expenses.
Information technology development expenses can only be recorded and measured at a value other than zero if they can be sold separately and if there is a price quoted on an active market for similar intangible assets. The book value of Coface SA's assets corresponds to the activation of software expenses created internally for which it is difficult to justify a market value; this is therefore reduced to zero in the Solvency 2 prudential balance sheet.

The value of intangible assets is therefore also zero for the Compagnie.

D.1.2 Investments

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

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

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

It cannot however be guaranteed that write-downs or additional provisions cannot have a significantly unfavourable effect on the Coface Group's results, financial position and solvency margin.

- Investment property: Investment properties are recorded at their fair value.
- Other financial assets: Shares, bonds and investment funds are recorded at their fair value in the Solvency 2 actions, prudential balance sheet.
- Funds are recorded under the transparency system in accordance with the Solvency 2 principles.
- Derivatives are valued at market value under Solvency 2 standards.

Change in financial assets Coface SA *(in millions of euros)*	As at 31 December 2016	 2015	 Change
Property assets (other than held for own use)	0.8	0.8	- 0.0
Shares	68.2	129.1	- 60.9
Shares – listed	*56.6*	*121.6*	*- 65.0*
Shares – unlisted	*11.6*	*7.5*	*4.1*
Bonds	1,796.3	1,691.1	105.2
Government bonds	*916.9*	*791.9*	*125.0*
Corporate bonds	*879.4*	*899.2*	*- 19.8*
Collective investment schemes	611.4	581.4	30.0
Capital assets	*137.1*	*110.9*	*26.2*
Shares	*58.4*	*89.7*	*- 31.4*
Bonds and money market	*415.9*	*380.7*	*35.2*
Derivatives	2.3	6.1	- 3.8
Deposits other than cash equivalents	73.2	62.0	11.2
Other investments	3.6	4.5	- 0.9
Total financial assets	**2,555.7**	**2,475.0**	**110.7**

Investments were up €108 million euros as at 31/12/2016 following optimised management of cash and cash equivalents.

Change in financial assets The Compagnie *(in millions of euros)*	As at 31 December 2016	 2015	 Change
Property assets (other than held for own use)	0.8	0.8	- 0.0
Shares	68.2	129.2	- 61.0
Shares – listed	*56.6*	*121.7*	*- 65.0*
Shares – unlisted	*11.6*	*7.5*	*4.1*
Bonds	1,444.9	1,434.4	10.5
Government bonds	*660.5*	*615.1*	*45.4*
Corporate bonds	*784.4*	*819.3*	*- 34.9*
Collective investment schemes	486.3	501.1	- 14.7
Capital assets	116.2	99.0	*17.2*
Shares	33.1	69.7	*- 36.6*
Bonds and money market	337.0	332.3	*4.7*
Derivatives	1.8	5.5	- 3.7
Deposits other than cash equivalents	26.9	229.7	- 202.8
Other investments	193.4	0.4	193.0
Total financial assets	**2,222.2**	**2,301.0**	**- 45.1**

D.1.3 Participating interests

Investments in unconsolidated companies were valued under the corrected equity method. This method is based on revalued net assets. The revalued net assets retained were determined for each entity by adding up the corporate equity at the end of N-1 increased by the provisional result for financial year N produced by the group management control department.

Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Holdings in affiliated companies, including equity interests	143.9	116.9	27.0

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Holdings in affiliated companies, including equity interests	261.0	227.4	33.6

D.1.4 Receivables

D.1.4.1 Receivables arising from insurance and reinsurance operations

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

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

Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Receivables arising from insurance transactions and amounts receivable from intermediaries	276.9	261.1	15.8
Receivables arising from reinsurance transactions	39.3	55.2	- 15.8
Total Receivables arising from insurance and reinsurance transactions	**316.2**	**316.3**	**- 0.1**

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Receivables arising from insurance transactions and amounts receivable from intermediaries	231.4	209.9	21.4
Receivables arising from reinsurance transactions	42.8	64.8	- 22.0
Total Receivables arising from insurance and reinsurance transactions	**274.1**	**274.7**	**- 0.6**

D.1.4.2 Other receivables (excluding insurance)

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

	31/12/2016	31/12/2015	Change
Other receivables (excluding insurance)	657.7	614.5	43.2

The increase in the "other receivables" item is mainly due to the compensation to be received from BPI for 24.4 million euros, which has since been settled, at the beginning of 2017.

D.1.5 Cash and cash equivalents

Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Cash and cash equivalents	365.5	388.6	- 23.2

The optimisation of cash management as at 31/12/2016 has made it possible to reduce this item.

The Compagnie *(in millions of euros)*	31/12/2016	31/12/2015	Change
Cash and cash equivalents	278.1	252.7	25.4

The increase in the Cash and cash equivalents item is mainly the result of:

- increasing the investment in bonds by 10.6 million euros
- increasing the amounts in bank accounts by 13.2 million euros.

D.1.6 Other assets

D.1.6.1 Goodwill

In accordance with the Solvency 2 principles, goodwill is considered to be worthless in the prudential balance sheet and its value is therefore reduced to zero.

D.1.6.2 Deferred acquisition expenses

In accordance with the Solvency 2 principles, deferred acquisition expenses are considered to be worthless in the prudential balance sheet and their value is therefore reduced to zero. Future premiums include a proportion of expenses that such acquisition expenses cover, and which can be seen in the calculation of technical reserves as best estimate.

D.1.6.3 Deferred tax assets

An impact of deferred taxes is noted in the prudential balance sheet on the differences between the tax balance sheet and the statutory balance sheet as well as on all restatements allowing the movement from the statutory accounts to the prudential accounts.

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

- recording of employee-related commitments under IAS19 method revised,
- cancellation of the equalisation reserve,
- cancellation of intangible assets,
- cancellation of deferred acquisition expenses.
- adjustment to market value of subordinate debt;
- recording of best estimates and the risk margin,
- The differences between statutory balance sheet and tax balance sheet.

Since each restatement is impacted on the entity concerned, the corresponding deferred tax is calculated using the rate of the entity's country.

Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Deferred tax assets	92.4	85.3	7.1

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

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Deferred tax assets	43.3	32.3	11.0

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

The timeline for deferred tax assets as at 31 December 2016 is as follows:

Timeline for deferred tax assets Coface SA *(in millions of euros)*	**< or equal to 1 year**	**from 1 to 4 years**	**> or equal to 5 years**	**As at 31 December 2016** **TOTAL**
TOTAL DEFERRED TAX ASSETS AS AT 31 DECEMBER 2016	38.9	20.9	32.6	92.4

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2016 stand at 160 million euros over the group scope of consolidation.

The timeline for deferred tax assets as at 31 December 2016 for solo is as follows:

Timeline for deferred tax assets La Compagnie *(in millions of euros)*	< or equal to 1 year	from 1 to 4 years	> or equal to 5 years	As at 31 December 2016 TOTAL
TOTAL DEFERRED TAX ASSETS AS AT 31 DECEMBER 2016	17.1	14.1	12.0	43.3

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2016 stand at 124 million euros over the solo scope of consolidation.

D.1.6.4 Tangible assets for own use

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

Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Tangible assets held for own use	73.9	92.1	- 18.2

Tangible assets held for own use saw their value fall due to the write-downs of assets relating to the transfer of public guarantees recorded at 31/12/16.

The Compagnie *(in millions of euros)*	31/12/2016	31/12/2015	Change
Tangible assets held for own use	72.2	90.2	- 18.0

Tangible assets held for own use saw their value fall due to the write-downs of assets relating to the transfer of public guarantees recorded at 31/12/16.

D.2 Technical provisions

There are two types of technical provisions: provisions for claims and provisions for premiums, together with a separately calculated margin for risk under Solvency 2.
The best estimate for provisions for premiums is assessed on an aggregated basis by applying the simplified method described in the technical specifications of April 2014 and based on the provisions for premiums in the financial statements.
With regard to the best estimate for provisions for claims, this is produced separately on the various products. The Chain Ladder, Bornhuetter-Ferguson and Loss Ratio actuarial methods are used on the basis of accounting triangles (premiums, charges and settlements) in order to determine the best estimate for the technical reserves.
The risk margin is determined in accordance with the Solvency 2 standard as the cost of liquidation of capital needs. It is calculated directly after reinsurance.
The technical provisions in the financial statements are valued with a quantile level of 90% while it is the 50% quantile that is used in the prudential balance sheet. The methods for assessment of technical provisions have not been significantly changed since the previous financial year.

The only significant business line for the Group or the Compagnie is the "Credit and surety insurance" line.
The aggregated results at the end of 2016 are given below, for best estimates and the risk margin.

D.2.1 Best estimates

Gross of reinsurance (in millions of euros)	As at 31 December 2016 All products
TOTAL Coface SA	**1,038**
TOTAL La Compagnie	**940**

Net of reinsurance (in millions of euros)	As at 31 December 2016 All products
TOTAL Coface SA	**837**
TOTAL La Compagnie	**616**

The BE of premiums and the Risk Margin are currently the result of formulas and are not therefore subject to any specific governance.
With regard to the BE for claims, calculations of ULR not marked-up (*Best Estimate*) and marked-up (for IFRS) are calculated separately:

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

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

D.2.2 Risk margin

The risk margin is determined in accordance with the Solvency 2 standard as for the cost of liquidation of capital needs. It is calculated directly after reinsurance.

Risk Margin (in millions of euros)	As at 31 December 2016
Coface SA	117
The Compagnie	68

D.3 Other liabilities

D.3.1 Provisions other than technical reserves

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

Provisions for liabilities and charges excluding provisions for pensions and other benefits Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Provision for litigation	9.7	10.4	- 0.7
Provision for risk on the subsidiaries	15.8	14.0	1.8
Provisions for restructuring	42.3	0.9	41.4
Provision for Taxes (excluding company tax)	4.9	-	4.9
Other provisions for liabilities	6.0	3.5	2.5
Total provisions other than underwriting provisions	**78.7**	**28.8**	**49.9**

Provisions for liabilities and charges excluding provisions for pensions and other benefits The Compagnie *(in millions of euros)*	31/12/2016	31/12/2015	Change
Provision for litigation	6.7	11.1	- 4.4
Provision for risk on the subsidiaries	6.7	6.1	0.6
Provisions for restructuring	41.0	0.9	40.1
Provision for Taxes (excluding company tax)	4.8	-	4.8
Other provisions for liabilities	6.5	6.8	- 0.3
Total provisions other than underwriting provisions	**65.7**	**24.9**	**40.8**

Increases in provisions for liabilities and charges are mainly on items in provisions relating to restructuring plans for 41.4 million euros following the *Fit to Win* plan.

D.3.2 Provisions for pensions and other benefits

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

Other benefits (long term benefits and post-employment benefits) are subject to various coverage arrangements as defined below:

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

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

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

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

- the actuarial value of future benefits, corresponding to the present-day value of all benefits to be paid out. This present-day value is mainly based on:
    - the known characteristics of the population concerned,
    - the benefits to be paid out (end of career allowances, long service awards…),
    - the probabilities of occurrence of each event,
    - the evaluation of each of the factors entering into calculation of the benefits (evolution of salaries, etc.),
    - the interest rates making it possible to work out future benefits at the date of the evaluation;
- the actuarial value of benefits for services performed with projection of salaries, determined using the projected unit credit method, which spreads the actuarial value of the benefits over the service lives of the employees.

In the case of the defined benefit schemes of Coface Austria, Coface Debitoren and Coface rating.de (Germany), the payment of contributions is used to finance the scheme's assets. The scheme's assets are comprised of the scheme's investments, mainly government bonds held by funds and insurance policies incorporating a counter-guarantee. These represent 2 million euros as at 31/12/2016.

In line with IAS19, the scheme's assets are recorded at their fair value in deduction of the amount recorded to liabilities in respect of the defined benefits.

Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Total provisions for pensions	70	81	- 12

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Total provisions for pensions	66	78	- 12

The decrease in provisions for pension is mainly due to:

- a recovery of 19.2 million euros following the termination of employee-related agreements specific to the company for mutual funds making it possible to return to branch agreements,
- the transfer of the public guarantees activity to the French State for 4.7 million euros.

D.3.3 Deferred tax liabilities

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

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

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

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

Since each restatement has an impact on the relevant entity, the corresponding deferred tax charge is calculated using the tax rate applicable in the entity's country.

Timeline for deferred tax liabilities Coface SA *(in millions of euros)*	As at 31 December 2016	2015	Variation
TOTAL DEFERRED TAX LIABILITIES	141	176	-36

The decrease in group deferred tax liabilities is mainly due to the reversal of the equalisation reserve in Germany.

Timeline for deferred tax liabilities The Compagnie *(in millions of euros)*	As at 31 December 2016	2015	Variation
TOTAL DEFERRED TAX LIABILITIES	184	177	-6

The decrease in deferred tax liabilities in the solo accounts is mainly due to the revaluation of financial assets to market value.

The timeline for deferred tax liabilities as at 31 December 2016 for the group is as follows:

Timeline for deferred tax liabilities Coface SA *(in millions of euros)*	As at 31 December 2016 < or equal to 1 year	from 1 to 4 years	> or equal to 5 years	TOTAL
TOTAL DEFERRED TAX LIABILITIES AS AT 31 DECEMBER 2016	35	12	93	141

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

The timeline for deferred tax liabilities as at 31 December 2016 in the solo accounts is as follows:

Timeline for deferred tax liabilities The Compagnie *(in millions of euros)*	< or equal to 1 year	from 1 to 4 years	> or equal to 5 years	As at 31 December 2016 TOTAL
TOTAL DEFERRED TAX LIABILITIES AS AT 31 DECEMBER 2016	**36**	**12**	**136**	**184**

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

D.3.4 Financial liabilities other than those to lending institutions

For the group, this item corresponds to commercial papers issued by Coface SA for the purpose of financing the factoring business. As at 31/12/16, due to the activity's growth, financing requirements were higher.

Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Financial liabilities other than those to credit institutions	440	418	22

The Compagnie *(in millions of euros)*	31/12/2016	31/12/2015	Change
Financial liabilities other than those to credit institutions	-	10	-10

The solo scope of consolidation does not include Coface SA, the holding company that issues the commercial paper. Therefore, the debt is not registered in the group's balance sheet. As at 31 December 2015, financial liabilities other than those to lending institutions in the solo accounts represented a financial liability owed by the German branch to an affiliated company, cofacerating.de. This debt was reimbursed as at 31 December 2016.

D.3.5 Liabilities arising from insurance and reinsurance transactions

Ceded deferred acquisition costs (DAC) are cancelled on the same principle as for gross deferred acquisition costs. In accordance with the Solvency 2 principles, deferred acquisition costs are considered to be worthless in the prudential balance sheet and their value is therefore reduced to zero.
Ceded earned premiums not yet written (EPNW) are reclassified into ceded underwriting provisions. Future premiums include a proportion of expenses that are covered by such acquisition costs, and which are recognised in the calculation of technical reserves using a best estimate.

Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Payables arising from insurance transactions and amounts due to intermediaries	64	92	-27
Payables arising from reinsurance transactions	59	81	-22
Total Payables arising from insurance and reinsurance transactions	**123**	**172**	**-50**

Liabilities arising from the group's insurance and reinsurance transactions decreased as a result of the payment of liabilities to customers, brokers and reinsurers and the reduction of the commitment.

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Payables arising from insurance transactions and amounts due to intermediaries	68	87	-20
Payables arising from reinsurance transactions	50	78	-28
Total Payables arising from insurance and reinsurance transactions	**118**	**165**	**-47**

D.3.6 Subordinated liabilities

Financial liabilities are recognised at fair value.

Coface SA *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Subordinated liabilities	422	417	6

The Compagnie *(in millions of euros)*	**31/12/2016**	**31/12/2015**	**Change**
Subordinated liabilities	359	348	11

As of 31/12/2016, the valuation of the subordinated debt is carried out using the methodology described in article 75 of Directive 2009/138/EC. As required by the directive, the value of the subordinated debt is discounted in line with the EIOPA risk-free interest rate curve; the spread related to the Coface credit status being kept constant after initial recognition of the debt. In order to estimate the spread at the time of issue, Coface has used the rate curve obtained from the 6-month swap curve at the date of issue and using the extrapolation tool available on the EIOPA website. Prior to 31 December 2016, subordinated debt was recognized at market value.

Up until 31 December 2015, subordinated debt issued by the company was 31 December by reference to its market value until 31/12/2016.

D.3.7 Other liabilities

Coface SA *(in millions of euros)*	31/12/2016	31/12/2015	Change
Other liabilities (excluding insurance)	348	319	28

The Compagnie *(in millions of euros)*	31/12/2016	31/12/2015	Change
Other liabilities (excluding insurance)	380	301	79

For the group, the increase in other liabilities (excluding insurance) is mainly the result of:

- the increase in the other miscellaneous creditors line item for 35 million euros,
- and the decrease in the Personnel - related accounts line item for 10 million euros.

For the Compagnie, the increase in other liabilities is mainly on the current accounts with affiliated companies line item.

D.4 Alternative valuation methods

Coface SA and The Compagnie do not use other alternative valuation methods.

D.5 Other information

No other material information is to be made publicly available.

E Capital management

E.1 Own funds

E.1.1 Own funds management policy

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

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

- The Group's headquarters (France): the business is largely governed by European directives (i.e. Solvency 2) and by French regulations on non-life insurance;
- The Group's insurance entities: insurers having a registered office in an European Union country (as the Group) are subject to Solvency 2 regulations; however, in certain countries, local regulations also apply;
- The factoring business in Germany and Poland: this business is governed by the relevant local regulations.

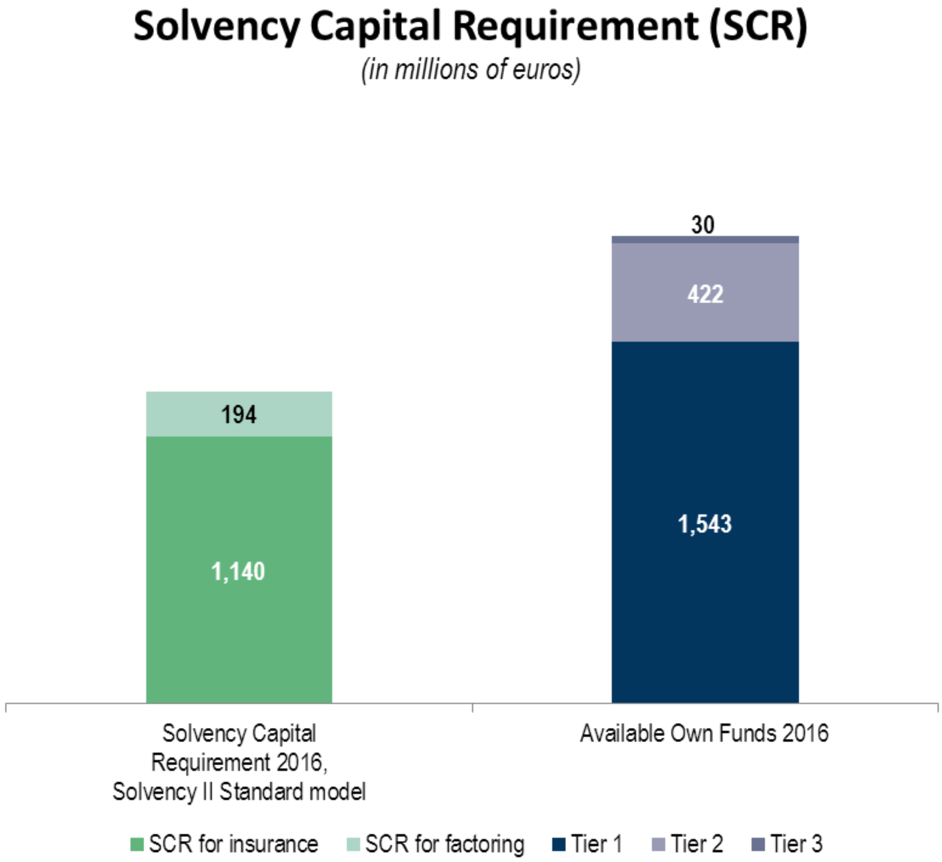
The Group's capital management policy mainly addresses the following points:

a) Risk of deterioration of the group's solvency and non-compliance with the solvency capital requirement (SCR) or minimum capital requirement (MCR);
b) Risk of deterioration of the Group's regulated subsidiaries (in particular the Compagnie) solvency and non-compliance with prudential ratios;
c) Risk of misclassification or qualification of regulatory own funds items of the Group or the Compagnie;
d) Risk of insufficient consideration of the quantitative limits applied to own funds items according to the different categories;
e) Risk of ineffectiveness of own fund items to absorb losses in the event of crisis;
f) Risk of insufficient fungibility of own funds;
g) Risk of non-consideration of the group's solvency within the dividend distribution policy;
h) Risk of non-consideration of stress-test scenarios within the own funds structure.

E.1.2 Structure and quality of own funds

E.1.2.1 Coface SA

In accordance with the regulation, as at 31 December 2016, the Coface Group calculated its available owns funds necessary to cover two levels of capital requirements: minimum capital requirement and solvency capital requirement, SCR (see chapter E.2.).
As at 31 December 2016, the group is compliant with its capital requirements, which amounts to 1,334 million euros SCR, as represented in the following chart.



The own funds available to cover the SCR, as at 31 December 2016, stand at 1,995 million euros. In accordance with the Solvency 2 directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed according to their availability, their degree of subordination and their duration or permanence. The breakdown is as follows:

- Tier 1: 1,543 million euros (77% of available own funds), corresponding to the net asset amount registered on the Group's consolidated prudential balance sheet, after adjustment, in accordance with the Solvency 2 directive,.
- Tier 2: 422 million euros (21% of available own funds), corresponding to the eligible subordinated debt in the context of transitional measures (see Article 308b(10) of Directive 2014/51/EU). A summary of the characteristics of the subordinated debt is presented below:

Tier 2 subordinated debt characteristics	
Insuer	Coface SA
Guarantor	Compagnie française d'assurance pour le commerce extérieur
Warranty type	Joint surety
Instrument	Guaranteed Dated Subordinated Notes eligible as Tier 2 capital under transitional measures (see Article 308b(10) of Directive 2014/51/EU)
Maturity	10 years bullet
Issue date	March 27th, 2014
Maturity date	March 27th, 2024
Coupon payments obligation	Except in case of non-compliance with the SCR
coupon deferral option	In case of non-compliance of the SCR occurring during the period preceding the payment of the interest.
Issue amount	EUR 380m
Guarantor rating	A2 / AA- (Moody's / Fitch) - IFS
Issue rating	Baa1 /A- (Moody's / Fitch)
Coupon	4.125% annual fixed
ISIN	FR0011805803

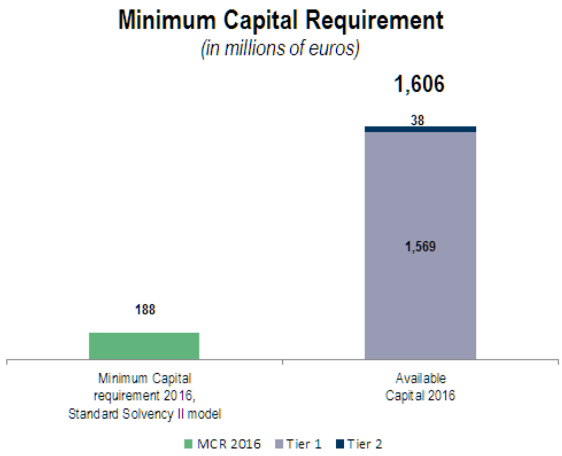
Valuation of the subordinated debt is carried out using the methodology described in article 75 of Directive 2009/138/EC. As required by the directive, the value of the subordinated debt is discounted in line with the EIOPA risk-free interest rate curve; the spread related to the Coface credit status being kept constant after initial recognition of the debt.

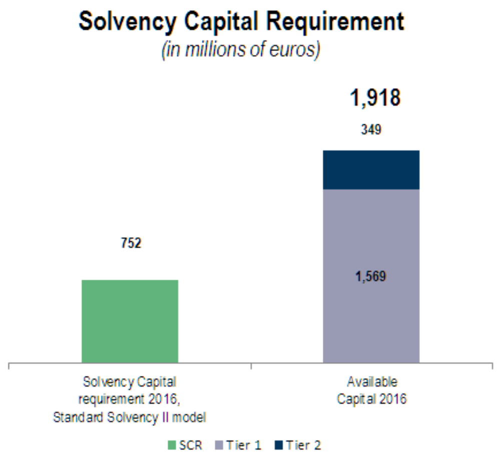
- Tier 3: 30 million euros (2% of available own funds), representing the total of deferred tax assets in the Coface Group's balance sheet.

For more information, please refer to the corresponding section in QRT 23.01.

E.1.2.2 The Compagnie

In accordance with the regulation, as at 31 December 2016, the Compagnie calculated its available owns funds necessary to cover two levels of capital requirements: minimum capital requirement and solvency capital requirement, SCR (see chapter E.2.).





As at 31 December 2016, the Compagnie is compliant with its capital requirements, which amount to 188 million euros MCR and 752 million euros SCR, as represented in the above chart.

The own funds available to cover the MCR, as at 31 December 2016, stand at 1,606 million euros. In accordance with the Solvency 2 directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed according to their availability, their degree of subordination and their duration or permanence.

As at 31 December 2016, the breakdown of own funds available to cover the MCR is as follows:

- Tier 1: 1,569 million euros (97% of available own funds), corresponding to the net assets amount registered on the prudential balance sheet, after adjustement, in accordance with the Solvency 2 directive.
- Tier 2: 38 million euros (3% of available own funds), which, in accordance with the regulation, corresponds to 20% of the MCR (188 million euros). This amount is taken into account since the Compagnie has a subordinated loan of 349 million euros issued by Coface SA and eligible in the context of transitional measures. The characteristics of the subordinated loan correspond to those of the subordinated debt issued by Coface SA (see table below).

The own funds available to cover the SCR, as at 31 December 2016, amount to 1,918 million euros, made up as follows:

- Tier 1: 1,569 million euros (81% of available own funds), corresponding to the net assets amount registered on the prudential balance sheet, after adjustment, in accordance with the Solvency 2 directive.
- Tier 2: 349 million euros (19% of available own funds), corresponding to the re-evaluation of the subordinated loan issued by Coface SA and eligible in the context of transitional measures (see Article 308b(10) of Directive 2014/51/EU).

Valuation of the subordinated loan is carried out using the methodology described in article 75 of Directive 2009/138/EC. As required by the directive, the value of the subordinated debt is discounted in line with the EIOPA risk-free interest rate curve; the spread related to the Coface credit status being kept constant after initial recognition of the debt.

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

E.1.3 Basic own funds

As at 31 December 2016, Coface Group own funds are exclusively made up of basic own funds, according to Solvency 2 definitions.

E.1.4 Ancillary own funds

As at 31 December 2016 the Coface Group does not have ancillary own funds.

E.1.5 Availability of own funds

In accordance with article 330 of delegated regulation (EU) 2015/35, the Coface Group performs test in order to determine the availability of the eligible own funds of affiliated companies, at Group level. After estimating a solvency capital requirement (SCR) for each Group entity, the test methodology consists of comparing the excess own funds with the contributive SCR for each entity. Specifically, if the excess own funds is greater than the contributive SCR, this excess must be represented by fungible and transferable own funds items in order to be considered available at Group level. Any excess not represented by fungible and transferable items determines an adjustment to the group's own funds. As at 31 December 2016, the amount of the Group available own funds adjustment amounts to 27.4 million euros.

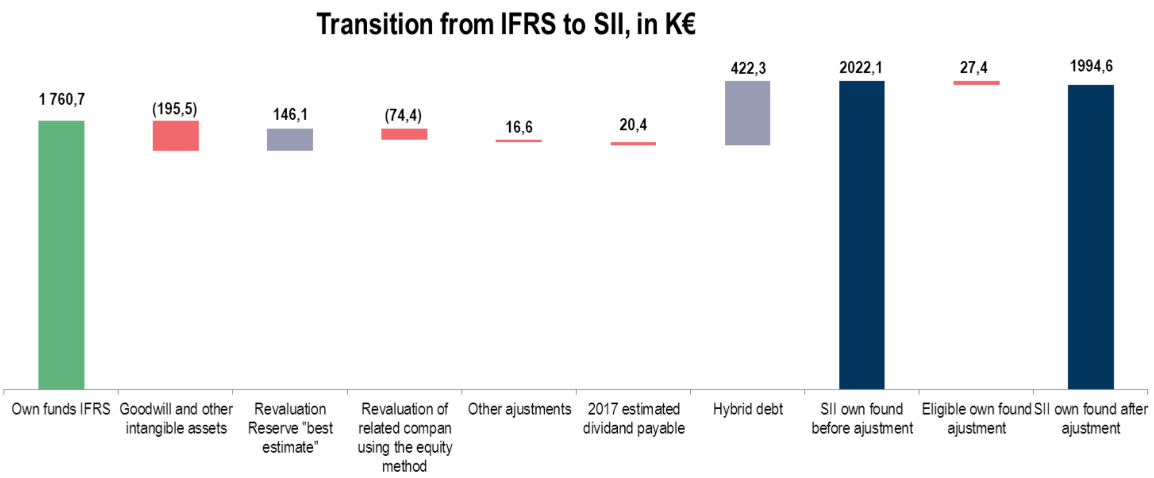
E.1.6 Absorption of losses by capital

Not applicable to the Coface Group. This is explained by the fact Tier 1 is not made up of preference shares, subordinated mutual member accounts nor subordinated liabilities.

E.1.7 Reconciliation reserve

E.1.7.1 Coface SA

The below chart shows the main differences between the Group's own funds that are eligible to cover the solvency capital requirement as at 31 December 2016 and the consolidated IFRS shareholders' equity as presented in the Group's financial statements.



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

The group's eligible own funds was 1,994.6 million euros as at 31 December 2016.

The impact of the valuation of IFRS statutory standards on Solvency 2 standards was -140.5 million euros.

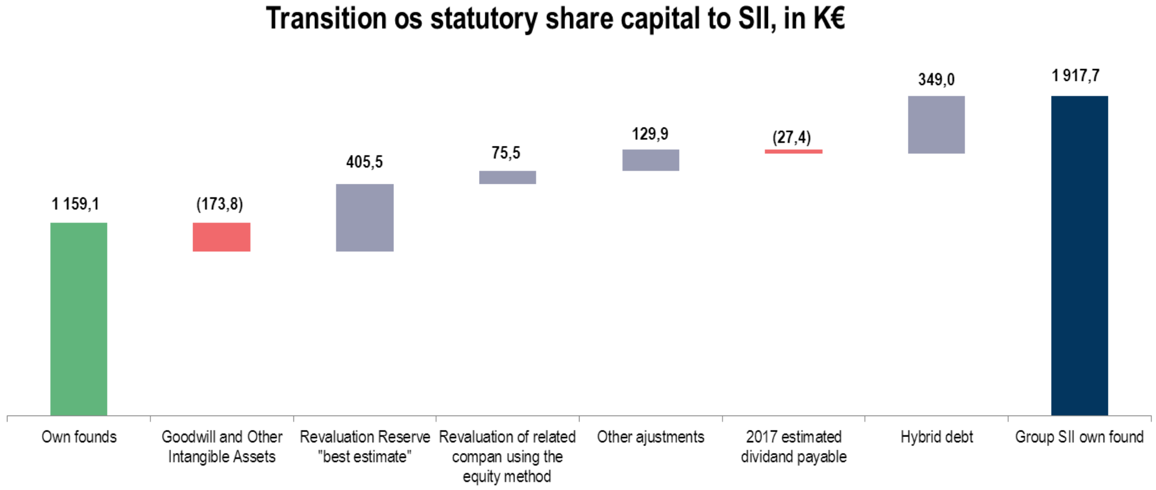
The eligible own funds as at 31 December 2016 include:

- Share capital of 316 million euros,
- Issue premiums relating to share capital for 810.4 million euros,
- A reconciliation reserve[10] of 441.4 million euros classed as Tier 1.

With regard to the breakdown of shareholders' equity, analysis of the nature of original own funds has led to their classification for the most part as Tier 1. The subordinated debt issued in the form of bonds by Coface SA in March 2014, rose to 422.3 million euros as at 31 December 2016 and is classed as Tier 2 using the grandfathering mechanism.

Coface SA plans to pay out 20.4 million euros in dividends in 2017 (in respect of financial year 2016).
Lastly, unavailable own funds were assessed at 27.4 million euros as at 31 December 2016.

E.1.7.2 The Compagnie



The amount of eligible Solvency 2 own funds was 1,917.7 million euros as at 31 December 2016.
The impact of the valuation under Solvency 2 standards was 437.1 million euros (excluding the loan with Coface SA).

The eligible own funds as at 31 December 2016 include:

- Share capital for 137.1 million euros,
- Issue premiums relating to share capital for 627.4 million euros,
- A reconciliation reserve[11] of 804.3 million euros classed as Tier 1.

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

With regard to the breakdown of shareholders' equity, analysis of the nature of original own funds has led to their classification for the most part as Tier 1. Furthermore, a subordinated loan with Coface SA for 349 million euros is classified as Tier 2:

- On 27 March 2014, COFACE SA issued subordinated debt, in the form of bonds, for a nominal amount of 380 million euros. These securities are irrevocably and unconditionally guaranteed on a subordinated basis by the Compagnie.
- A joint surety was issued by the Compagnie on 25 March 2014, for €380 million, to investors in Coface SA subordinated bonds and lasting until the liquidation of any commitment to investors. This is a subordinated surety falling under off-balance sheet commitments. It is recognised in off-balance sheet commitments in the corporate financial statements of the Compagnie and is taken into account in the default type 1 SCR.
- Concomitantly, Coface SA granted an intra-group subordinated loan to Compagnie d'Assurance pour le Commerce Extérieur maturing on 26 March 2024 (10 years) at an annual interest rate of 4.125% (payment due on each anniversary). The amount of subordinated debt therefore amounts to 324 million euros in the statutory accounts. This is 349 million euros in the Solvency 2 accounts at the present value of the debt.

Furthermore, the Compagnie plans to pay out 27.5 million euros in dividends in 2017 (in respect of the 2016 financial year).

E.1.8 Additional ratios

Not applicable to either the Coface Group or the Compagnie.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Annual requirements

E.2.1.1 Standards used

The calculations were made in line with the most recent specifications in effect (the Commission's delegated EU regulation 2015/35 of 10 October 2014) in the SAS RMFI software which enabled Coface to generate the QRTs in XBRL format.
The "transport", "legal protection" and "pecuniary losses" categories are non-material (respectively 0.03% of gross earned company premiums and 2% of underwriting income and are included in the credit insurance LOB.
The risk-free rate curve used is that published by the ACPR (French prudential and resolution control authority) in the context of the 2015 preparatory exercise without volatility adjustment.

E.2.1.2 SCR and sub-modules

Group SCR as at 31 December 2016 is broken down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

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

Coface SA (in millions of euros)	As at 31 December 2016
Overall SCR	**1,334**
Eligible total own funds	**1,995**
Consolidated S2 ratio	**1**

Coface SA (in millions of euros)		As at 31 December 2016
Insurance SCR		**1,140**
Operational risk		**34**
Adjustment for deferred tax	-	48
BSCR		**1,154**
Diversification effect	-	**218**
Market risk		**244**
Default risk		**141**
Non-life risk		**988**
Total risks		**1,372**

The Deferred Taxes adjustment has been capped to the amount of the deferred tax liabilities.

SCR for the Compagnie as at 31 December 2016 can be broken down as follows:

The Compagnie (in millions of euros)	As at 31 December 2016
Overall SCR	**769**
Eligible total own funds	**1,918**
Consolidated S2 ratio	**255%**
MCR	**188**

The Compagnie (in millions of euros)		As at 31 December 2016
Insurance SCR		**769**
Operational risk		**31**
Adjustment for deferred ta	-	137
BSCR		**876**
Diversification effect	-	**240**
Market risk		**300**
Default risk		**172**
Non-life risk		**643**
Total risks		**1,115**

The Deferred Taxes adjustment has been capped to the amount of the deferred tax liabilities.

E.2.2 Methods of calculation used

Calculation methodologies are the same for Coface SA and the Compagnie.

E.2.2.1 Non-life SCR

E.2.2.1.1 Premium and reserve SCR

Volumes of premiums and reserves have been defined in accordance with article 116 of the Commission's delegated regulation (EU) 2015/35 of 10 October 2014.

E.2.2.1.1.1 Volume of reserves

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

E.2.2.1.1.2 Premium volumes

The interpretation of premium volumes used for Coface is as follows (for a date of assessment as at 31 December of year N):
Volume of premiums = Max (Earned premiums (N); Earned premiums (N+1)) + PPNA (N+1) - surety bond
The premiums used are net of policyholders' bonuses and rebates and net of reinsurance.

E.2.2.1.1.3 Risk aggregation of premiums and reserves

The standard variances used correspond to those of the credit sector, i.e.:

- 12% applied to the volume of premiums
- 19% applied to the volume of reserves

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

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

E.2.2.1.2 Disaster SCR

The disaster risk for the "credit insurance and surety bond" business line is calculated by taking two scenarios into account:

- A catastrophe risk corresponding to the downfall of the portfolio's two largest exposures with a loss rate of 10% in accordance with the regulations
- A risk of recession, corresponding to a deterioration in the general environment and a "mass" claims rate

Calculation of the Disaster SCR for credit and surety bond risks is described in article 134 of the Commission's delegated regulation (EU) 2015/35 of 10 October 2014.

E.2.2.1.3 Description of the external reinsurance programme

The Coface Group's external reinsurance is intended to cover catastrophe risk and the risk of recession. Catastrophe risk is addressed by means of one quota share treaty and two excess of loss treaties (by debtor and by country).
Risk of recession is addressed by a stop-loss treaty against the disproportionate change in the frequency of claims.

E.2.2.1.4 Surrender risk

With regard to this specific risk, given that:

- The customer can only terminate the policy on the anniversary date,

- The premium is due upfront, i.e. on signing the policy and for its entire term (even if it may be invoiced on a quarterly basis),
- The renewal rate for Coface SA policies is particularly high (85% and more),

The surrender risk has been deemed negligible.

E.2.2.1.5 Aggregation of Non-life SCR

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

E.2.2.2 Market SCR

E.2.2.2.1 Organisation

For financial assets, Coface SA uses the PICIM platform managed by Amundi in order to replenish SAS RMFI. The service is intended to provide Coface SA with portfolio inventories enriched with unitary SCR characteristics and calculations per instrument as at 31/12/2016. The PICIM portfolio represents close to 95% of the investment portfolio excluding equity investments and operating property.
The files provided correspond to book inventories supplied by the asset servicing provider to Coface SA "CACEIS"'s financial assets portfolio and enriched by Amundi. Amundi supplies Coface SA with Equity, Interest (only on financial assets), Spread and Property SCRs on its scope of consolidation.
The Concentration, Change and Interest SCRs (excluding financial assets) were calculated directly by SAS RMFI, as were the shocks to be applied on the equity investments held.

E.2.2.2.2 Classification of securities

The CIC field used for the accounting classification of each security is populated by Amundi in the file supplied to Coface SA.

E.2.2.2.3 Look-through of funds

Asset classifications and SCR calculations were carried out on a line-by-line basis for the vast majority of the investment portfolio. The ultimate look-through principle has been applied for UCITS managed by Amundi (primarily money market UCITS). For UCITS not managed by Amundi, we have:
- either used the aggregate SCR calculated by the management companies or applied the maximum SCR expense (Equity type II) for the 4 UCITS for which calculation on a line-by-line basis was either unavailable or irrelevant

E.2.2.2.4 Equities SCR

With regard to equities held in portfolio, Coface SA decided not to use the "grandfathering equity" clause for 2016, as in 2015.

E.2.2.2.5 Property SCR

The scope of consolidation on Property SCR consists of 30% operating property, 0.4% investment property and 69.6% supports whose underlying assets are property assets.

E.2.2.3 Default SCR

The Default SCR has been calculated in line with the same methodology as used in 2014 and 2015. Counterparty SCR is calculated on exposures relating to reinsurance. These exposures are included at their Best Estimate value (market value) after deducting the amount of financial sureties (cash deposit, pledge of securities or letters of credit) put in place by reinsurers to the company's benefit.

E.2.2.4 Simplifications used

E.2.2.4.1 Capacity for absorption by deferred taxes

For the financial period, we have calculated the adjustment relating to the risk absorbing effects of deferred taxes on the basis of the sum of the BSCR and the Operational SCR, to which we have applied a tax rate for 2015 at 34.43%, corresponding to the tax rate under French general law increased by the 3.3% social contribution.
This adjustment has been capped at the amount of net deferred taxes in the prudential balance sheet in order to absorb this deferred tax asset (IAS 12).

E.2.2.4.2 Lapse risk

With regard to this specific risk, given that:

- The customer can only terminate the policy on the anniversary date,
- The premium is due upfront, i.e. on signing the policy and for its entire term (even if it may be invoiced on a quarterly basis),
- The renewal rate for Coface SA policies is particularly high (85% and more),

The surrender risk has been deemed negligible.

E.2.2.5 Problems and difficulties encountered

Certain risk reduction mechanisms used by Coface SA cannot be reflected in the standard formula despite the fact that they represent a major challenge for the company. This involves in particular:

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

E.2.3 Minimum capital requirement

The minimum capital requirement is calculated as follows:

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

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

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

The combined minimum capital requirement is calculated as follows:
$MCR_{combined} = \min(\max(MCR_{linear}; 0.25*SCR); 0.45*SCR)$
or:

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

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

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

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

	Detailed calculation of the minimum capital requirement The Compagnie *(in millions of euros)*	As at 31 December 2016
A	*Underwriting provisions without risk margin for insurance and non-life insurance commitments after deduction of recoverable amounts in respect of reinsurance contracts*	**616.2**
B	*Written premiums net of reinsurance*	**494.5**
C	*Solvency capital requirement - SCR*	**751.9**
D=0.25*C	*0.25*Solvency capital requirement*	**188.0**
E=0.45*C	*0.45*Solvency capital requirement*	**338.3**
F	*Risk factor pertaining to technical reserves for the credit insurance segment α*	17.7%
G	*Risk factor pertaining to written premiums for the credit insurance segment α*	11.3%
H=(A*F)+(B*G)	*Non-Life Minimum Capital Requirement*	**164.9**
I=H	*Straight Line Minimum Capital Requirement*	164.9
D	*Non-Life AMCR Level (absolute floor)*	2.2
K	***MCR Combined=min(max(I;0.25*C);0.45*C)***	**187.9**
Overall MCR	*MCR=max (O; N)*	187.9

E.3 Use of the "equity risk" sub-module based on duration to calculate the solvency capital requirement

Coface SA and the Compagnie do not use the equity risk sub-module based on duration.

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

Coface SA and the Compagnie do not use any internal model to calculate their requirements in prudential own funds.

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

During the 2016 financial year, neither Coface SA nor the Compagnie failed to comply with the minimum capital requirement or the solvency capital requirement.

E.6 Other information

No other material information is to be made publicly available.

F Appendices

F.1 Details of parent company-subsidiary relationships

Country	Entity	Consolidation Method	Percentage Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
Northern Europe						
Germany	Coface Deutschland (ex Coface Kreditversicherung) Isaac – Fulda – Allee 1 55124 Mainz	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Germany	Coface Finanz GmbH Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Debitorenmanagement GmbH Isaac – Fulda – Allee 5 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Holding Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Gmbh Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Kisselberg Hauptstr. 131-137 65260 Eschborn	Full	100.00%	100.00%	100.00%	100.00%
Germany	Fct Vega (Fonds de titrisation) 41, rue Délizy 93500 Pantin	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Services Claudius Prinsenlaan 126 Postbus 3377 4800 DJ Breda	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Claudius Prinsenlaan 126 P.O. Box 3377 4800 DJ Breda	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Denmark	Coface Danmark Nygade 111 7430 Ikast	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Sweden	Coface Sverige Kungsgatan 33 111 56 Stockholm	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	

Country	Entity	Consolidation Method	Percentage Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
Western Europe						
France	COFACE SA 1, place Costes et Bellonte 92270 Bois-Colombes	Parent company	100.00%	100.00%	100.00%	100.00%
France	Compagnie française d'assurance pour le commerce extérieur 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Cofacredit Tour facto 18, rue Hoche 92988 Puteaux	Equity method	36.00%	36.00%	36.00%	36.00%
France	Cofinpar 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Cogeri Place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Fimipar 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 ter 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6 bis 90, boulevard Pasteur 75015 Paris	Sold	NA	NA	100.00%	100.00%
Belgium	Coface Belgium Services Holding 100, Boulevard du Souverain 1170 Bruxelles	Full	100.00%	100.00%	100.00%	100.00%

Country	Entity	Consolidation Method	Percentage Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
Belgium	Coface Belgium Services Holding 100, Boulevard du Souverain 1170 Bruxelles	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium 100, Boulevard du Souverain B-1170 Bruxelles (Watermael-Boitsfort)	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Luxembourg	Coface Luxembourg 2, Route d’Arlon L-8399 Windhof (Koerich) Luxembourg	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Switzerland	Coface Suisse Rue Belle-Fontaine 18; CP 431 1001 Lausanne	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Switzerland	Coface Re Rue Belle-Fontaine 18; CP 431 1001 Lausanne	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 Bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	NA	NA
Switzerland	Fonds Lausanne 3 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Holding 180 St Albans Rd, Watford Hertfordshire WD17 1RP	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Services 180 St Albans Rd, Watford Hertfordshire WD17 1RP	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Egale 1, 80 St Albans Road Watford, Hertfordshire WD17 1RP	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Ireland	Coface Irlande 67 B Upper George’s Street Dun Laoghaire Co Dublin	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Central Europe						
Austria	Coface Austria Services Stubenring 24 1011 Vienna	Full	100.00%	100.00%	100.00%	100.00%
Austria	Coface Central Europ Holding Stubenring 24-2 A 1010 Vienna	Full	74.99%	74.99%	74.99%	74.99%
Austria	Coface Austria (formerly – Coface Austria Holding AG) Stubenring 24 1011 Vienna	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	
Hungary	Coface Hungary Insurance Tűzoltó u. 57, H-1094 Budapest	-	Branch of Compagnie française d’assurance pour le commerce extérieur		Branch of Compagnie française d’assurance pour le commerce extérieur	

Country	Entity	Consolidation Method	Percentage Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
Poland	Coface Poland CMS Al.Jerozolimskie 136 PL-02-305 / Warszawa	Full	100.00%	74.99%	100.00%	74.99%
Poland	Coface Poland Factoring Al.Jerozolimskie 136 PL-02-305 / Warszawa	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Insurance Al. Jerozolimskie 136, 02-305 Warszawa	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Czech Republic	Coface Czech Insurance I.P. Pavlova 5 120 00 Praha 2	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Romania	Coface Romania CMS Calea Floreasca 39, Et. 3 Sect.1 Bucharest	Full	100.00%	74.99%	100.00%	74.99%
Romania	Coface Romania Insurance Calea Floreasca 39, Et. 3 Sect.1, 014453, Bucuresti	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Slovakia	Coface Slovakia Insurance Šoltésovej 14 811 08 Bratislava	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Lithuanie	LEID (Lithuania) Vilniaus str. 23 01402 Vilnius	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Latvia	Coface Latvia Insurance Berzaunes iela 11a LV-1039 Riga	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Bulgaria	Coface Bulgaria Insurance 85/87, T. Alexandrov blvd 1303 Sofia	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Russia	Coface Russia Insurance Company Parus Business Centre, 23/1 1st Tverskaya-Yamskaya Str. 125047 Moscow	Full	100.00%	100.00%	100.00%	100.00%
Mediterranean & Africa						
Italy	Coface Italy (Branch) Via Giovanni Spadolini 4 20141 Milan	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Italy	Coface ITALIA Via Giovanni Spadolini 4 20141 Milan	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface ISRAEL 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Israel	Coface Holding Israel 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	Full	100.00%	100.00%	100.00%	100.00%
Israel	Business Data Information Coface (BDI Coface) 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa Services Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	100.00%

Country	Entity	Consolidation Method	Percentage Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
Spain	Coface Servicios España, SL Calle Aravaca, 22 28040 Madrid	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Iberica C/Aravaca 22 28040 Madrid	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Portugal	Coface Portugal Av. José Malhoa, 16B – 7º Piso, Fracção B.1 Edifício Europa 1070 159 Lisboa	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Turkey	Coface Sigorta Buyukdere Caddesi, Yapi Kredi Plaza, B-Blok Kat:6 Levent 34 330 Istanbul	Full	100.00%	100.00%	100.00%	100.00%
North America						
United States	Coface North America Holding Company Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface Services North America 900 Chapel Street New Haven, CT 06510	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Insurance Company Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
Canada	Coface Canada 251 Consumers Road, Suite 910 Toronto – On M2J 1R3	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Latin America						
Mexico	Coface Seguro De Credito Mexico Av. Insurgentes Sur #1787 Piso 10, Col. Guadalupe Inn, Delegación: Alvaro Obregon 01020 Mexico City, D.F	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Holding America Latina Av. Insurgentes Sur #1787 Piso 10, Col. Guadalupe Inn, Delegación: Alvaro Obregon 01020 México City, D.F	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Coface Do Brasil Seguros De Credito Interno SA 34, João Duran Alonso Square Brooklin Novo District Saõ Paulo 12 floor	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Seguradora Brasileira De Credito Interno SA (SBCE) Pça. João Duran Alonso, 34 – 12º Andar Brooklin Novo – Sao Paulo, CEP: 04571-070	Full	75.82%	75.82%	75.82%	75.82%
Chile	Coface Chile Nueva Tajamar 555. P17. Las Condes. Santiago	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Chile	Coface Chile SA Nueva Tajamar 555. Torre Costanera	Full	100.00%	100.00%	100.00%	100.00%
Argentina	Coface Argentina Ricardo Rojas 401 – 7 Floor CP 1001 Buenos Aires – Argentina	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Ecuador	Coface Ecuador Irlanda E10-16 y República del Salvador Edificio Siglo XXI, PH	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	

Country	Entity	Consolidation Method	Control Dec. 31, 2016	Interest Dec. 31, 2016	Control Dec. 31, 2015	Interest Dec. 31, 2015
				Percentage		
Asia-Pacific						
Australia	Coface Australia Level 10, 68 York Street Sydney NSW 2000 GPO Box 129 Sydney NSW 2001	-		Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur
Hong-Kong	Coface Hong Kong 29th Floor, No.169 Electric Road North Point, Hong Kong	-		Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur
Japan	Coface Japon Atago Green Hills MORI Tower 38F, 2-5-1 Atago, Minato-ku Tokyo 105-6238	-		Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur
Singapore	Coface Singapour 16 Collyer Quay #15-00 Singapore 049318	-		Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur
Taiwan	Coface Taiwan Room A5, 6F, N°16, Section 4, Nanjing East Road, Taipei 10553	-		Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur

F.2 Quantitative reports

S.02.01.02 Groupe
Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	92 505
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	73 882
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2 696 687
Property (other than for own use)	R0080	788
Participations and related undertakings	R0090	144 600
Equities	R0100	68 193
Equities - listed	R0110	56 612
Equities - unlisted	R0120	11 581
Bonds	R0130	1 796 267
Government Bonds	R0140	916 854
Corporate Bonds	R0150	879 413
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	611 368
Derivatives	R0190	2 277
Deposits other than cash equivalents	R0200	73 194
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	3 573
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	3 573
Reinsurance recoverables from:	R0270	200 807
Non-life and health similar to non-life	R0280	200 807
Non-life excluding health	R0290	200 807
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	7 555
Insurance and intermediaries receivables	R0360	276 888
Reinsurance receivables	R0370	39 347
Receivables (trade, not insurance)	R0380	657 686
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	365 469
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	4 414 399

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	1 154 429
Technical provisions – non-life (excluding health)	R0520	1 154 429
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	1 037 676
Risk margin	R0550	116 753
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	78 690
Pension benefit obligations	R0760	69 603
Deposits from reinsurers	R0770	4 314
Deferred tax liabilities	R0780	140 636
Derivatives	R0790	7 631
Debts owed to credit institutions	R0800	2 291
Financial liabilities other than debts owed to credit institutions	R0810	440 036
Insurance & intermediaries payables	R0820	64 183
Reinsurance payables	R0830	58 679
Payables (trade, not insurance)	R0840	347 930
Subordinated liabilities	R0850	422 324
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	422 324
Any other liabilities, not elsewhere shown	R0880	3 461
Total liabilities	R0900	2 794 207
Excess of assets over liabilities	R1000	1 620 191

S.02.01.02 Solo
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	33 204
Pension benefit surplus	**R0050**	
Property, plant & equipement held for own use	**R0060**	72 203
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	2 289 857
Property (other than for own use)	**R0080**	788
Participations and related undertakings	**R0090**	261 015
Equities	**R0100**	68 193
Equities - listed	**R0110**	56 612
Equities - unlisted	**R0120**	11 581
Bonds	**R0130**	1 444 886
Government Bonds	**R0140**	660 522
Corporate Bonds	**R0150**	784 365
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	486 315
Derivatives	**R0190**	1 777
Deposits other than cash equivalents	**R0200**	26 883
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	193 365
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	193 365
Reinsurance recoverables from:	**R0270**	323 621
Non-life and health similar to non-life	**R0280**	323 621
Non-life excluding health	**R0290**	323 621
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	9 740
Insurance and intermediaries receivables	**R0360**	231 355
Reinsurance receivables	**R0370**	42 774
Receivables (trade, not insurance)	**R0380**	239 970
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	278 082
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	3 714 169

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	1 008 059
Technical provisions – non-life (excluding health)	R0520	1 008 059
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	939 779
Risk margin	R0550	68 280
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	65 661
Pension benefit obligations	R0760	65 836
Deposits from reinsurers	R0770	10 516
Deferred tax liabilities	R0780	187 633
Derivatives	R0790	7 239
Debts owed to credit institutions	R0800	7 238
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	67 689
Reinsurance payables	R0830	50 343
Payables (trade, not insurance)	R0840	295 333
Subordinated liabilities	R0850	348 973
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	348 973
Any other liabilities, not elsewhere shown	R0880	3 461
Total liabilities	R0900	2 117 981
Excess of assets over liabilities	R1000	1 596 188

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**
Premiums written													
Gross - Direct Business	**R0110**									1 042 817			
Gross - Proportional reinsurance accepted	**R0120**									78 652			
Gross - Non-proportional reinsurance accepted	**R0130**												
Reinsurers' share	**R0140**									249 702			
Net	**R0200**									871 767			
Premiums earned													
Gross - Direct Business	**R0210**									1 046 033			
Gross - Proportional reinsurance accepted	**R0220**									81 012			
Gross - Non-proportional reinsurance accepted	**R0230**												
Reinsurers' share	**R0240**									257 539			
Net	**R0300**									869 506			
Claims incurred													
Gross - Direct Business	**R0310**									595 075			
Gross - Proportional reinsurance accepted	**R0320**									76 737			
Gross - Non-proportional reinsurance accepted	**R0330**												
Reinsurers' share	**R0340**									144 094			
Net	**R0400**									527 718			
Changes in other technical provisions													
Gross - Direct Business	**R0410**									-924			
Gross - Proportional reinsurance accepted	**R0420**												
Gross - Non- proportional reinsurance accepted	**R0430**												
Reinsurers' share	**R0440**									0			
Net	**R0500**									-924			
Expenses incurred	**R0550**									530 219			
Other expenses	**R1200**												
Total expenses	**R1300**												

		Line of business for: **accepted non-proportional reinsurance**				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written						
Gross - Direct Business	**R0110**					1 042 817
Gross - Proportional reinsurance accepted	**R0120**					78 652
Gross - Non-proportional reinsurance accepted	**R0130**					
Reinsurers' share	**R0140**					249 702
Net	**R0200**					871 767
Premiums earned						
Gross - Direct Business	**R0210**					1 046 033
Gross - Proportional reinsurance accepted	**R0220**					81 012
Gross - Non-proportional reinsurance accepted	**R0230**					
Reinsurers' share	**R0240**					257 539
Net	**R0300**					869 506
Claims incurred						
Gross - Direct Business	**R0310**					595 075
Gross - Proportional reinsurance accepted	**R0320**					76 737
Gross - Non-proportional reinsurance accepted	**R0330**					
Reinsurers' share	**R0340**					144 094
Net	**R0400**					527 718
Changes in other technical provisions						
Gross - Direct Business	**R0410**					-924
Gross - Proportional reinsurance accepted	**R0420**					
Gross - Non- proportional reinsurance accepted	**R0430**					
Reinsurers' share	**R0440**					0
Net	**R0500**					-924
Expenses incurred	**R0550**					530 219
Other expenses	**R1200**					
Total expenses	**R1300**					530 219

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**
Premiums written													
Gross - Direct Business	**R0110**									859 305			
Gross - Proportional reinsurance accepted	**R0120**									163 675			
Gross - Non-proportional reinsurance accepted	**R0130**												
Reinsurers' share	**R0140**									528 435			
Net	**R0200**									494 544			
Premiums earned													
Gross - Direct Business	**R0210**									857 277			
Gross - Proportional reinsurance accepted	**R0220**									169 443			
Gross - Non-proportional reinsurance accepted	**R0230**												
Reinsurers' share	**R0240**									530 206			
Net	**R0300**									496 515			
Claims incurred													
Gross - Direct Business	**R0310**									387 602			
Gross - Proportional reinsurance accepted	**R0320**									154 319			
Gross - Non-proportional reinsurance accepted	**R0330**												
Reinsurers' share	**R0340**									350 125			
Net	**R0400**									191 796			
Changes in other technical provisions													
Gross - Direct Business	**R0410**												
Gross - Proportional reinsurance accepted	**R0420**												
Gross - Non- proportional reinsurance accepted	**R0430**												
Reinsurers' share	**R0440**												
Net	**R0500**												
Expenses incurred	**R0550**									364 780			
Other expenses	**R1200**												
Total expenses	**R1300**												

		Line of business for: **accepted non-proportional reinsurance**				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written						
Gross - Direct Business	**R0110**					859 305
Gross - Proportional reinsurance accepted	**R0120**					163 675
Gross - Non-proportional reinsurance accepted	**R0130**					
Reinsurers' share	**R0140**					528 435
Net	**R0200**					494 544
Premiums earned						
Gross - Direct Business	**R0210**					857 277
Gross - Proportional reinsurance accepted	**R0220**					169 443
Gross - Non-proportional reinsurance accepted	**R0230**					
Reinsurers' share	**R0240**					530 206
Net	**R0300**					496 515
Claims incurred						
Gross - Direct Business	**R0310**					387 602
Gross - Proportional reinsurance accepted	**R0320**					154 319
Gross - Non-proportional reinsurance accepted	**R0330**					
Reinsurers' share	**R0340**					350 125
Net	**R0400**					191 796
Changes in other technical provisions						
Gross - Direct Business	**R0410**					
Gross - Proportional reinsurance accepted	**R0420**					
Gross - Non- proportional reinsurance accepted	**R0430**					
Reinsurers' share	**R0440**					
Net	**R0500**					
Expenses incurred	**R0550**					364 780
Other expenses	**R1200**					0
Total expenses	**R1300**					364 780

S.05.02.01 Groupe
Premiums, claims and expenses by country

Non-life obligations		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	R0010		IT	DE	US	ES	NL	
		C0080	**C0090**	**C0090**	**C0090**	**C0090**	**C0090**	**C0140**
Premiums written								
Gross - Direct Business	**R0110**	165 878	158 954	156 265	96 997	63 777	39 064	680 935
Gross - Proportional reinsurance accepted	**R0120**	4 526			0			4 526
Gross - Non-proportional reinsurance accepted	**R0130**	213			0			213
Reinsurers' share	**R0140**	37 537	31 124	32 869	24 849	13 792	9 341	149 512
Net	**R0200**	133 080	127 830	123 396	72 148	49 985	29 723	536 162
Premiums earned								
Gross - Direct Business	**R0210**	166 246	157 215	156 453	100 261	64 352	39 190	683 717
Gross - Proportional reinsurance accepted	**R0220**	4 526			0			4 526
Gross - Non-proportional reinsurance accepted	**R0230**	213			0			213
Reinsurers' share	**R0240**	37 542	31 372	32 873	25 457	13 792	9 366	150 402
Net	**R0300**	133 443	125 843	123 580	74 804	50 560	29 824	538 054
Claims incurred								
Gross - Direct Business	**R0310**	45 344	67 885	79 431	84 983	20 428	26 607	324 678
Gross - Proportional reinsurance accepted	**R0320**	1 752			0			1 752
Gross - Non-proportional reinsurance accepted	**R0330**	0			0			0
Reinsurers' share	**R0340**	4 399	14 660	23 930	18 711	9 113	7 644	78 457
Net	**R0400**	42 697	53 225	55 501	66 272	11 315	18 963	247 973
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**	0			0			0
Gross - Non- proportional reinsurance accepted	**R0430**	0			0			0
Reinsurers'share	**R0440**							
Net	**R0500**	0			0			0
Expenses incurred	**R0550**	213 327	45 918	64 368	39 598	16 987	9 747	389 945
Other expenses	**R1200**							
Total expenses	**R1300**	213 327	45 918	64 368	39 598	16 987	9 747	389 945

S.05.02.01 Solo
Premiums, claims and expenses by country

Non-life obligations		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	R0010		IT	DE	ES	US	NL	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	**R0110**	165 878	158 955	156 266	63 777		39 064	583 940
Gross - Proportional reinsurance accepted	**R0120**	4 526	0	0	0	49 287	0	53 812
Gross - Non-proportional reinsurance accepted	**R0130**	213	0	0	0	1 330	0	1 543
Reinsurers' share	**R0140**	91 738	67 707	75 966	33 561	50 410	19 869	339 251
Net	**R0200**	78 879	91 248	80 299	30 216	207	19 195	300 045
Premiums earned								
Gross - Direct Business	**R0210**	166 246	157 216	156 454	64 352		39 190	583 458
Gross - Proportional reinsurance accepted	**R0220**	4 526	0	0	0	52 291	0	56 817
Gross - Non-proportional reinsurance accepted	**R0230**	213	0	0	0	1 330	0	1 543
Reinsurers' share	**R0240**	91 727	60 804	74 653	33 561	52 849	19 878	333 471
Net	**R0300**	79 258	96 412	81 801	30 791	773	19 312	308 347
Claims incurred								
Gross - Direct Business	**R0310**	42 849	70 154	63 316	36 325		26 134	238 777
Gross - Proportional reinsurance accepted	**R0320**	1 752	0	0	0	47 044	0	48 796
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0	15 408	0	15 408
Reinsurers' share	**R0340**	30 311	31 199	46 320	12 513	59 690	16 322	196 356
Net	**R0400**	14 290	38 955	16 995	23 812	2 762	9 812	106 626
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**	0	0	0	0	0	0	0
Reinsurers'share	**R0440**							
Net	**R0500**	0	0	0	0	0	0	0
Expenses incurred	**R0550**	172 385	50 096	42 578	6 085	4 720	6 304	282 168
Other expenses	**R1200**							
Total expenses	**R1300**	172 385	50 096	42 578	6 085	4 720	6 304	282 168

S.17.01.02 Solo
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**	**Non-proportional health reinsurance**	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**									22 214								22 214
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**									10 692								10 692
Net Best Estimate of Premium Provisions	**R0150**									11 521								11 521
Claims provisions																		
Gross	**R0160**									917 565								917 565
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**									312 928								312 928
Net Best Estimate of Claims Provisions	**R0250**									604 637								604 637
Total Best estimate - gross	**R0260**									939 779								939 779
Total Best estimate - net	**R0270**									616 158								616 158
Risk margin	**R0280**									68 280								68 280
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**																	
Best estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**									1 008 059								1 008 059
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**									323 621								323 621
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**									684 438								684 438

S.19.01.21 Solo
Non-life Insurance Claims Information

Accident year / Underwriting year	Z0010	Underwriting year [UWY]

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																5110
N-14	R0110	72 063	158 790	58 791	21 734	9 169	10 347	1 101	16 341	-332	-1 188	553	-4 325	-1 461	-2 825	-6 062	
N-13	R0120	64 699	185 283	43 511	11 686	5 119	2 282	273	3 648	1 940	4 553	-91	988	2 744	-1 264		
N-12	R0130	61 933	173 094	45 969	14 627	4 303	6 517	1 040	25	1 350	1 325	248	-189	-2 354			
N-11	R0140	71 568	187 416	50 453	9 870	3 614	940	-223	683	-1 415	-596	-318	1 316				
N-10	R0150	65 483	228 378	55 757	18 036	1 370	3 263	1 280	5 326	848	303	565					
N-9	R0160	68 762	274 766	109 200	33 126	7 715	20 768	5 873	2 494	552	235						
N-8	R0170	108 218	608 103	166 037	34 195	19 976	232	3 990	3 514	-1 609							
N-7	R0180	170 355	272 116	63 732	15 940	4 327	6 128	-141	1 469								
N-6	R0190	52 895	207 127	64 418	9 321	6 376	3 538	8 664									
N-5	R0200	64 112	372 201	94 794	28 705	28 474	-18 071										
N-4	R0210	118 174	303 378	98 542	7 458	3 692											
N-3	R0220	80 167	282 773	66 770	30 686												
N-2	R0230	84 670	306 532	135 529													
N-1	R0240	57 090	278 507														
N	R0250	70 149															

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		5 110
	R0110	-6 062	332 696
	R0120	-1 264	325 371
	R0130	-2 354	307 887
	R0140	1 316	323 309
	R0150	565	380 608
	R0160	235	523 492
	R0170	-1 609	942 655
	R0180	1 469	533 926
	R0190	8 664	352 339
	R0200	-18 071	570 216
	R0210	3 692	531 244
	R0220	30 686	460 396
	R0230	135 529	526 732
	R0240	278 507	335 597
	R0250	70 149	70 149
Total	R0260	506 562	6 521 188

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		Development year															
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																9 411
N-14	R0110														3 573	5 123	
N-13	R0120													1 597	2 593		
N-12	R0130												2 541	5 006			
N-11	R0140											12 791	7 605				
N-10	R0150										9 670	1 815					
N-9	R0160									20 051	21 285						
N-8	R0170								24 275	8 554							
N-7	R0180							34 217	36 902								
N-6	R0190						22 294	14 784									
N-5	R0200					-2 969	14 818										
N-4	R0210				41 790	51 441											
N-3	R0220			58 004	32 799												
N-2	R0230		224 339	103 088													
N-1	R0240	372 531	279 864														
N	R0250	319 798															

		Year end (discounted data)
		C0360
	R0100	9 441
	R0110	5 139
	R0120	2 602
	R0130	5 038
	R0140	7 669
	R0150	1 818
	R0160	21 300
	R0170	8 733
	R0180	36 964
	R0190	14 829
	R0200	14 814
	R0210	51 441
	R0220	32 844
	R0230	103 357
	R0240	280 759
	R0250	320 817
Total	R0260	917 565

S.23.01.22 Groupe
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	**R0010**	315 792	315 792			
Non-available called but not paid in ordinary share capital at group level	**R0020**	0	0		0	
Share premium account related to ordinary share capital	**R0030**	810 420	810 420			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0				
Subordinated mutual member accounts	**R0050**	0				
Non-available subordinated mutual member accounts at group level	**R0060**	0		0	0	0
Surplus funds	**R0070**	0				
Non-available surplus funds at group level	**R0080**	0				
Preference shares	**R0090**	0		0	0	0
Non-available preference shares at group level	**R0100**	0		0		
Share premium account related to preference shares	**R0110**	0		0	0	0
Non-available share premium account related to preference shares at group level	**R0120**	0		0	0	0
Reconciliation reserve	**R0130**	441 399	441 399			
Subordinated liabilities	**R0140**	422 324		0	422 324	0
Non-available subordinated liabilities at group level	**R0150**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	29 604				29 604
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	0				0
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	**R0200**	2 535	2 535	0		
Non-available minority interests at group level	**R0210**	1 904	1 904	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**	194 371	194 371			
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**	0				
Deductions for participations where there is non-availability of information (Article 229)	**R0250**	0				
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	0				
Total of non-available own fund items	**R0270**	27 436	27 436	0	0	0
Total deductions	**R0280**	221 807	221 807	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	**R0290**	1 800 266	1 348 338	0	422 324	29 604
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0				
Unpaid and uncalled preference shares callable on demand	**R0320**	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive **2009/138/EC**	**R0350**	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0				
Supplementary members calls - other than under **first subparagraph** of Article 96(3) of the Directive **2009/138/EC**	**R0370**	0				
Non available ancillary own funds at group level	**R0380**	0				
Other ancillary own funds	**R0390**	0				
Total ancillary own funds	**R0400**	0			0	0
Own funds of other financial sectors						
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	**R0410**	20 391	20 391			
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**	173 980	173 980			
Total own funds of other financial sectors	**R0440**	194 371	194 371			
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**	0				
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**	0				
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	1 800 266	1 348 338	0	422 324	29 604
Total available own funds to meet the minimum consolidated group SCR	**R0530**	1 800 266	1 348 338	0	422 324	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	1 800 266	1 348 338	0	422 324	29 604
Total-eligible own funds to meet the minimum consolidated group SCR	**R0570**	1 415 038	1 348 338	0	66 700	
Minimum consolidated Group SCR	**R0610**	333 498				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	4,24				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	1 994 637	1 542 709	0	422 324	29 604
Group SCR	**R0680**	1 333 991				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	1,50				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	1 620 191	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	20 442	
Other basic own fund items	**R0730**	1 158 351	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Other non available own funds	**R0750**	0	
Reconciliation reserve	**R0760**	441 399	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**	0	

S.23.01.01 Solo
Own funds

		Total	Tier 1 -	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	137 052	137 052			
Share premium account related to ordinary share capital	**R0030**	627 437	627 437			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**	0				
Surplus funds	**R0070**	0				
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	804 261	804 261			
Subordinated liabilities	**R0140**	348 973		0	348 973	0
An amount equal to the value of net deferred tax assets	**R0160**	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		0	0	0	0	
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0	0	0	0	
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	1 917 724	1 568 751	0	348 973	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0				
Unpaid and uncalled preference shares callable on demand	**R0320**	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	0				
Other ancillary own funds	**R0390**	0				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	1 917 724	1 568 751	0	348 973	0
Total available own funds to meet the MCR	**R0510**	1 917 724	1 568 751	0	348 973	
Total eligible own funds to meet the SCR	**R0540**	1 917 724	1 568 751	0	348 973	
Total eligible own funds to meet the MCR	**R0550**	1 606 344	1 568 751	0	37 594	
SCR	**R0580**	751 876				
MCR	**R0600**	187 969				
Ratio of Eligible own funds to SCR	**R0620**	2,55				
Ratio of Eligible own funds to MCR	**R0640**	8,55				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	1 596 188	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	27 438	
Other basic own fund items	**R0730**	764 490	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Reconciliation reserve	**R0760**	804 261	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**	0	

S.25.01.22 Groupe
Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0080**	**C0090**
Market risk	**R0010**	243 881		
Counterparty default risk	**R0020**	140 502		
Life underwriting risk	**R0030**	0		
Health underwriting risk	**R0040**	0		
Non-life underwriting risk	**R0050**	987 905		
Diversification	**R0060**	-218 349		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	1 153 940		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	33 811
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-48 131
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency Capital Requirement excluding capital add-on	**R0200**	1 139 620
Capital add-ons already set	**R0210**	0
Solvency capital requirement for undertakings under consolidated method	**R0220**	1 333 991
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	0
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	**R0420**	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0
Minimum consolidated group solvency capital requirement	**R0470**	333 498
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	194 371
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	20 391
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	**R0530**	173 980
Capital requirement for non-controlled participation requirements	**R0540**	0
Capital requirement for residual undertakings	**R0550**	0
Overall SCR		
SCR for undertakings included via D and A	**R0560**	0
Solvency capital requirement	**R0570**	1 333 991

S.25.01.21 Solo

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	299 692		
Counterparty default risk	R0020	172 118		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	0		
Non-life underwriting risk	R0050	643 499		
Diversification	R0060	-239 806		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	875 503		
		0		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	30 802
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-154 428
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	751 876
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	751 876
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 Solo

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	164 943

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expenses and proportional reinsurance	**R0020**		
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**		
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**		
Fire and other damage to property insurance and proportional reinsurance	**R0080**		
General liability insurance and proportional reinsurance	**R0090**		
Credit and suretyship insurance and proportional reinsurance	**R0100**	616 158	494 544
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

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

Overall MCR calculation		**C0070**
Linear MCR	**R0300**	164 943
SCR	**R0310**	751 876
MCR cap	**R0320**	338 344
MCR floor	**R0330**	187 969
Combined MCR	**R0340**	187 969
Absolute floor of the MCR	**R0350**	2 200
Minimum Capital Requirement	**R0400**	187 969

S.32.01.21 Groupe
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	[YES/NO]	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
AT	LEI/529900CW8R9ZEIJNPH06	LEI	Coface Services Austria	Non-life insurer	Private Limited Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
AT	LEI/529900OUQBJGH5QC4B66	LEI	Coface Central Europe Holding	Non-life insurer	AG	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	74,99%	100,00%	74,99%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
BE	LEI/549300AE9J7SZR49FT70	LEI	Coface Belgium Services Holding (ex-RBB)	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
BR	LEI/549300R49CJGOAHFN339	LEI	Coface Do brasil Seguros de Credito	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
BR	LEI/5493004XEO3BLC4SKV95	LEI	Seguradora Brasileira C.E (SBCE)	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	75,82%	100,00%	75,82%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
CH	LEI/549300L2E9PESIFA5849	LEI	Coface RE SA	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
CL	LEI/5493007N150J79H7D539	LEI	Coface Chile S.A. (Insurance)	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
DE	LEI/529900F0GY4C443UEI96	LEI	Coface Finanz (ex-AKCF)	Non-life insurer	GmbH	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Adjusted equity method
DE	LEI/5299006D8U9HJM9FY889	LEI	Coface Debitoren (ex-ADGC)	Non-life insurer	GmbH	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
DE	LEI/529900HMUTQF2EKYEN39	LEI	cofacerating.de GmbH	Non-life insurer	GmbH	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
DE	LEI/529900UYKF95GQF4OK48	LEI	Cofacerating-Holding GmbH	Non-life insurer	GmbH	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
DE	SC/DE9	SC	FCT VEGA	Non-life insurer	FCT	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Adjusted equity method
FR	LEI/9695007AC8Q2X70BLL23	LEI	Coface Europe (ex-Coface SA)	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
FR	LEI/969500161CXOCK0NIW24	LEI	Fimipar	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Adjusted equity method
FR	LEI/96950025N07LTJYFSN57	LEI	COFACE SA	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
FR	LEI/969500UAL2AEN67V3U95	LEI	Cofacrédit	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	36,00%	36,00%	36,00%		Significant	36,00%	Included into scope of group supervision		Method 1: Adjusted equity method
FR	LEI/969500IBHXHF6T3PBH48	LEI	Cogeri	Non-life insurer	SAS	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
FR	LEI/9695000CSKX9IHH4M509	LEI	Cofinpar	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation

IL	LEI/213800W324V1DP573Y92	LEI	Business Data Information	Non-life insurer	Limited Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
IL	LEI/213800VWFVJ3PDANBK42	LEI	Coface Holding Israël	Non-life insurer	Private limited company (Ltd.)	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
IT	LEI/815600C3B3BA64DC7A18	LEI	Coface Italia	Non-life insurer	Società a responsabilità limitat	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
MX	LEI/549300U436DACQWABG42	LEI	Coface Holding America Latina S.A	Non-life insurer	SA de CV	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
MX	LEI/549300VKNSGSISZ5SJ15	LEI	Coface Seguro de Credito Mexico	Non-life insurer	SA de CV	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
NL	LEI/724500ONKFNDI2RBKA16	LEI	Coface Nederland Services B.V.	Non-life insurer	Dutch B.V.	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
PL	LEI/259400PH0142SLBJFF94	LEI	Coface Poland CMS	Non-life insurer	Sp z o.o.	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	74,99%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
PL	LEI/259400ZFRKNWZW6V1196	LEI	Coface Poland Factoring	Non-life insurer	LLC	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Adjusted equity method
RO	LEI/315700PF7WLOIKBF9N10	LEI	Coface Romania CMS	Non-life insurer	SRL	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	74,99%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
RU	LEI/253400TQL1PRQT3MR535	LEI	Coface RUS Insurance Company	Non-life insurer	Closed Joint-Stock Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
TR	LEI/789000TSX8QMK0QATY75	LEI	Coface Sigorta	Non-life insurer	SA	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
GB	LEI/213800LK258I58TRLP18	LEI	Coface UK Services Ltd	Non-life insurer	Limited Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
GB	LEI/213800HKUQBHEN7LHG17	LEI	Coface UK Holdings Limited	Non-life insurer	Limited Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
US	LEI/549300HBAICZQX96YF53	LEI	Coface North America Insurance Company	Non-life insurer	Corporation	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
US	LEI/549300AH1830FZ5MTX33	LEI	Coface Services North America, Inc.	Non-life insurer	Corporation	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
US	LEI/549300857WCY2W4VIX93	LEI	Coface North America, Inc. (MGU)	Non-life insurer	Corporation	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
US	LEI/5493000AP6VMDH674E08	LEI	Coface North America Holding Company	Non-life insurer	Corporation	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
ZA	LEI/529900ZEEQUB7KU8UA23	LEI	Coface South Africa	Non-life insurer	Limited Company	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
ZA	LEI/529900VLW25U8Q4MI292	LEI	Coface South Africa Services (ex-CUAL)	Non-life insurer	Private Company (LTD)	Non-mutual	Autorite de controle prudentiel et de resolution (ACPR)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation

F.3 Table of correspondence between delegated regulation references and the registration document

Plan ACPR	Chapitre Document de Référence 2016 COFACE SA	Règlement délégué Solo Référence	Règlement délégué Groupe Référence
Synthèse		***Article 292***	
A. Activité et résultats		***Article 293***	***Article 359 - a*** ***Article 354***
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