SINGLE SFCR
SOLVENCY AND FINANCIAL CONDITIONS REPORT
2020

coface
FOR TRADE

General comments

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

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

♦ Forward-looking information

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

These forward-looking statements are based on data, assumptions and estimates that the Coface Group deems reasonable. They may evolve or be modified due to uncertainty linked, in particular, to the economic, financial, competitive or regulatory environment. Furthermore, the forward-looking statements contained in this report also involve risks, both known and unknown, uncertainty and other factors that, were they to occur, could affect the Coface Group's future results, performance and achievements. Such factors may include, in particular, changes in the economic and commercial climate as well as the risk factors presented in Chapter 5 of the Universal Registration Document filed with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on March 31st, 2021 under the number D.21-0233.

♦ Risk factors

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

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

Clarifications relating to the presentation

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

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

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

The Coface Group's general scope of consolidation is stated on page 14 of this document and the reader's attention is drawn to the following information:

- The quantitative information relating to COFACE SA was prepared in accordance with IFRS or Solvency II standards, as the case may be.
- In accordance with the regulations, Compagnie française d'assurance pour le commerce extérieur has no obligation to prepare consolidated financial statements and, as a result, the quantitative information in this document is provided on a statutory basis under French accounting standards, in respect of the business and under Solvency II standards for the prudential items.
- The quantitative information for Compagnie française d'assurance pour le commerce extérieur primarily comprises information relating to the parent holding company and to the 31 full-service branches listed in Appendix 1.
- The factoring business and credit insurance or services subsidiaries are not consolidated by Compagnie française d'assurance pour le commerce extérieur but at COFACE SA level: this, for the most part, explains the discrepancies in business revenue and results.
- External reinsurance activities are carried by Coface Re, an entity consolidated at COFACE SA level.
- Coface PKZ and Coface GK are the only European insurance subsidiaries of the group located outside France, and are subject to the solvency II regulations, hence their specific reference in this report.
- In the absence of a specific paragraph or note, the qualitative or quantitative information in this document is valid for both establishments.
- This report has not been reviewed by the Statutory Auditors of COFACE SA or Compagnie française d'assurance pour le commerce extérieur, although it has been approved by the respective Boards of Directors of COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

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Summary

- **Business and performance**

Consolidated turnover, which amounted to €1,450.9 million, was down 0.6% compared to 2019 at constant scope and exchange rates. The net combined ratio was 79.8%, 2.1 points above 2019 (77.7%). This can be broken down into a loss ratio up by 2.7 points to 47.7% and a cost ratio down by 0.6 points to 32.1% compared to 2019. The Group ended the year with net income (Group share) down 43% to €82.9 million (compared to €146.7 million in 2019) and a return on equity of 4.8%. The Group is increasing the target solvency ratio, now included in a range between 155% and 175%. The latter's estimate at 31 December 2020 is 204.7%. Coface intends to propose the payment of a dividend of €0.55 per share to shareholders, bringing the total distribution rate to 100%.

The turnover of Compagnie française d'assurance pour le commerce extérieur, which amounted to €1,104.3 million, was down 1.2% (at constant consolidation scope and exchange rates) compared to 2019; the net loss ratio increased by 4.7 points to 46.3% and the net cost ratio decreased by 4.3 points to 45.6%. Compagnie Française d'Assurance pour le Commerce Extérieur ended the year with net income of €74.9 million, an increase of 287.1% (compared to €19.4 million in 2019).

- **Acquisition of Coface GK**

On 1 July, Coface announced the completion of the acquisition of GIEK Kredittforsikring AS, a company created in 2001, consolidating the short-term export credit insurance activities previously undertaken by the Norwegian export credit agency GIEK. These activities are now conducted under the brand name "Coface GK".

The Coface GK entity has thus been included in the Group's financial statements since 1 July 2020 and its integration has generated negative goodwill (or bad-will) of €8.9 million which, in accordance with accounting rules, has been recognised in profit in the results for the year.

- **Specific governance linked to the Covid crisis**

The Covid crisis has had a direct impact on Coface SA and La Compagnie in terms of their operational management methods (working from home, travel restrictions) and an indirect impact on their business model due to the difficulties that their policyholders, debtors or other third parties dealing with them may encounter.

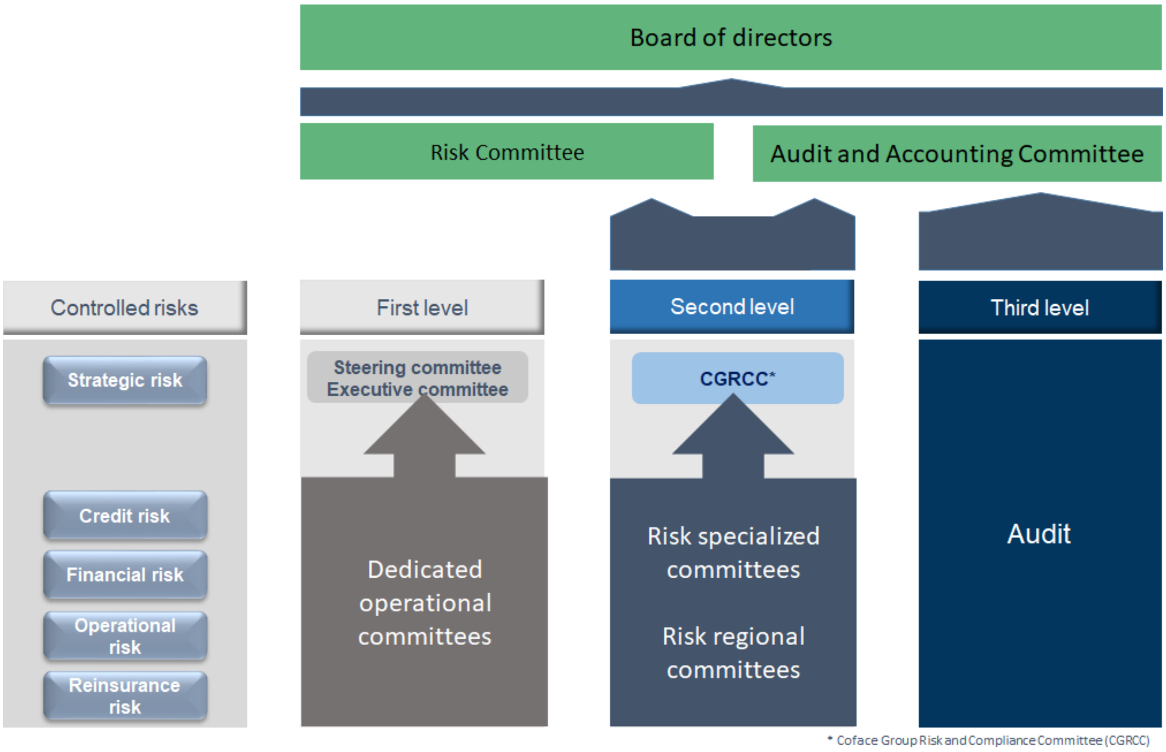
Given its worldwide presence, Coface had to deal with the consequences of the pandemic at a very early stage by setting up a crisis unit in Asia and at its headquarters in January 2020.

This small unit, composed of the Director of Human Resources and Risk Director, reported to the General Management Committee several times a week. In the regions, this unit was composed of the CEO of the region concerned, the Director of Human Resources and the Risk Director. When the crisis was at its peak, daily meetings with each of the regions made it possible to harmonise the measures taken and as of 16 March 2020, all Coface entities were able to work in remote working mode without any major difficulties. At the same time, operational crisis units were set up within all Coface departments. These reported to the General Executive Committee, which increased the frequency of its meetings.

Given how well the company operated with remote working, and since no significant problems were encountered, the crisis units were dissolved during the summer of 2020.

♦ Governance system

The Group has implemented a risk management and control system that is based on a clear governance supported by a dedicated organisation based on key functions. This is illustrated by the diagram below, which shows the relationship between the three risk control lines as well as the committees reporting to the Board of Directors and General Management of Coface.



♦ Risk profile

As a credit insurer, commercial underwriting risk is the Coface Group's main risk, accounting for a significant proportion of the capital requirements. The latter is nonetheless sensitive to market, credit, liquidity and operational risks. Regarding more efficient management, the Group maintains a sufficiently diversified risk portfolio, both in terms of underwriting risk with geographic or sectoral diversification and in terms of investments. The Group also uses reinsurance to improve its solvency when facing an increase in the loss ratio. In 2020, as a result of the pandemic, many states introduced specific reinsurance treaties that helped reduce the risks faced by the Group.

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

♦ Valuation for solvency purposes

The Coface Group's Solvency balance sheet was closed as at and for the year ended 31 December 2020 in line with Solvency II regulations. The Coface Group values its assets and liabilities based on a going concern assumption. The methods used to value the prudential balance sheet are the same as those used in 2019, allowing comparisons between changes in the major classes of assets and liabilities. This valuation of the assets of the Coface Group, since IFRS in Solvency II standards, is €4,951 million. The Company has total assets of €4,159 million.

As far as liabilities are concerned, the Group's liabilities amounted to €1,945 million and Compagnie française d'assurance pour le commerce extérieur's liabilities totalled €1,937 million.

♦ Capital management

The Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) of the Group are defined using the partial internal model.

With a view to optimising equity capital, the Group has put a capital management policy in place, which is reviewed at least once a year.

The Compagnie française d'assurance pour le commerce extérieur as well as Coface PKZ and Coface GK use the standard formula for calculating their Solvency Capital Requirements (SCR) and their Minimum Capital Requirements (MCR).

At 31 December 2020, the Group's solvency ratio was 205%.

The Solvency ratios for Compagnie française d'assurance pour le commerce extérieur, Coface PKZ and Coface GK at 31 December 2020 are respectively 285%, 205% and 362%.

The Solvency and financial conditions reports of Coface PKZ as at 31 December 2020 is published on the following website: https://www.coface.si/Home/Footer-links/Dokumenti

The Solvency and financial conditions reports of Coface GK as at 31 December 2020 is published on the following website:
https://www.cofacegk.no/showpage?page=%3CDEFAULTARTICLEPAGE%3E&ELEMENTIDFROMLIST=d37bfa7051b4491689e635e6c9f41c3d

/ A. BUSINESS AND PERFORMANCE

A. Business and performance

A.1 Business

A.1.1 General Introduction

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

COFACE SA is a public limited company (*société anonyme*) with share capital of €304,063,898 whose head office is located at 1 Place Costes et Bellonte, 92270 Bois-Colombes, France. It is registered on the Nanterre Trade and Companies Register under number 432 413 599.

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

Coface PKZ is a Slovenian company with share capital of €8,413,000 which head office is located at Davčna ulica 1, 1000 Ljubljana, Slovenia. It was entered in the register of companies on 31 December 2004 under number 1/39193/00, SRG 2004/12632, and is authorised to carry out insurance activities in the category of credit insurance, as well to carry out insurance activities related to the underwriting of reinsurance in the non-life insurance category. Coface PKZ is governed by the Slovenian Insurance Code and is subject to prudential supervision by the Slovenian Insurance Supervisory Authority.

Coface GK Forsikring AS is a Norwegian company with a share capital of €1,357,000 with its registered office at Rådhusgata 25, 0158 Oslo (4. floor), Norway. It was entered in the register of companies on 31 December 2004 under number 1/39193/00, SRG 2004/12632, and is authorised to carry out insurance activities in the category of credit insurance, as well to carry out insurance activities related to the commercial underwriting of reinsurance in the non-life insurance category. Coface GK is governed by the Norwegian Insurance Code and subject to prudential supervision by the Norwegian Regulatory Authority.

Coface PKZ and Coface GK are the Group's only two European insurance subsidiaries outside France.

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

COFACE SA and Compagnie française d'assurance pour le commerce extérieur are both governed by the French Insurance Code (Code des Assurances) and are subject to prudential supervision by the ACPR (French Prudential Supervision and Resolution Authority) located at 4 Place de Budapest in Paris (75009).

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

- **Statutory auditors – COFACE SA**

Principal Statutory Auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Jérôme LEMIERRE	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY
Alternate auditors	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Mireille BERTHELOT	

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

Principal Statutory Auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Jérôme LEMIERRE	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY
Alternate auditors	BEAS 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Mireille BERTHELOT	

- **Statutory auditors – Coface PKZ**

Statutory Auditors PKZ	Deloitte revizija d.o.o. Dunajska cesta 165, Ljubljana Represented by Barbara Žibret Kralj	

- **Statutory auditors – Coface GK**

Statutory Auditors GK	PwC Dronning Eufemias gate 8 N-0191 Oslo Represented by Stig Lund	

A.1.2 Holders of qualifying stakes in the company

- **COFACE SA**

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

	At Dec.31st, 2020				At Dec.31st, 2019		At Dec.31st, 2018	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Natixis	64,153,881	42,20 %	64,153,881	42,86 %	64,153,881	64,153,881	64,153,881	64,853,881
Employees	853,199	0,56 %	853,199	0,56 %	382,256	382,256	382,256	382,256
Public	84,682,884	55,70 %	84,682,884	56,57 %	86,062,884	86,062,884	86,062,884	86,062,884
Independent holding (liquidity agreement and treasury share transactions)	2,341,985	1,54 %	0	0 %	1,000,752	0	1,000,752	0
Other	-	-	-	-	0	0	0	0
Total	**152,031,949**	**100 %**	**149,689,964**	**100 %**	**152,031,949**	**151,031,197**	**152,031,949**	**151,299,021**

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

Compagnie française d'assurance pour le commerce extérieur is fully owned by COFACE SA.

- **PKZ**

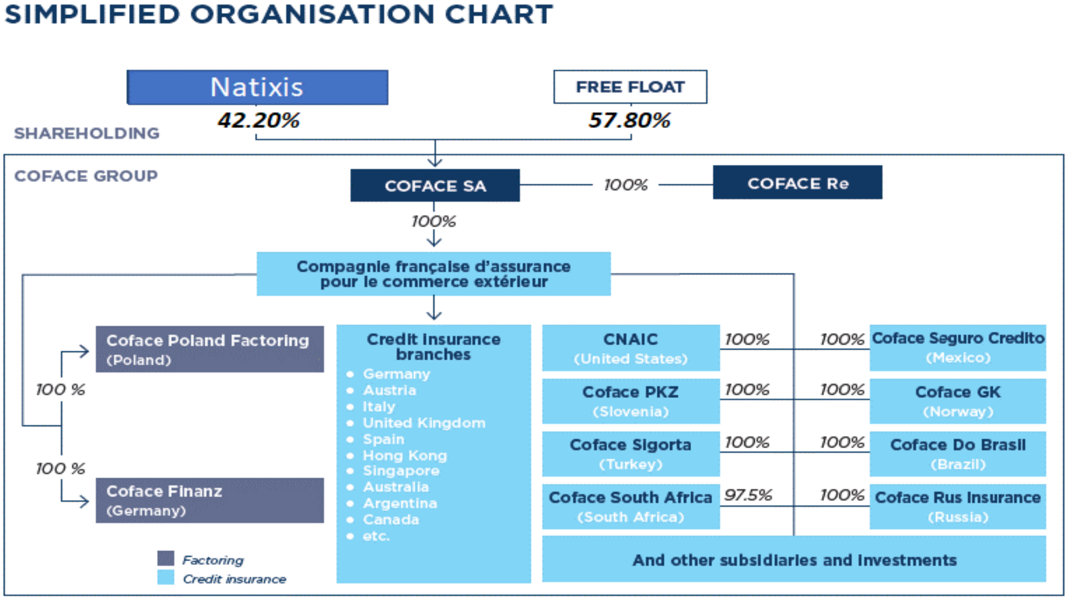
Coface PKZ is fully owned by Compagnie française d'assurance pour le commerce extérieur since April 15th, 2019.

- **Coface GK**

Coface GK is fully owned by Compagnie française d'assurance pour le commerce extérieur since July 1st, 2020.

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 (see Chapter "Overview of Coface" of the Universal Registration Document of the Coface Group).



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

The activity of the institutions is mainly focused on credit insurance, which accounted for 89.2% of COFACE SA's turnover in 2020 (see Chapter 4, Note 22 "Revenue" in the 2020 Universal Registration Document). It consists of offering solutions to companies to protect them against the risk of financial default by their debtor clients, on both domestic and export markets.

In some countries, primarily in Central Europe, the Group markets information and recovery products without insurance or surety bond cover.

As a general rule, COFACE SA carries out its activities through branches, credit insurance subsidiaries, and two factoring subsidiaries, each fully owned, while the business of Compagnie française d'assurance pour le commerce extérieur is exclusively conducted through its 31 branches.

Both establishments (COFACE SA and Compagnie française d'assurance pour le commerce extérieur) operate in seven operational regions:

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

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

A.1.5 Substantial transactions and significant events in 2020

- **Coface launches its new strategic plan for 2023, Build to Lead**

Coface presented its new "Build To Lead" strategic plan for 2023 during its "Investor Day" organised on 25 February in Paris. This plan aims to broaden and deepen the transformation initiated in Fit to Win. In particular, the plan aims to: a) continue to strengthen risk management and commercial underwriting discipline; b) improve commercial and operational efficiency; c) invest in select growth initiatives in credit insurance and speciality businesses; and d) maintain a strong balance sheet. With the implementation of the Build to Lead strategic plan, Coface raises all its financial targets.

The sudden onset of the health and economic crisis following the presentation of the plan does not question the fundamentals of the plan. While circumstances have led to a review of the group's short-term priorities, the strategic direction remains unchanged.

- **Coface demonstrates its agility in crisis management**

As the health crisis emerged and the economies of a large number of countries came to a standstill, Coface quickly took measures to mitigate the effects on its economic model. As a first step, Coface's teams very quickly adopted remote working, without disrupting the quality of the services provided to clients, thus demonstrating operational agility.

On the financial front, Coface very quickly brought down the level of risk in its investment portfolio and significantly increased its liquidity level to 21% at the peak of the crisis towards the end of the first quarter before gradually reinvesting its liquid assets in accordance with the financial measures taken by governments and central banks.

During this period, the Group succeeded in refinancing its factoring business without any problems thanks to the overcollateralisation of available bank lines and the responsiveness of its teams, who were also able to renew certain bank lines on time and in advance, while maintaining satisfactory financial conditions in line with its expectations.

Taking a prudent approach and in keeping with the recommendations of the regulatory and governmental authorities, and in order to maintain its financial flexibility, the Board of Directors decided at its meeting on 1 April 2020 to propose to the Combined Shareholders' Meeting of 14 May 2020 to pay no dividend for the financial year ending 31 December 2019. The positive impact of this decision on Coface's solvency was estimated at 13 points.

Lastly, in response to the general deterioration in credit risk, Coface took an exceptionally high number of preventive measures in its insurance and factoring portfolio. Despite record volumes, most of the decisions were taken following a detailed analysis of the situation of each debtor, based on its country, sector and specific situation.

- **Coface cooperates with a number of countries to guarantee the availability of credit insurance**

In 2020, many governments were quick to recognise the crucial role of credit insurance in maintaining business-to-business credit, the primary source of financing for many businesses. In order to guarantee the availability of credit insurance in a period when the risk is not necessarily insurable, many states have set up guarantee mechanisms of varying form and scope. Coface has thus finalised 13 agreements with countries that represent 64% of its exposure at 31 December 2020.

Depending on the country, these mechanisms take the form of proportional reinsurance treaties or supplementary guarantees. The treaties generally cover domestic policyholders or policyholders domiciled in the country and concern the entire existing portfolio as well as new business. Different countries have different ceded reinsurance rates for premiums and claims, which may differ, and generally involve the payment of a reinsurance commission. It allows the insurer's customers who so wish to purchase a coverage that is no longer available on the private market because of the difficulty of insuring risks that have become too uncertain.

All these government plans resulted in a €5.9 million decline in pre-tax income for the year ended 31 December 2020. The loss experience to date has resulted in the ceding of a higher amount of premiums than claims.

During the last quarter, Coface signed 12 extensions of agreements with France, Germany, Italy, the United Kingdom, the Netherlands, Belgium, Denmark, Slovenia, Canada, Portugal, Israel and Norway. These agreements aim to extend the measures put in place in 2020 until 30 June 2021.

- **Rating agencies recognise Coface's good performances**

On 24 February, just before the start of the crisis, the rating agency AM Best assigned a Financial Strength Rating (FSR) of 'A' (Excellent) to Compagnie française d'assurance pour le commerce extérieur and Coface Re. Both ratings have a stable outlook. The agency also affirmed the Financial Strength Rating (FSR) 'A' (Excellent) for Coface North America Insurance Company (CNAIC), which also has a stable outlook.

In the wake of the Covid outbreak, the rating agencies quickly analysed the potential consequences of the crisis on the various sectors of economic activity. In the insurance sector, and particularly in credit insurance, the first reaction was to anticipate a deterioration in the rating profile.

Thus, the rating agency Moody's confirmed Coface’s Insurance Financial Strength (IFS) A2 rating on 27 March 2020 but gave it a negative outlook.

On 31 March 2020, the rating agency Fitch placed Coface on Rating Watch Negative. This includes Coface’s Insurer Financial Strength (IFS) rating. On 5 November 2020, the rating agency maintained the ratings of Coface on Rating Watch Negative.

- **Changes to shareholding structure**

On 25 February 2020, Natixis announced the sale of 29.5% of the share capital of Coface to Arch Capital Group Ltd and stated its intention to resign from Coface’s Board of Directors after the closing of the transaction. Natixis also specified that its agreement with Arch provides that, as of that date, the Board will be composed of ten members, including four appointed by Arch and six independent directors (including the current five independent directors).

Coface's Board of Directors, working together with the Nominations and Compensation Committee, decided to launch a search for the future Chairman of the Board of Directors, whose term of office will begin on the date of the final closing of the transaction. The Chairman of the Board of Directors will be an independent director.

Final closing of the transaction is subject to obtaining all the required regulatory approvals.

Arch Capital has affirmed its support for Coface's management team and its new 2023 Build To Lead strategic plan.

♦ **Entry of Coface GK into the Group consolidation scope**

On 1 July, Coface announced the completion of the acquisition of GIEK Kredittforsikring AS, a company created in 2001, consolidating the short-term export credit insurance activities previously undertaken by the Norwegian export credit agency GIEK. These activities are now conducted under the brand name "Coface GK".

The Coface GK entity has thus been included in the Group's financial statements since 1 July 2020 and its integration has generated negative goodwill (or bad-will) of €8.9 million which, in accordance with accounting rules, has been recognised in profit in the results for the year.

Coface GK's turnover reached €5.9 million for the closing December 31st, 2020.

♦ **Merger of the Brazilian subsidiary SBCE (Seguradora Brasileira C.E.) with Coface Do Brasil**

Following the takeover of minority interests in its subsidiary SBCE (Seguradora Brasileira C.E.) by Compagnie française d'assurance pour le commerce extérieur in 2019, a decision was taken to merge it into its other subsidiary Coface Do Brasil. This operation is part of the Group's desire to streamline its presence in Brazil and meet regulatory requirements. The impact of this transaction on the consolidated financial statements for the financial year is non-existent.

♦ **Appointment of Nicolas Namias as Chairman of the Board of Directors of COFACE SA**

During its meeting on 9 September, the Board of Directors of COFACE SA appointed Nicolas Namias, Chief Executive Officer of Natixis, as Chairman of the Board of Directors.
He succeeds François Riahi who is leaving the Board of Directors of COFACE SA following his resignation from Natixis.

♦ **Implementation of a share buyback program**

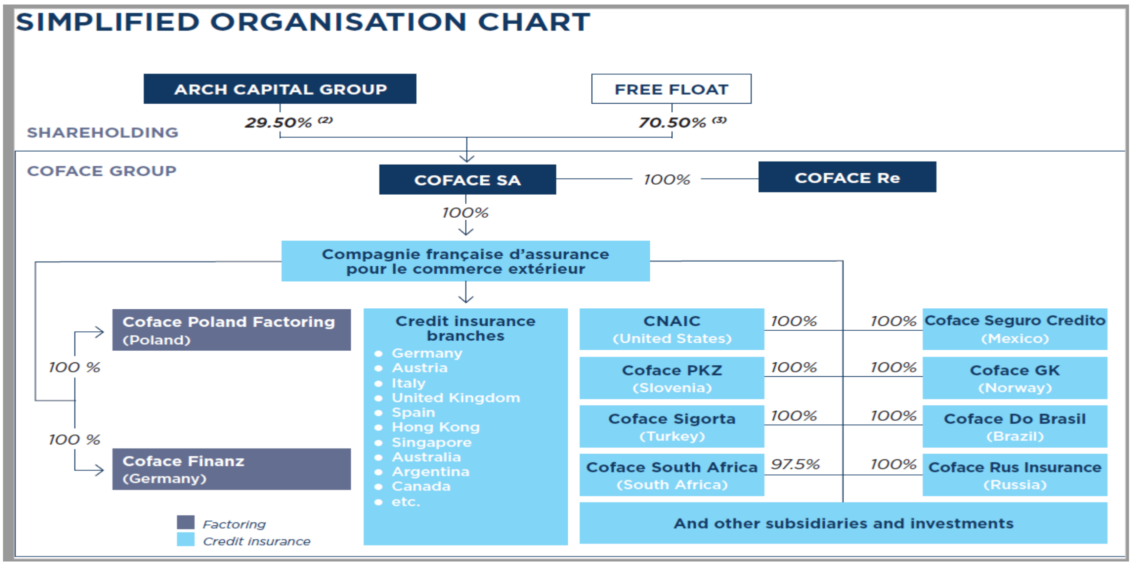
Through its Build to Lead strategic plan, Coface continues to improve the capital efficiency of its business model. Confident in the strength of its balance sheet, Coface launched a share buyback program on 26 October 2020 for a total amount of €15 million. The description of this program is as follows:

- a €15 million programme was launched on 27 October 2020 and ran until 29 January 2021 with the buyback of 1,852,157 shares. As of 31 December 2020, Coface had purchased 1,110,677 shares for an amount of €8,613,694.42.

A.1.6 Post closing events at December 31st, 2020

♦ **Changes in shareholding and governance**

On February 10, 2021, Natixis and Arch Capital announced that the sale of a 29.5% stake in Coface capital had received all the necessary approvals for its closing. In line with the announcements made in February 2020, all the directors representing Natixis have resigned. The Board then co-opted four directors presented by Arch as well as Bernardo Sanchez Incera, who was then appointed Chairman of the Board. As of today, Coface's Board of Directors has therefore 10 members, 4 women and 6 men, the majority (6) of whom are independent directors.



- **Moody's raises the outlook for Coface to "stable"**

The rating agency Moody's, on February 10th, 2021, has confirmed the financial strength rating (Insurance Financial Strength –IFS) for Coface at A2. The agency has also raised the outlook for Coface, which is now stable.

A.2 Underwriting performance

A.2.1 COFACE SA

COFACE SA's consolidated turnover declined by 0.6% at constant scope and exchange rates to €1,450.9 million in 2020 (-2.0% at current scope and exchange rates). The constant scope and exchange rate variations shown for comparability purposes take into account the integration of Coface GK as a subsidiary in the COFACE SA scope as of 1 July 2020.

A more detailed description is available in Chapters 1.3 – Description of principal activities and 3.3 – Comments on income in the 2020 Universal Registration Document.

A.2.2 – "La Compagnie"

- **Revenue**

Turnover for Compagnie française d'assurance pour le commerce extérieur was €1,104.3 million, down 1.2% compared to December 2019 at constant scope and exchange rates (-2.8% at current scope and exchange rates).

The following table illustrates the changes in turnover, for each business line, as at 31 December 2019 and 2020:

Revenue composition "La Compagnie" (in millions of euros)	As of Dec. 31		Change		
	2020	2019	as a %	as a %: at constant exchange	as a %: at constant scope and exchange rate
Premiums - direct business	913	940	-2.9%	-1.5%	-1.5%
Premiums - inward reinsurance	178	183	-2.9%	-0.4%	-0.4%
Written premiums	**1,091**	**1,124**	**-2.9%**	**-1.3%**	**-1.3%**
Fee and Commission income	**13**	**12**	**8.5%**	**11.1%**	**11.1%**
Other technical products	0	0	-52.1%	-50.9%	-50.9%
Other technical products	**0**	**0**	**-52.1%**	**-50.9%**	**-50.9%**
Total Revenue	**1,104**	**1,136**	**-2.8%**	**-1.2%**	**-1.2%**

Earned premiums were €1,090.8 million, a decrease compared with 2019. Fees and commission income increased by 11.1% (at constant scope and exchange rates) to reach €13.4 million as at 31 December 2020. Lastly, other income totalled €0.1 million, down by 50.9% compared to December 2019.

- **Change in revenues by region**

The following table shows the changes in revenue of Compagnie française d'assurance pour le commerce extérieur for its seven geographical regions for the financial years ended 31 December 2019 and 2020:

Revenue composition "La Compagnie" (in millions of euros)	As of Dec. 31		Change			
	2020	2019	(in €m)	as a %	as a %: at constant exchange	as a %: at constant scope and exchange rate
Western Europe	254	261	-7	-2.6%	-1.7%	-1.7%
Northern Europe	210	221	-11	-4.9%	-4.9%	-4.9%
Central Europe	94	101	-7	-7.0%	-3.9%	-3.9%
Mediterranean & Africa	314	312	2	0.7%	0.7%	0.7%
Latin America	38	44	-6	-13%	-2.4%	-2.4%
North America	80	79	0	0.6%	2.3%	2.3%
Asia-Pacific	114	118	-4	-3.4%	2.3%	2.3%
Total Revenue	**1,104**	**1,136**	**-32**	**-2.8%**	**-1.2%**	**-1.2%**

The regions recorded different changes in turnover at constant scope and exchange rates, ranging from -4.9% for Northern Europe to +2.3% for North America.

In Western Europe, turnover was down 1.7% (2.6% at current scope and exchange rates) due to the decline in short-term credit insurance. This negative change is attributable to the trade indicator of policyholders' activity, which declined sharply over the period, turning negative for the entire financial year. On the contrary, the trade indicators retention and price effect increased in 2020 compared to 2019.

In Northern Europe, turnover was down 4.9%. A fall in revenues from credit insurance are the main contributors to this decline. The growth in new business and the positive price effect could not offset the increase in policy terminations and the decline in policyholder activity.

Turnover from the Mediterranean & Africa region rose by 0.7% on a current and constant scope and exchange rate basis thanks to a good business dynamic (high retention rate and positive price effect) and the development of the "information sales" activity. This good business performance was dampened by the activity level of policyholders.

In Latin America, we saw a 2.4% decline in turnover at constant scope and exchange rates (-12.8% at current scope and exchange rates) due to the sharp devaluation of currencies in this region.

In North America, revenue rose 2.3% (0.6% at current scope and exchange rates). In addition to a strong currency effect, the credit insurance portfolio expanded favourably thanks to new business and a positive price effect, despite the decline in policyholders' activity.

Central Europe reported a 3.9% decline in turnover (-7.0% at current scope and exchange rates). The level of insurance premiums (-2.3% at constant scope and exchange rates) was impacted by the decline in policyholders' activity.

In the Asia-Pacific region, revenue rose 2.3% (-3.4% at current scope and exchange rates). This growth was driven by credit insurance and single risk. In credit insurance, the development of the portfolio is linked to net new business and the price effect, which were mitigated by weaker policyholder activity.

♦ Loss ratio

The cost of claims of Compagnie Française d'Assurance pour le Commerce Extérieur was €546.7 million, up 13.3% compared to 2019.

"La Compagnie"	As of Dec. 31		
(in millions of euros)	2020	2019	Change (as a %)
Claims expenses	**-547**	**-482**	**13.3%**
Earned premiums	1,091	1,124	-2.9%
Loss ratio before reinsurance	**50.1%**	**42.9%**	**-7.2%**

The loss ratio before reinsurance and including claims handling expenses improved by 7.2 points, up from 42.9% in 2019 to 50.1% in 2020 due to the impact of the crisis. This increase in the number of claims has been contained by government support to economies. Furthermore, the Group continues to benefit from rigorous management of past claims, which maintains a level of recoveries from previous years at a high level.

♦ Overheads

Overhead "La Compagnie" (in millions of euros)	As of Dec. 31		Change	
	2020	2019	as a %	as a %: at constant scope and exchange rate
Internal overhead costs	-300	-303	-1.0%	1.0%
of which claims handling expenses	*-25*	*-25*	1.2%	2.2%
of which internal investment management cost	-3	-3	-7.3%	-7.2%
Fees and commissions	-171	-183	-6.8%	-5.4%
Total overhead costs	**-470**	**-486**	**-3.2%**	**-1.4%**

Total overhead costs, which include claims handling expenses and of internal investment management, was down by -1.4% at constant scope and exchange rates, from €485.7 million in 2019 to €470.3 million in 2020.

Policy acquisition commissions were down 5.4% at constant scope and exchange rate (-6.8% at current scope and exchange rate), from €183.2 million in 2019 to €170.7 million in 2020. This decline is greater than that of earned premiums (-1.3% at constant consolidation scope and exchange rates) due to the rise in economies resulting from the internalisation of agents in North America.

Internal overhead costs, including claims handling expenses and costs of internal investment management, grew 1% at constant scope and exchange rates (-1% at current scope and exchange rates), from €302.5 million in 2019 to €299.7 million.

Payroll costs increased by a limited 4% at constant scope and exchange rate (up +3.1% at current scope and exchange rate), from €210.4 million in 2019 to €216.8 million in 2020. Annual revaluations and changes in the workforce account for this increase.

♦ **Underwriting income**

Gross underwriting income before reinsurance fell by €32.3 million (-20.8% compared to December 2019), from €154.9 million in 2019 to €122.6 million in 2020.
The cost of reinsurance fell by -16.1% in 2020, from €99.0 million in 2019 to €83.1 million in 2020.

"La Compagnie"	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change (as a %)**
Ceded premium	-724	-558	29.8%
Claims ceded	377	247	52.4%
Commissions paid by reinsurers	264	212	24.8%
Reinsurance Income	**-83**	**-99**	**-16.1%**

The decrease in reinsurance costs is explained by the increase in the loss ratio and the contribution of government reinsurance schemes (negative impact of €6 million), which resulted in a higher ceded reinsurance rate in the current commercial underwriting year, a year with a higher loss ratio.

A.3 Investment performance

A.3.1 Detailed results over the period

♦ **Changes in financial markets**

In 2020, the world economy suffered an unprecedented shock. The subsequent waves of Covid-19 infections have led to major restrictions on business activity, which have had a very serious impact on GDP. However, the prompt and extensive support provided by central banks and government budgets has prevented a collapse of household income in developed countries and a systemic financial crisis.

In the United States, GDP is expected to fall by 4.3%. The health crisis has caused a fall in consumption and increased pressure on household incomes due to the unprecedented deterioration in the labour market. Despite a severely deteriorated healthcare situation, the highly accommodating monetary policy of the Federal Reserve and the two fiscal stimulus plans, combined with the adaptability of the US economy, have favoured the rise of the financial markets. As a result, after the collapse of the markets in March, the main indices, namely Dow, S&P and Nasdaq, posted historically high returns, making annual gains of 6.6%, 15.5% and 43.4% respectively. Among other things, this is due to the technological dominance of the Nasdaq linked to the growing need for digital tools with remote working. The short-term interest rates remain relatively low, close to zero, which has driven the long-term part of the curve even further down and has been beneficial to the performance of the bonds. In addition, the Federal Reserve's decision to keep rates low in the short term has led to the dollar's decline against the major currencies, to -4% this summer. The American 10-year bond thus dropped from 1.88% at the beginning of the year to 0.56% in March due to the slowdown in the world economy, before closing the year at 0.93%.

In the Eurozone, GDP growth was already on a downward trend when COVID-19 brought many sectors to a standstill at the end of Q1. Mirroring the waves of spread and containment of Covid-19, economic activity slowed by 3.7% in Q1 and 11.7% in Q2 before rebounding by 12.5% in Q3, remaining well below its level at the end of 2019. In Q4, the economy likely contracted again. The crisis has hit the service sector very hard, largely the services related to local activities, while the manufacturing sector has weathered the crisis better. Inflation gradually declined to negative levels in the latter part of the year, despite stronger than usual dynamics of food prices. Governments have taken very significant budgetary measures to protect jobs, household incomes and businesses, leading to soaring deficits and public debt ratios that have reached almost unprecedented levels. Some very significant support efforts have also been decided at EU level. Meanwhile, the ECB has taken very expansionary measures, including a new asset purchase plan, in addition to strengthening its existing programmes. In this context, the equity indices mostly ended up falling despite the liquidity infusions. As far as interest rates are concerned, the German 10-year bond interest rate reached a new all-time low of -0.85% in mid-March before ending the year at -0.51%.

The pandemic has not spared any emerging countries, with many experiencing double-digit GDP declines in Q1 and/or Q2, sharp currency devaluations and historical capital outflows. In order to fight the virus and to limit the negative impact of this crisis on the economy as much as possible, governments have massively increased their spending. Rising public deficits, despite the financial support provided by international institutions, have put a burden on the most vulnerable countries and increased the risk for external financing. As a result, rating agencies downgraded the sovereign ratings of many countries. Central banks have taken the initiative and have considerably eased their monetary conditions through rate cuts and/or Quantitative Easing. While economic conditions improved in emerging economies in Q3, notably in Asia, some countries faced a second wave of the pandemic. Governments and central banks have continued to promote growth even though their room for manoeuvre has diminished considerably.

♦ Financial income from investments – COFACE SA

• Development of the investment portfolio

The Group, as part of its strategic allocation and in connection with the healthcare crisis, has, from the start of the crisis, implemented actions to reduce the risk of the investment portfolio. Risk was contained by reviewing all the counterparties in the portfolio at the end of February and by reducing exposure to Italian and Spanish government debt, emerging market debt, high-yield debt, BBB investment grade corporate bonds and equities, in favour of money market instruments.

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

The portfolio's market value remained stable over the financial year 2020. The moderate decline in European equity markets was offset by an increase in the valuation of interest rate products (bonds, loans, deposits and money market mutual funds) despite the crisis, which was strongly mitigated by the support measures implemented by central banks and governments. The following table shows the financial portfolio by main asset class:

Investment portfolio	**As of Dec. 31**			
COFACE SA	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	231	8.2%	236	8.3%
Equities	152	5.4%	175	6.1%
Bonds	1,912	67.6%	2,119	74.3%
Loans, deposits and other financial investments	535	18.9%	321	11.3%
Total financial assets	**2,829**	**100%**	**2,850**	**100%**

• Investment portfolio income

The income from the investment portfolio amounted to €26.9 million, of which -€1.7 million in outsourcing operations, charges/reversals and equity/interest rate derivatives (i.e. 1.1% of the 2020 average outstanding and 1.2% excluding outsourcing operations, charges/reversals and equity/interest rate derivatives), to be compared to €36.9 million, of which €3.1 million of outsourcing operations, charges/reversals and equity/interest rate derivatives in 2019 (1.7% of the 2019 average gains and 1.6% excluding outsourcing operations, charges/reversals and equity/interest rate derivatives). Amid this crisis, the increase in the asset allocation to money market products mainly contributes to the decline in the rate of return on the investment portfolio.

Investment portfolio income COFACE SA (in millions of euros)	As of Dec. 31		
	2020	**2019**	**Change**
Equities	-0.8	6.6	-112.1%
Fixed-income products	22.2	39.8	-44.2%
Investment property	9.7	8.4	15.5%
Total Investment portfolio	**31.1**	**54.8**	**-43.2%**
Of which outsourcing, depreciation and reversal of provision	-1.7	*10.1*	*-116.8%*
Associated and non-consolidated companies	5.2	-4.7	-210.6%
Net foreign exhange gains and derivatives	-3.5	-5.3	-34.0%
Financial and investment charges	-6.0	-7.8	-23.1%
Total	**26.8**	**37.0**	**-27.6%**

After income from equity securities, foreign exchange and derivatives income, financial and investment charges, the Group's financial income for 2020 was €26.8 million.

The portfolio's economic rate of return is positive at +1.5% in 2020 as a result of an increase in revaluation reserves, with low interest rates offsetting a moderate fall in the equity market.

- **Financial income from investments – Compagnie française d'assurance pour le commerce extérieur**

  - **Development of the investment portfolio**

The portfolio of Compagnie française d'assurance pour le commerce extérieur followed the same allocation trend as that of the group, that is, a decrease in exposure to BBB investment grade bonds and exposure to Italian, Spanish and Emerging Market debt in favour of money market products.

The investment portfolio of Compagnie française d'assurance pour le commerce extérieur can be broken down as follows:

Investment portfolio "La Compagnie" (in millions of euros)	As of Dec. 31			
	2020		**2019**	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
Investment property	186	8.0%	189	8.0%
Equities	115	5.0%	144	6.1%
Bonds	1,407	60.7%	1,599	67.6%
Loans, deposits and other financial investments	611	26.4%	432	18.3%
Total financial assets	**2,319**	**100%**	**2,364**	**100%**

  - **Investment portfolio income**

Compagnie française d'assurance pour le commerce extérieur's financial income amounted to €101.9 million in 2020, versus €57.9 million in 2019. It included €17.1 million in revenue from holdings, compared to €35 million last year.

Investment portfolio income "La Compagnie" (in millions of euros)	As of Dec. 31		
	2020	2019	Change
Investment income	93.9	89.0	4.9
Gains on investment realization	143.6	38.7	105.0
Total revenue	**237.4**	**127.7**	**109.7**
Financial charges	-16.9	-17.1	0.1
Investment management	-2.8	-3.0	0.2
Accumulated impairment - investments	-13.6	-12.3	-1.2
Other investment charges	-2.8	-2.5	-0.4
Losses on investment realization	-99.3	-34.8	-64.5
Total expenses	**-135.5**	**-69.8**	**-65.7**
Financial result	**101.9**	**57.9**	**44.0**

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 Compagnie française d'assurance pour le commerce extérieur, due to the German cash-pooling agreement, the income of the German subsidiaries was recorded in financial income, while in the Group's IFRS accounts these entities were consolidated and contributed to comprehensive income.

Furthermore, French accounting standards do not allow a detailed breakdown of dedicated funds, unlike the IFRS standards for the Group.

A.3.2 Impact on equity

- **COFACE SA**

The two tables below show the impact on equity at 31 December 2020 and, for comparison purposes, at 31 December 2019:

COFACE SA *(in millions of euros)*	Investments instruments	Reserves - gains and losses not reclassifiable to income (IAS 19R)	Income tax	Revaluation reserves attributable to owners of the parent	Non-controlling interests	Revaluation reserves
At January 1, 2020	**214,812**	**-34,700**	**-20,866**	**159,246**	**-117**	**159,129**
Fair value adjustment on available-for-sale financial assets reclassified to income	958		-396	562	0	562
Faire value adjustment on available-for-sale financial assets recognisez in equity	20,218		-2,957	17,261		17,262
Change in reserves - gains and losses not reclassifiable to income (IAS 19R)		1,700	-402	1,298	0	1,298
Transactions with shareholds	0		0	0	0	0
At December 31, 2020	**235,988**	**-33,000**	**-24,621**	**178,367**	**-116**	**178,251**

COFACE SA *(in millions of euros)*	Investments instruments	Reserves - gains and losses not reclassifiable to income (IAS 19R)	Income tax	Revaluation reserves attributable to owners of the parent	Non-controlling interests	Revaluation reserves
At January 1, 2019	**116,607**	**-30,314**	**-1,836**	**84,457**	**-122**	**84,335**
Fair value adjustment on available-for-sale financial assets reclassified to income	-8,926		1,606	-7,320	-1	-7,321
Faire value adjustment on available-for-sale financial assets recognisez in equity	107,131		-21,793	85,338	6	85,344
Change in reserves - gains and losses not reclassifiable to income (IAS 19R)		-4,386	1,157	-3,229	0	-3,229
Transactions with shareholds	0		0	0	0	0
At December 31, 2019	**214,812**	**-34,700**	**-20,866**	**159,246**	**-117**	**159,129**

- <u>**Compagnie française d'assurance pour le commerce extérieur**</u>

Compagnie française d'assurance pour le commerce extérieur prepares its financial statements in accordance to French GAAP. Profit and loss are not therefore directly recognised as equity.

A.3.3 Securitisation

Not applicable for COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

Indeed, as at 31 December 2020, no institution has investments in securities issued as part of a securitisation in its financial portfolio.

A.4 Income from other activities

A.4.1 Other income and expenses

- **COFACE SA**

Other operating income and expenses represented an expense of €13.8 million at 31 December 2020 and mainly included:

- Charges net of reversals of provisions related to the Build to Lead strategic plan for €4.9 million,
- Expenses related to the sale of 29.5% of the Coface Group's capital by Natixis to Arch Capital Group for €5.6 million,
- Sales internalisation costs in the United States of €1.3 million.

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

Extraordinary income and expenses amounted to -€1,459 thousand as at 31 December 2020.

Non-recurring income included:

- a reversal of excess depreciation for €2,891 thousand,
- a reversal of a restructuring provision of €2,196 thousand,
- other operating income of €6,693 thousand.

Extraordinary expenses are composed of expenses related to:

- other reserves for restructuring, for €9,243 thousand
- net restructuring charges related to the Build to lead strategic plan for €3,716 thousand
- net restructuring charges related to the Fit to Win strategic plan for €323 thousand.

A.4.2 Rental Agreements

- <u>**Operating leases**</u>

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

The main office rental agreements are in respect of the head offices of COFACE SA and of Compagnie française d'assurance pour le commerce extérieur and its Italian branch.

- <u>**COFACE SA**</u>

The Group's registered office is located at 1, Place Costes et Bellonte, 92270, Bois-Colombes, France. The financial terms and conditions of the long-term commercial lease as well as the organisation of occupied surface area were renegotiated in 2018 in the context of the Fit to Win strategic plan. The new 12-year lease granted began on 1 September 2018 and should end on 31 August 2030.

The Italian branch contracted a lease for its premises effective 2 May 2019, located at Via Lorenteggio n. 240, 20147 Milan, Italy.

Charges due to leasing agreements Coface SA (in millions of euros)	As of Dec. 31		
	2020	**2019**	**Change**
Charges due to leasing of offices	27.4	28.1	-0.7
Charges due to IT costs	15.8	13.8	2.0
Total	**43.2**	**41.9**	**1.3**

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

The table below sets out Compagnie française d'assurance pour le commerce extérieur's rental expenses:

Charges due to leasing agreements "La Compagnie" (in millions of euros)	As of Dec. 31		
	2020	**2019**	**Change**
Charges due to leasing of offices	20.3	21.3	-1.0
Charges due to IT costs	14.3	12.5	1.8
Total	**34.6**	**33.7**	**0.9**

- **Financial leases**

Not applicable to COFACE SA or Compagnie française d'assurance pour le commerce extérieur.

A.5 Other information

No other material information is to be made publicly available.

/ B. GOVERNANCE SYSTEM

B Governance system

B.1 General information on the system of governance

B.1.1 Governance structure

- **COFACE SA's governance structure**

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

- **Board of Directors**

As of its meeting on 10 February 2021, the Board of Directors, which approves the parent company and consolidated financial statements, is made up of twelve members, of which 58% are women and 42% are independent [1]:

- Mr Nicolas NAMIAS, since 9 September 2020, replacing Mr François RIAHI
- Mr Jean Arondel
- Mrs Nathalie Bricker
- Mr Éric Hémar
- Mr Daniel Karyotis
- Mrs Isabelle Laforgue
- Mrs Nathalie Lomon
- Mrs Sharon MacBeath
- Mrs Marie Pic Paris
- Mrs Isabelle Rodney
- Mrs Anne Sallé-Mongauze
- Mr Olivier Zarrouati

Detailed information on the operation and governance of the Board of Directors is provided in paragraph 2.1 - Composition and operation of the Board of Directors and its specialised committees of the 2020 Universal Registration Document.

- **Audit and accounts committee**

During financial year 2020, the Audit and accounts committee was composed of Mr Éric Hémar (Chairman), Mrs Isabelle Laforgue and Mrs Marie Pic Paris.

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

Duties (Article 3 of the Financial Statements and Audit Committee's internal regulations)

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

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[1] *The Coface SA Group, controlled by Natixis following the terms of the Business code article L. 233-3, the recommendation following the AFEP-MEDEF code based on the article 8.3 du Code AFEP-MEDEF declining the this Committee should be composed of at least one third of independent members is respected.*

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

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

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

More details are available in the 2020 Universal Registration Document in the paragraph on the Audit and accounts committee in Section 2.1.8 – Specialised committees set up by the Board of Directors.

- **Risk Committee**

During financial year 2020, the Risk Committee was composed of Mrs Nathalie Lomon (Chairman), Mrs Isabelle Rodney and Mrs Anne Sallé-Mongauze.

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

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

a) Ensures that risk management systems are running effectively;
b) Reviews all regulatory reports relating to the Company;
c) Monitors changes in prudential regulations;
d) Follows up on the Group's capital requirements;
e) Monitors the internal control system;
f) Reviews items related to the partial internal model.

More details are available in the 2020 Universal Registration Document in the paragraph on the Risk Committee in Section 2.1.8 – Specialised committees set up by the Board of Directors.

- **Nominations and Compensation Committee**

During financial year 2020, the Nominations and Compensation Committee consisted of Mr Olivier Zarrouati (Chairman), Mrs Sharon MacBeath and Mr Nicolas Namias. Mr Nicolas Namias succeeds Mr François Riahi who left the Natixis Group on 3 August 2020. As required by the AFEP-MEDEF Code, it is mainly composed of independent members.

Detailed information on its composition, powers, operations and activity is set out in the paragraph on the Nominations and Compensation Committee in Section 2.1.8 – Specialised committees set up by the Board of Directors in the 2020 Universal Registration Document.

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

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

- Pierre Bevierre, Human Resources Director
- Nicolas de Buttet, Transformation Office Director
- Cyrille Charbonnel, Underwriting and Claims Director
- Nicolas Garcia, Commercial Director
- Carole Lytton, General Secretary
- Carine Pichon, Chief Financial and Risk Officer
- Keyvan Shamsa, Business Technology Director
- Thibault Surer, Strategy and Business Development Director

♦ Governance structure of Compagnie française d'assurance pour le commerce extérieur

Compagnie française d'assurance pour le commerce extérieur is governed by a Board of Directors. As at 31 December 2020, the Board of Directors comprised eight Directors appointed by the Ordinary Shareholders' Meeting and four Directors representing employees. They are as follows:

- Mr Xavier Durand, Chairman
- NATIXIS, represented by Mrs Teresa Mora Grenier
- Mr Cyrille Charbonnel
- Mr Peter Esmann, employee director (Resignation on 30/06/2020)
- Ms Marguerite Fougereux, employee Board member
- Mr Stéphane Honig (since 27.02.2020)
- Ms Doris Kukla, employee Board member
- Katarzyna Kompowska
- Mr Daniel Louis (Resignation on 10/01/2020)
- Mr André-Jean Olivier
- Ms Cécile Paillard
- Mr Avelino Pereira, employee Board member
- Ms Carine Pichon
- Mr Matthias Rolf, employee director (since 1 July 2020)

At its meeting of February 5th, 2020, the Board of Directors reaffirmed a governance model in which the functions of Chairman of the Board of Directors and Chief Executive Officer are carried out by the same person.

♦ Description of the key functions

In order to manage and prevent risks, and in compliance with Solvency II regulations, the Group has set up a complete and effective governance system, intended to guarantee sound and prudent management for the business. This governance system is based on a clear separation of responsibilities and must be proportionate to the nature, scale and complexity of the Group's operations.

Heads of key functions carry out their roles for both COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

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

It also defines the following four key functions:

- the risk management function
- the compliance function

- the internal audit function
- the actuarial function

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

The professional qualifications, knowledge and experience of the heads of key functions should be adequate to enable sound and prudent management, and they must be of good repute and integrity.

Key functions are free from influences that might compromise their ability to perform the tasks that are incumbent upon them in an objective, loyal and independent manner.

Each function is the subject of further development in the following paragraphs (B.4, B.5 et B.6).

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

B.1.2 Significant change in governance during the period

- **Changes in governance**
  - **Appointment of Nicolas Namias as Chairman of the Board of Directors of COFACE SA**

During its meeting on 9 September, the Board of Directors of COFACE SA appointed Nicolas Namias, Chief Executive Officer of Natixis, as Chairman of the Board of Directors. He succeeds François Riahi who is leaving the Board of Directors of COFACE SA following his resignation from Natixis.

B.1.3 Compensation policy and other benefits for employee

The remuneration policy is a key instrument in implementing COFACE SA’s strategy.
It seeks to attract, motivate and retain the best talent. It encourages individual and collective performance and seeks to be competitive in the market, while respecting the Group’s financial balance.

It is respectful of prevailing regulations and ensures internal fairness and professional equality, in particular between men and women. It incorporates social and environmental issues into its thinking.

Structured in a clear and transparent way, the compensation policy is tailored to the Group's objectives and aims to support its long-term development. In particular, it ensures that there is no conflict of interest.

Coface’s compensation policy is proposed by the Group Human Resources Department in accordance with the principles defined by the regulator and is submitted to the Nominations and Compensation Committee for approval, and then to the Board of Directors. It is then rolled out by human resources in the various regions and countries to ensure consistency of practices within the Group and their compliance with local rules.

The regulatory framework, the general principles and the specific provisions applicable to the regulated population and to the company's representatives (Chief Executive Officer and Directors) are set out in a full and transparent manner in the 2020 Universal Registration Document in Chapters 2.3 (Compensation and benefits paid to managers and corporate officers) and 8 (Draft resolutions on the compensation policy and compensation of the Chief Executive Officer and directors submitted to the Combined Shareholders' Meeting).

♦ Compensation of members of COFACE SA Board of Directors

In accordance with the provisions of the Pacte law, which came into force in November 2019, the attendance fee policy will be replaced by the director compensation policy starting in January 2020. The overall annual budget allocated for directors' compensation amounts to €450,000 for financial year 2020, split between the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations and Compensation Committee, as follows:

• Board of Directors

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

- Fixed component: €8,000 per year (*pro rata* for the term of office);
- Variable component: €3,000 per meeting, capped at six meetings.

• Financial Statements and Audit Committee

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

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at six meetings)
Chairman	17,000	3,000
Committee Members	5,000	2,000

• Risk Committee

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

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at six meetings)
Chairman	17,000	3,000
Committee Members	5,000	2,000

• The Nominations and Compensation Committee

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

	Fixed component (pro rata to the term of office)	Variable component (per meeting, capped at five meetings)
Chairman	8,000	3,000
Committee Members	3,000	2,000

♦ Compensation of members of the Board of Directors of Compagnie française d'assurance pour le commerce extérieur

The amount allocated to the Board of Directors is €50,000. The shareholding policy and Compagnie française d'assurance pour le commerce extérieur's policy is that directors' attendance fees should not be allocated to management representatives who carry out Board member functions in the Group's companies. Only board members who represent employees should receive these allowances. The allocation policy is €500 per meeting, with that sum being increased to €1,000 in the event of actual attendance.

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

B.1.4 Information on significant transactions

For both COFACE SA and Compagnie française d'assurance pour le commerce extérieur, no significant transaction with shareholders, persons exercising significant influence on the company or members of the administrative, management or supervisory body took place in 2020.

B.2 Fit and Proper

The Group has set out a fit and proper policy, applicable to executive officers and heads of key functions at COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

B.2.1 Fit

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

The assessment of the fit of these individuals includes an assessment of their degrees and professional qualifications, their knowledge and relevant experience in the insurance sector or in other financial or business sectors; it takes into account the various tasks entrusted to them and, where appropriate, their fit in the fields of insurance, finance, accounting, actuarial and management.

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

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

B.2.2 Proper

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

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

- a crime;
- an unconditional term of imprisonment or a term of at least six months with a suspended sentence with regard to a crime or a criminal or administrative offence;
- removal from a public or ministerial office.

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

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

The Company's fit and proper policy was approved by COFACE SA's Board of Directors on 10 February 2021 and by the Company's Board of Directors on 18 February 2021.

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

B.3.1 Risk Management

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

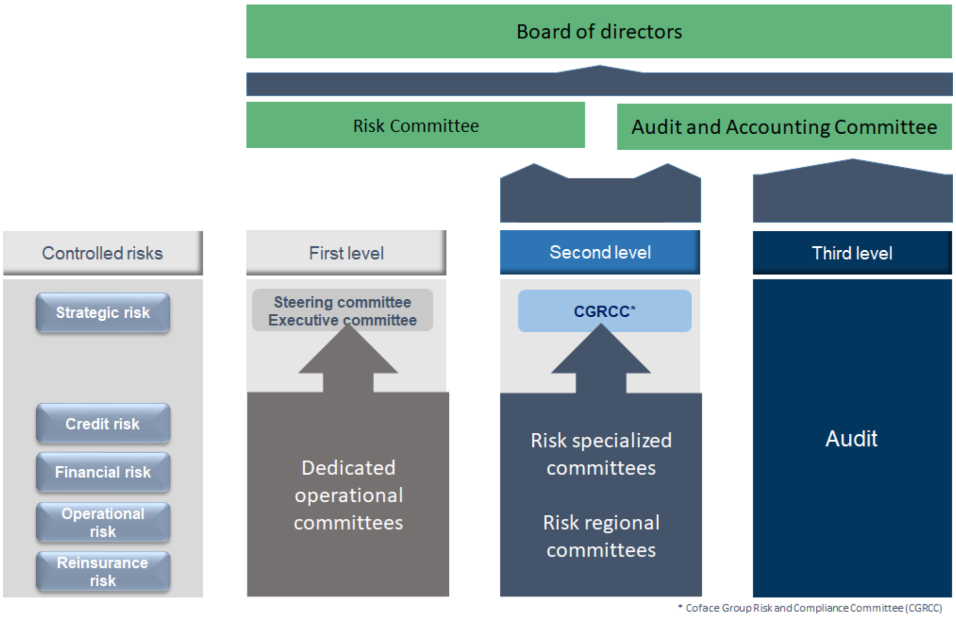
To address these risks, the Group has established a risk management structure to ensure i) the proper functioning of all of its internal processes, ii) compliance with the laws and regulations in all of the countries where it operates, iii) control of compliance by all operating entities with the Group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

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

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

- ♦ **Governance structure**

The Group has implemented a risk management and control system that is based on a clear governance supported by a dedicated organisation based on key functions mentioned above. This is illustrated by the diagram below, which shows the relationship between the three risk control lines as well as the committees reporting to the Board of Directors and General Management of Coface.



Like the CGRCC[2], the regional risk committees meet quarterly and combine the Group Risk Department with the Group Compliance Department.

♦ Management structures and control mechanisms

The management structures and control mechanisms are based on the CGRCC. It is chaired by the Chief Executive Officer and meets at least every quarter. Its composition and tasks are detailed in the Management structure and control mechanisms paragraph in Chapter 5.3 - Risk management of the 2020 Universal Registration Document.

♦ Governance of the Partial Internal Model

COFACE has been using a Partial Internal Model (PIM) since 31 December 2019 to calculate the solvency capital requirement of the group. The Partial Internal Model follows a specific governance process, supported by successive approval committees that fall within the Group's governance framework. The governance of the PIM is intended to ensure the adequacy of decision-making that impacts the model, adherence to the model-related processes, and that feedback is shared with the Risk Committee of the Board of Directors. The governance framework includes two policies dedicated to the PIM, in particular: the change of model policy and the model approval policy.

The partial internal model follow-up committee ensures that the model works properly by overseeing the production, development and approval processes of the model and by approving proposals to the CGRCC.

In addition, the independent model approval process is based on the principles set out in the approval policy and complies with the Solvency II standards on internal model approval. It aims to independently obtain assurance that the process and results of the partial internal model are complete, solid and reliable, and that they meet all requirements of the Solvency II regulation. Independent approval monitors the adequacy of the PIM specifications over time. The work of the approval team, its conclusions, recommendations and associated action plans are presented to the Partial Internal Model follow-up committee. Finally, an escalation process is in place for independent approval, in order to involve the decision-making level most appropriate for the severity of the issues raised.

No significant change took place in the governance of the Partial Internal Model during the period.

2 Coface Group Risk and Compliance Committee (CGRCC)

Information on the scope of the Partial Internal Model, its structure, results and use is available in section E. of this report.

♦ 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 CGRCC.

• Identification of risks

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

Credit risks

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

Credit risk may be aggravated due to the concentration of our exposures (countries, sectors, debtors, etc.). Traditionally, we distinguish between frequency risk and catastrophe risk:

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

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

Financial risks

Financial risks cover all risks associated with the management of assets and liabilities. They include investment portfolio risks, as well as risks related to factoring and the associated refinancing (see Universal Registration Document, **section 5.2.2. Financial risks**).

The risks associated with the investment portfolio can be defined as follows:

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

Strategic risks

Strategic risk means the risk affecting our results and solvency due to changes in market conditions, poor strategic decisions or poor implementation of these decisions and/or long-term and substantial damage to our reputation or image in the market.

Reinsurance risks

Given its risk appetite, COFACE SA and Compagnie française d'assurance pour le commerce extérieur reinsure themselves against the extreme risks they may encounter. Reinsurance Risk is defined as the loss that would ensue from any difference between the Group's risk appetite for extreme credit events and the coverage obtained from the reinsurance market.

Reinsurance generates four types of risk factors:

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

Operational risks and non-compliance

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

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

Non-compliance risk is defined as the risk of non-compliance with laws, regulations or the Group's internal policies and rules that may lead to sanctions, financial losses and damage to the Group's reputation (image risk). This risk is the risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation resulting from failure to comply with provisions specific to banking and financial activities, whether they are of a legislative or regulatory nature, or whether national or European that are directly applicable or whether they amount to professional and ethical standards or instructions from the actual executive officers decided on, in particular, in application of the guidelines of the supervisory body.

It is worth noting that the risk of internal and external fraud is also monitored by the Compliance Department.

B.3.2 Procedure for the own risk and solvency assessment

The ORSA (Own Risk and Solvency Assessment) policy, applicable for COFACE SA and also Compagnie française d'assurance pour le commerce extérieur, describes the process used for the internal assessment of risks and solvency and its integration into the structures of the relevant companies.

COFACE SA's Risk Committee is the body managing all of the ORSA process on behalf of COFACE SA's Board of Directors. It establishes the ORSA assumptions and approves the results, basing itself on the guidelines issued by the CGRCC (Coface Group Risk and Compliance Committee), which acts on behalf of both COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

The ORSA is assessed and approved by the Boards of COFACE SA and Compagnie française d'assurance pour le commerce extérieur 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, refunds, or expiries.

Furthermore, the ORSA is integrated into the strategic decisions made by COFACE SA and Compagnie française d'assurance pour le commerce extérieur 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.

The ORSA model is identical for COFACE SA (Group) and for Compagnie française d'assurance pour le commerce extérieur (Solo), with the only difference being the scope of exposure to risks. The governance of Group and Solo ORSAs is common to both (except for the approval by their respective Board) 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

The internal control system is based on the same functions as the risk management system, and is designed to verify the implementation of the rules and principles defined for the risk management system. Details of the mechanism can be found in the paragraph on the Internal control system in chapter 5.3.1 - Internal control system of the 2020 Universal Registration Document.

B.4.2 Compliance function

The compliance function is responsible for developing best practices and preventing the risk of non-compliance within all Coface group companies.

The scope of the compliance function includes:

- Prevention of financial crimes
  - Prevention of money laundering and terrorism financing
  - Compliance with embargoes, asset freezes and other international financial sanctions
  - Fraud prevention, prevention of active/passive corruption and influence peddling (Sapin II law)
- Protection of customers and third parties
  - Ethical business practices
  - Relationships with suppliers
- Data protection and confidentiality
- Professional ethics (managing conflicts of interest)
- Prevention of agreements or arrangements between competitors
- Compliance with laws and regulations related to insurance activities.

B.5 Internal audit function

- **Organisation of the internal audit function**

The Group's Internal Audit Department is placed under the responsibility of the Group Audit Director, who is also in charge of the key internal audit function. The Group Audit Director attends the Group General Executive Committee meetings in an advisory capacity. This director reports hierarchically to the Group Chief Executive Officer, and until 31/12/2020, reported functionally to the Natixis Internal Audit Director. In fact, the internal audit function was integrated into the periodic control system of Natixis, and therefore into that of Groupe BPCE until the end of 2020. This change is part of the decline in Natixis' stake in the Coface Group.

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)

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

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

♦ Independence of the internal audit function

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

The Group audit director has every latitude for involving the chairman of the Audit committee and has free access to the Audit committee. Where necessary, and after consulting the chief executive officer and/or the chairman of the Audit Committee, the Group audit director may inform the ACPR (French prudential and resolution control authority) of any breach of which he/she may become aware.

The Group Audit Department does not perform any operational activity. It does not define or manage its controlled mechanisms. 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. Internal auditors are not responsible for any other function. Lastly, the Group Audit Department has access to all information, all systems and all persons required for carrying out its audit assignments. In this context, no professional secrecy or reserved area can be invoked against it.

♦ Main objectives of the internal audit function

The key objectives of this function include evaluating all or a selection of the points below, according to the scope of each assignment, and according to a risk-based approach, and reporting on them:

- the quality of the financial position;
- the level of risks effectively incurred;
- the quality of organisation, management and governance;
- the coherence, relevance and smooth operation of risk assessment and control mechanisms, and their compliance with regulatory requirements;
- the reliability and integrity of accounting information and management information, including information linked to Solvency II issues;
- adherence to the Group's laws, regulations and rules (compliance) and to the main decisions taken by the Board of Directors. Auditing checks the quality and relevance of the procedures implemented to ensure compliance with laws, regulations and professional standards applicable to the audited activities in France and abroad, and the Group’s policies, decisions by its corporate bodies, and its internal rules;
- the quality, effectiveness and smooth operation of the permanent control mechanism in place and other components of the governance system;
- the quality and level of security offered by the information systems; and
- the effective implementation of the recommendations of prior audit missions, whether they derive from the proceedings of the Group’s audit segment, BPCE and Natixis General Inspections, in addition to the external controls of supervisory authorities.

The missions are defined in an audit plan approved by the Audit Committee/Board of Directors and cover the entire Group scope over a limited number of financial years. An audit mission ends with a written report and recommendations which are implemented under the supervision of the audit function.

B.6 Actuarial function

The actuarial function is performed by the Director of the Actuarial Department, who has reported to the Chief Financial Officer since 1 July 2016.

The actuarial function has direct access to the boards of directors in the performance of its duties.

In accordance with the requirements of the European Solvency II Directive, the actuarial function is in charge of the following tasks:

- coordinates the calculation of technical provisions: the actuarial function organizes the reserving process through the steps described in section 2. In particular, it sends to the entities the reserving guidelines at the beginning of the process
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions: the methodologies for calculating reserves are analyzed annually. The anlysis is declined in the actuarial report.
- assesses the sufficiency and quality of the data used in the calculation of technical reserves: a dedicated team is in charge of data quality analysis. Independent tests are performed as part of the actuarial report.
- compares best estimates against experience: an analysis of the boni-mali is made in this report.
- informs the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical reserves: the actuarial report is sent by the actuarial function to the Board of Directors. The actuarial function also informs management at the quarterly Group Reserving Committees.
- oversees the calculation of technical reserves in the cases set out in Article 82.
- expresses an opinion on the overall underwriting policy: the advice given by the actuarial function is documented in the actuarial report on underwriting policy.
- expresses an opinion on the adequacy of reinsurance arrangements;
- contributes to the effective implementation of the risk management system under Article 44. In particular, it ensures compliance with provisioning and commercial underwriting policies and the correct implementation of reinsurance, through specific studies listed in the actuarial report.

The Group Actuaral Director is also responsible for coordinating the processes for IBNR provisioning processes under IFRS. He supervises the methodologies relating to the calculation of capital requirement calculations within the framework of the Solvency 2 standard formula for technical reserves and and SCR Underwriting. He also carries out the implementation, calibration and production work model as well as the production of the quantitative aspects of the ORSA.

COFACE SA is a group in which the Actuarial Department is integrated into the various decision-making processes, from underwriting to reinsurance, including provisioning.

The actuarial report consisted in 2020 in 3 different reports:

- an actuarial report on the reserving process
- an actuarial report about reinsurance
- An actuarial report on the underwriting process.

B.7 Subcontracting

In accordance with the regulations relating to the outsourcing of important or critical operations, in 2016, the Company enacted a Group policy in this area that is updated annually, intended to identify outsourcing of so-called "important or critical" and "standard" operations and to set out:

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

In 2020, Coface completed a mapping of the Group's outsourcing activities. The work covered outsourcing of standard services and major or critical services, carried out by all of the regions of Coface Group, whether with third parties or within the Group with another Coface entity.

The work resulted in:

- an assessment of existing outsourcing within the Group,
- distinction between simple provision of services and outsourcing within the meaning of the Solvency II regulation,
- the classification of outsourcing as either "standard" or "significant or critical",
- the verification of the compliance of the contracts with the applicable regulations and the Group's policy on outsourcing,
- a proposed remediation plan,
- the introduction of regular reporting on outsourcing.

The remediation plan will be implemented during the financial year 2021, the application of which will vary depending on the criticality of the contracts concerned, their date of conclusion and their geographical area.

For contracts covering significant or critical functions entered into after the entry into force of the Solvency II regulation, the remediation will be both contractual (integration of missing contractual clauses) and regulatory (notification to the ACPR) on renewal of these contracts or in the event of an amendment.

The remaining contracts will mainly be subject to contractual remediation, in accordance with the applicable local law and under the guidance of the regional legal officers.

More details are available in paragraph 6.3.3 – Subcontracting and suppliers of the 2020 Universal Registration Document.

B.8 Other information

No other material information is to be made publicly available.

/ C. RISK PROFILE

C Risk profile

C.1 Underwriting risk

The main risk for Coface is the risk associated with the commercial underwriting of insurance policies offered to its clients. It occurs when the amount of claims deviates from the estimates.
The Group's main business line is credit insurance. The Group also carries out factoring activities in Germany and Poland. Consequently, the commercial underwriting risk borne by Coface corresponds to a credit risk, as defined in section B.3.1.

C.1.1 Exposure

The exposure to credit risk arises mainly from the following risk factors:

- **Risk of poor control of exposures**: a downturn in the economic cycle (global, sectoral or country), a failure in Coface's management systems or an inadequate assessment of the risk of default by debtors could result in a delayed reduction and/or overestimation of exposures to a debtor or group of debtors, an economic sector or a country. These factors could contribute to a higher level of credit risk.
- **Risk of debtor default**: the risk of default by one or more debtors may be underestimated, especially in the event of a sudden change in the economic situation, internal failures by debtors, failures in Coface's systems or processes, or poor quality of the information available on debtors' creditworthiness.
- **Risks related to the constitution of technical insurance provisions:** In order to establish technical provisions for claims incurred, the Group makes estimates, which are mainly based on market actuarial methods (mainly Chain-Ladder and Bornhuetter Ferguson methods) applied to historical data triangles. Experience variances may be observed retrospectively, between the estimates made by the Group and the ultimate costs of claims incurred. Deficiencies in the quality of the data used or a deterioration in the economic environment not reflected in the projections may render the estimates inadequate and consequently have an unfavourable effect on the Group's financial position or solvency margin.

The overall level of exposure to underwriting risk is measured by the non-life underwriting SCRs of Coface SA and Compagnie française d'assurance pour le commerce extérieur, which are provided in Section E of this document.

C.1.2 Risk mitigation techniques

Since January 2015, the Group's external reinsurance is carried out by Coface Re on behalf of the Group's entities. The Coface Group's external reinsurance is intended to cover both the frequency of claims, 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 treaties (which also cover frequency risk) and excess of loss treaties (by debtor and by country).

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

These claims may also be limited by “disbursement limits”. This means a compensation cap for each policy expressed as a percentage of premiums (30 times the premium for example). For 2020, excess of loss treaties as well as the annual stop-loss treaty have not been triggered.

C.1.3 Risk concentration

COFACE SA and Compagnie française d'assurance pour le commerce extérieur have put indicators in place to monitor concentration risks (debtors or group of debtors, sectors and geography) which are managed at least quarterly and fully integrated into the risk appetite of the companies.

Concerning risks on major debtors, a specific body periodically monitors the cumulative risks of more than €500 million on a debtor or a group of debtors and these are then subject to coverage by the Group’s XS[3] reinsurance programme.

Furthermore, through the operational management of their activities, COFACE SA and Compagnie française d'assurance pour le commerce extérieur 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.

[3] *Claims excess*

C.2 Market risk

C.2.1 Exposure

Market risk covers all financial risks related to changes in the market value of the investment portfolio. These risks include interest rate, currency, equity and spread fluctuations.

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

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

This organisation allows the Group access to diversify asset classes and management techniques with the aim of looking for a steady performance for its investment portfolio in the long term while at the same time maintaining a high level of quality and liquidity in underlying assets. It also ensures better 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 Board of Directors ensures compliance with rules relating to insurance regulation: representation of regulated commitments, diversification of assets, congruity, solvency;
- twice a year, the Strategic investment committee reviews the Group's strategic allocation proposed by the manager in consultation with the Group's investments, financing and cash management department. The body therefore defines and reviews the general strategies that are desirable in terms of policy on investment and exposure to various asset classes, dictated by the market situation, the evolution of the Group's funds inflow and liabilities, the optimisation of returns and the evolution of enforceable regulatory constraints.

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

- The monthly investment committee: deals with the evolution of financial markets and the detailed review of the Group's investments. Macroeconomic scenarios and underlying risk factors are presented by the manager together with an analysis of the investment strategies and possible tactical recommendations
- the half-yearly risk committee: is dedicated to the coverage and management of risks, in relation with the manager's services. It therefore covers investment risks (market risk, spread risk (including counterparties and derivatives), liquidity risk) and operational risks. These risks are considered in particular with regard to the meaning given to them by the Solvency II Directive
- The quarterly ALM Committee is responsible for ensuring that all interest rate, liquidity and exchange rate risks are effectively identified, measured, managed and controlled, across all COFACE's businesses and geographical areas

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

The Group's investment policy, reviewed twice a year, focuses in particular on strategic asset allocation, asset classes and products eligible for investment, target portfolio maturity, 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 risk/return behaviour of the various asset classes in the portfolio and on the compliance with defined parameters associated with the Group's business and commitments: target sensitivity, use of shareholders' equity, maximum loss in line with the behaviour of financial markets, quality and liquidity of the investment portfolio.

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

As an insurance company, the Group retains an allocation predominantly focused on fixed-income instruments offering more recurrent and stable revenues[4].

Investment Portfolio	**As of Dec. 31**			
COFACE SA	**2020**		**2019**	
(in millions of euros; at fair value)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	231	8.2%	236	8.3%
Equities	152	5.4%	175	6.1%
Bonds	1,912	67.6%	2,119	74.3%
Loans, deposits and other financial investments	535	18.9%	321	11.3%
Total financial assets	**2,829**	**100%**	**2,850**	**100%**

Investment Portfolio	**As of Dec. 31**			
La Compagnie	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	186	8.0%	189	8.0%
Equities	117	5.1%	144	6.1%
Bonds	1,407	60.7%	1,599	67.6%
Loans, deposits and other financial investments	609	26.3%	432	18.3%
Total financial assets	**2,319**	**100%**	**2,364**	**100%**

As of December 31st, 2020, bonds accounted for 67.6% of the Group's total investment portfolio. The same observation can be made at the level of Compagnie française d'assurance pour le commerce extérieur where the bond portfolio represented the largest part of the investment portfolio (60.7%), while allocations in equities and property remained substantially similar to those of the Group.

The Group, as part of its strategic allocation and in connection with the healthcare crisis, has, from the start of the crisis, implemented actions to reduce the risk of the investment portfolio. Risk was kept under control by reviewing all of the portfolio's counterparties at the end of February and reducing exposure to Italian and Spanish government debt, emerging market debt, high yield debt, BBB investment grade corporate bonds and equities to the benefit of money market instruments.

[4] *The figures presented may differ from those in the Universal Registration Document 2019. This difference is due to a Solvency II presentation in this document and an IFRS presentation in the Universal Registration Document 2019*

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 applied to the whole investment portfolio are also defined in terms of the portfolio's rating, counterparty and country limits. A regular follow-up is carried out on the credit portfolio's liquidity, the evolution of spreads and the Group's cumulative exposure to the main asset/liability exposures. Hedging operations are finally carried out where appropriate: they are systematic on foreign exchange risk and discretionary on interest rate and spread risks. As at 31 December 2020, part of the sovereign bond portfolio is hedged using interest rate futures.

As at December 31st, 2020 and 2019, the main features of the bond portfolio were as follows:

Distribution by geographic zone of the bond portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	246	12.9%	294	13.9%
Emerging countries	210	11.0%	267	12.6%
Europe outside the eurozone	237	12.4%	192	9.1%
North America	410	21.4%	430	20.3%
Eurozone	809	42.3%	925	43.7%
Others	1	0.0%	12	0.6%
Total	**1,912**	**100%**	**2,119**	**100%**

The investment portfolio is primarily exposed to developed countries in the eurozone and in North America. Exposures to Greek sovereign debt remain at zero. In 2019, the Group continued to increase its international diversification, particularly in emerging countries, to take advantage of higher rates of return, to track the various increases in rates or reduce the cost of foreign exchange hedging.

The breakdown by geographical area over the scope of consolidation of Compagnie française d'assurance pour le commerce extérieur remained in line with that of the group with a strong leaning towards the eurozone (42.9%).

Distribution by geographic zone of the bond portfolio La Compagnie *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Asia	223	15.9%	281	17.6%
Emerging countries	124	8.8%	185	11.6%
Europe outside the eurozone	184	13.1%	123	7.7%
North America	271	19.3%	306	19.1%
Eurozone	604	42.9%	700	43.8%
Others	1	0.0%	4	0.2%
Total	**1,407**	**100%**	**1,599**	**100%**

The interest rate risk carried by the Group on its financial portfolio was limited, since the maximum sensitivity authorised on the bond asset class was intentionally capped at 5[5]. As at 31 December 2020, the bond portfolio's sensitivity stood at 4.17 for the Group and 4.40 for Compagnie française d'assurance pour le commerce extérieur.

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[5] *The sensitivity of a bond measures its loss of value if interest rates rise. For example, a bond with a sensitivity of 5 will lose 5% of its market value if interest rates rise by 1%.*

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). Open positions in other currencies may be hedged in exceptional cases. The Group does not make foreign currency investments for speculative purposes.

The 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 2020, over 75% of investments were therefore denominated in euros.

Breakdown by currency in the investment portfolio COFACE SA *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	2,136	75.5%	2,061	72.3%
USD	274	9.7%	342	12.0%
Other (<3%)	419	14.8%	450	15.8%
Total	**2,829**	**100%**	**2,850**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, we find the same high exposures to the EUR (77.7%) and the USD (6.4%).

Breakdown by currency in the investment portfolio La Compagnie *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
EUR	1,802	77.7%	1,625	68.7%
USD	148	6.4%	332	14.1%
Other (<3%)	369	15.9%	407	17.2%
Total	**2,319**	**100%**	**2,364**	**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 or equities, by means of forward financial instruments (swaps, futures, options) that can be liquid on a regulated market or privately with counterparties rated A- or more.

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

Since the end of the first half of 2019, the group and Compagnie française d'assurance pour le commerce extérieur have not used any interest rate hedging instruments. On the other hand, the equity exposure of the investment portfolio is partially hedged, notably through long-term out-of-the-money put options. The level and management of these hedges are defined and reviewed depending on the market conditions and management of the levels of unrealised gains and losses at the monthly Investment Committees meetings between the Group's management and the manager of the Amundi investment platform.

C.2.3 Sensitivity to risk

Monthly simulations are also carried out on the invested portfolio of the Group, Compagnie française d'assurance pour le commerce extérieur and Coface Re and presented at investment committee meetings. Over different periods, these cover the expected maximum loss in terms of economic performance asset class by asset class with special attention to the spread risk in particular.

Such sensitivity tests cover all asset classes where the Group is invested and allow each month to appraise the portfolio overall risk exposure in the event of 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 tables below show that the sensitivity of the portfolio, excluding the impact of the equity hedge in place, is lower on bonds and equities at 31 December 2020 than in 2019, mainly due to weaker investment.

Sensitivity of the portfolio to changes in stock and bond markets as of 31 December 2020

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As of Dec. 31, 2020**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1,912	-79.8	0.0	0.0
Equities	146	0.0	-14.6	-29.2
Total	**2,058**	**-79.8**	**-14.6**	**-29.2**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As of Dec. 31, 2020**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1,407	-61.8	0.0	0.0
Equities	115	0.0	-11.5	-23.1
Total	**1,522**	**-61.8**	**-14.4**	**-28.9**

Sensitivity of the portfolio to changes in stock and bond markets as of 31 December 2019

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As of Dec. 31, 2019**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	2,119	-82.6	0.0	0.0
Equities	175	0.0	-17.5	-35.0
Total	**2,294**	**-82.6**	**-17.5**	**-35.0**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As of Dec. 31, 2019**			
	Market value	**Impact of a 100bps rise in interest rates**	**Impact of a 10% fall in equity markets**	**Impact of a 20% fall in equity markets**
Bonds	1,599	-66.3	0.0	0.0
Equities	144	0.0	-14.4	-28.9
Total	**1,743**	**-66.3**	**-14.4**	**-28.9**

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

C.3 Credit risk

C.3.1 Exposure

Credit risk is the probability of financial loss resulting from the inability of issuers or other counterparties to meet their financial commitments. It may be worsened by the concentration of exposures to a single counterparty, sector or country in the investment portfolio. This risk is taken into account in the investment policy with an imposed portfolio diversification but also a management of the outstanding amounts divided between several asset managers.

As stated above in the context of the defined strategic allocation, COFACE SA and Compagnie française d'assurance pour le commerce extérieur have reduced their exposure to the sovereign debt and corporate bonds rated BBB and below. The non-sovereign share therefore increased by 5.1% for the Group and 7.2% for Compagnie française d'assurance pour le commerce extérieur.

Breakdown by type of debt in the bond portfolio	**As of Dec. 31**			
COFACE SA	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	820	42.9%	1,017	48.0%
Non-sovereign	1,092	57.1%	1,102	52.0%
Total	**1,912**	**100%**	**2,119**	**100%**

Breakdown by type of debt in the bond portfolio	**As of Dec. 31**			
La Compagnie	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	548	39.0%	738	46.2%
Non-sovereign	859	61.0%	861	53.8%
Total	**1,407**	**100%**	**1,599**	**100%**

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

The bond portfolios of the Group and Compagnie française d'assurance pour le commerce extérieur remain primarily invested in rated companies and countries rated in investment grade[6]. category. The breakdown by rating for Compagnie française d'assurance pour le commerce extérieur is very similar to that of the Group with a significant proportion on bonds having AA-A and BBB ratings.

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

Breakdown by rating of the bond portfolio **COFACE SA** *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	213	11.1%	246	11.6%
AA - A	998	52.2%	928	43.8%
BBB	613	32.0%	776	36.6%
BB - B	89	4.7%	167	7.9%
< CCC	-	0.0%	2	0.1%
Total	**1,912**	**100%**	**2,119**	**100%**

Breakdown by rating of the bond portfolio **La Compagnie** *(in millions of euros)*	**As of Dec. 31**			
	2020		**2019**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
AAA	139	9.9%	179	11.2%
AA - A	742	52.7%	672	42.0%
BBB	469	33.4%	617	38.6%
BB - B	57	4.0%	129	8.1%
< CCC	-	0.0%	1	0.1%
Total	**1,407**	**100%**	**1,599**	**100%**

Furthermore, investments in corporate bond securities represent 57.1% of the Group bond portfolio and are concentrated over 95% on companies of investment grade quality. For Compagnie française d'assurance pour le commerce extérieur, corporate bond securities represent 51% of the bond portfolio and are concentrated over 96% on companies of investment grade quality.

Within the Group investment policy, which therefore applies to Compagnie française d'assurance pour le commerce extérieur, 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 in order to limit the risk on specific countries. Such exclusions or limits are defined according to the current events, 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 basis on the spread risk. However, as at 31 December 2020, the portfolio of the Group and of Compagnie française d'assurance pour le commerce extérieur were not party to any.

C.4 Liquidity risk

Liquidity risk corresponds to the risk that COFACE SA and Compagnie française d'assurance pour le commerce extérieur are not in a position to deal with their payment obligations using their respective liquid financial resources.

The liquidity risk is subject to specific risk limits monitored in the context of the risk appetite of COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

C.4.1 Exposure

Follow-up of the liquidity risk is framed by the liquidity and concentration risk policy whether for COFACE SA or Compagnie française d'assurance pour le commerce extérieur.

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 providing cash flow availabilities and forecasts from the various entities across the whole scope of consolidation. Such data is the subject of constant analyses allowing 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 of Dec. 31**			
COFACE SA	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	281	14.7%	443	20.9%
1 year < > 3 years	466	24.4%	568	26.8%
3 years < > 5 years	407	21.3%	439	20.7%
5 years < > 10 years	612	32.0%	572	27.0%
>10 years	146	7.6%	97	4.6%
Others	0	0.0%	0	0.0%
Total	**1,912**	**100%**	**2,119**	**100%**

39.1% of securities in the bond portfolio had a maturity of less than three years as at 31 December 2020.

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

The breakdown by maturity over the scope of consolidation of Compagnie française d'assurance pour le commerce extérieur is in line with that of the Group:

Breakdown by maturity of the bond portfolio	**As of Dec. 31**			
La Compagnie	**2020**		**2019**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
<1 year	208	14.8%	324	20.3%
1 year < > 3 years	299	21.2%	390	24.4%
3 years < > 5 years	288	20.4%	332	20.7%
5 years < > 10 years	486	34.6%	464	29.0%
>10 years	126	9.0%	89	5.5%
Others	0	0.0%	0	0.0%
Total	**1,407**	**100%**	**1,599**	**100%**

For Compagnie française d'assurance pour le commerce extérieur, 36% of securities in the bond portfolio had a maturity of less than three years as at 31 December 2020.

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 liquidity monitoring carried out by the Risk and ALM 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 and/or reducing the portfolio's average maturity.

C.4.3 Sensitivity to risk

The liquidity of the portfolio of OECD credit bonds and sovereign bonds from emerging markets is monitored on a regular basis via market indicators (evolution of flows, spreads, purchase and sale spreads) and the manager carries out regular analyses on liquidation time frames and costs of lines in portfolios (duration of partial / total liquidation, cost of immediate liquidity and liquidity under stressful market conditions…). These studies are presented in the context of the Risk committee which meets on a half-year basis.

Regarding factoring, the average duration of factoring receivables is very short (less than six months), which reduces the liquidity risk attached to these activities. The Group has put several financing programmes in place: a securitisation programme for its factoring trade receivables, bilateral credit lines with various partners together with a commercial paper issuance program.

C.5 Operational risk

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

Non-compliance risk is defined as the risk of non-compliance with laws, regulations or the Group's internal policies and rules that may lead to sanctions, financial losses and damage to the Group's reputation (image risk). The Compliance department covers also internal and external fraud risks.

Managing and reducing operational risks relies on a Level 1 and Level 2 control plan, which covers all the Group's entities. All of the controls, the anomalies revealed and related action plans is managed within a single software programme (ENABLON), which was rolled out to all Group entities. The management of risks and controls is carried out at the level of each legal entity in order to ensure compliance with the requirements of regulators at "Solo" and "Group" level. The group has also set up a risk map, managed in Enablon, which covers all the group's insurance entities, the entities that are supervised or regulated, and the main service entities.

More details on operational risk measures are available in the Universal Registration Document 5.6.1 Definition of operational risk factors, and 5.6.2 Assessment and measurement of operational risk.

C.6 Other material 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 Compagnie française d'assurance pour le commerce extérieur or COFACE SA.

The Group has developed a mechanism to reduce this risk in particular through a code of ethics and a code of conduct together with clear rules on internal and external communication. Reputational risk is also mitigated by the control mechanism put in place within the Compliance function.

C.6.2 Strategic risk

Strategic risk means the risk affecting our results and solvency due to changes in market conditions, poor strategic decisions or poor implementation of these decisions and/or long-term and substantial damage to our reputation or image in the market.

The Group Strategy and Development Department manages the strategic planning process by working with the General Executive Committee. They meet on a regular basis to assess the plan's effectiveness and determine necessary changes, where applicable. The Board of Directors is ultimately responsible for monitoring strategic risk.

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.

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 measured. 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 show the low sensitivity of the Solvency ratio to instantaneous market shocks as at 31 December 2020:

Central scenario	205% [1]
+ 100 basis points interest rates	-7,1 pts
+ 100 basis points Spreads	-6,2 pts
-25% shares	-2,5 pts

[1] The solvency ratio communicated to the market on February 10th, 2021 is an estimated ratio.

C.7.2 Sensitivity to other risk factors

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

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

C.7.3 Scenarios measuring the sensitivity to risks

Scenarios drawn up in the context of ORSA measure the evolution of the solvency of COFACE SA and Compagnie française d'assurance pour le commerce extérieur, on the horizon of the strategic plan, in response to unfavourable events. Such events may correspond to a specific risk (such as political risk) or cover many risk factors in a combined stress shock.

For example, the scenario replicating the 2008 crisis on the Group's current portfolio stresses the market and underwriting risks in combination, by replicating the markets and claims deviations observed in 2008. In this same scenario, the impacts on the portfolio's liquidity, the reinsurance structure and the loss of revenue are also taken into account. Furthermore, a scenario reflecting a prolonged Covid crisis and emerging market sovereign debt risk also included a combined impact on loss experience, turnover and financial market performance. The assessment produced at the time of the 2020 ORSA has made it possible to ensure that the solvency of COFACE SA and Compagnie française d'assurance pour le commerce extérieur was not compromised by these scenarios.

/ D. VALUATION FOR SOLVENCY PURPOSES

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 recognition of expenses in respect of internally created software for which it is difficult to justify a market value; this is therefore reduced to zero in the Solvency II prudential balance sheet.

The value of intangible assets is therefore also zero for Compagnie française d'assurance pour le commerce extérieur.

D.1.2 Investments

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

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

It cannot be guaranteed that fair value estimates based on such valuation techniques represent the price at which a security may ultimately be disposed of or at which it may be disposed of at a specific time. Assessments and estimates are revised when conditions change or when new information becomes available. In the light of such information and in compliance with the objective principles and methodologies 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 be guaranteed that any impairment losses or additional provisions recognised will not have a material adverse effect on the Group's results, financial position and solvency margin.

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

Change in investment portfolio **COFACE SA** (in millions of euros)	**As of Dec. 31**		
	2020	**2019**	**Change**
Property (other than for own use)	0.3	0.3	0.0
Equities	143.2	132.6	10.6
Equities - listed	135.1	*120.1*	*15.0*
Equities - unlisted	8.2	*12.5*	- *4.3*
Bonds	1,912.0	2,119.0	- 207.0
Government Bonds	819.8	*1,016.5*	- *196.7*
Corporate Bonds	1,092.3	*1,102.5*	- *10.2*
Collective Investments Undertakings	688.0	519.1	168.9
Property	230.3	*235.5*	- *5.2*
Equities	8.4	*42.3*	- *33.9*
Bonds and Cash	449.4	*241.3*	*208.1*
Derivatives	10.1	5.6	4.5
Deposits other than cash equivalents	64.9	72.2	- 7.3
Other loans and mortgages	10.4	1.6	8.8
Total investment portfolio	**2,829.0**	**2,850.4**	**- 21.4**

The market value of COFACE SA's portfolio fell by EUR 21.4 million in 2020 as a result of measures taken at the beginning of the health crisis to reduce the risk of the investment portfolio: reduction of exposure to Italian and Spanish government debt, emerging market debt, high yield debt and BBB investment grade corporate bonds in favour of money market instruments.

Change in investment portfolio **La Compagnie** *(in millions of euros)*	**As of Dec. 31**		
	2020	**2019**	**Change**
Property (other than for own use)	0.3	0.3	-
Equities	111.6	102.5	9.1
Equities - listed	103.5	*90.0*	*13.5*
Equities - unlisted	8.2	*12.5*	- *4.3*
Bonds	1,406.8	1,598.5	- 191.8
Government Bonds	547.5	*737.9*	- *190.4*
Corporate Bonds	859.3	*860.7*	- *1.4*
Collective Investments Undertakings	581.3	436.9	144.4
Property	185.3	*188.6*	- *3.3*
Equities	5.6	*41.8*	- *36.2*
Bonds and Cash	390.4	*206.5*	*183.9*
Derivatives	7.1	4.5	2.6
Deposits other than cash equivalents	30.4	37.6	- 7.2
Other loans and mortgages	181.4	183.8	- 2.5
Total investment portfolio	**2,318.9**	**2,364.2**	**- 45.2**

The balance sheet structure of Compagnie française d’assurance pour le commerce extérieur is similar to that of the Group, with the same fluctuations.

D.1.3 Interests

Investments in unconsolidated companies were valued under the corrected equity method. This method is based on revalued net assets. The revalued net assets 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.

In 2020, changes in securities held by Compagnie française d'assurance pour le commerce extérieur were mainly due to:

- The acquisition of Coface GK shares for €9.7 million,
- Changes in adjusted net assets of €73 million, including Coface Italia (+€11.3 million), Coface GK (+€10.9 million), Coface Chile (€9.3 million), Coface PKZ (€8.3 million), Coface Do Brasil (€8.9 million) and Coface Sigorta Turkey (€8.6 million).

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Holdings in related undertakings, including participations	106.4	94.0	12.5

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Holdings in related undertakings, including participations	378.7	302.9	75.8

D.1.4 Receivables

- **Receivables arising from insurance and reinsurance operations**

Receivables are valued at their face value. A provision for write-downs is raised in order to take into account the recovery difficulties that are likely to arise.

Accounts receivable for insurance and reinsurance are not subject to current value accounting due to the low impact (very short-term receivables).

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

COFACE SA *(in millions of euros)*	**31/12/2020**	**31/12/2019**	**Change**
Insurance and intermediaries receivables	262.4	261.3	1.0
Reinsurance receivables	79.6	48.4	31.2
Total insurance end reinsurance receivables	**342.0**	**309.8**	**32.2**

La Compagnie *(in millions of euros)*	**31/12/2020**	**31/12/2019**	**Change**
Insurance and intermediaries receivables	210.6	204.4	6.2
Reinsurance receivables	76.1	49.9	26.1
Total insurance end reinsurance receivables	**286.7**	**254.4**	**32.3**

- **Other receivables (trade, not insurance)**

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

COFACE SA	As of Dec. 31		
(in millions of euros)	2020	2019	Change
Receivables (trade, not insurance)	784.4	662.8	121.6

La Compagnie	As of Dec. 31		
(in millions of euros)	2020	2019	Change
Receivables (trade, not insurance)	264.2	183.1	81.1

D.1.5 Cash and cash equivalents

Cash and cash equivalents are mainly composed of collective investment undertakings, bonds and bank deposits, which increased over the 2020 financial year for the Group.

COFACE SA	As of Dec. 31		
(in millions of euros)	2020	2019	Change
Cash and cash equivalents	369.1	285.4	83.6

La Compagnie	As of Dec. 31		
(in millions of euros)	2020	2019	Change
Cash and cash equivalents	251.5	167.1	84.4

D.1.6 Other assets

- **Goodwill**

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

- **Deferred acquisition expenses**

In accordance with the Solvency II 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.

- **Deferred tax assets**

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

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

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

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

Each restatement being impacted on the relevant entity, the corresponding deferred tax charge is calculated using the tax rate applicable in the entity's country.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Deferred tax assets	64.2	67.1	-2.9

The timetable for deferred tax assets as at 31 December 2020 is as follows:

Deferred tax assets timetable **COFACE SA** *(in millions of euros)*	**At December 31, 2020**			
	less than 1 year	**between 1 and 4 years**	**more than 5 years**	**TOTAL**
Total deferred tax assets	71.6	- 1.7	- 5.7	64.2

The main component of deferred tax assets involves cancellation of IFRS technical reserves as well as the impact of the Best Estimate for premiums and claims.

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2020 came to €223 million over the Group scope of consolidation.

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Deferred tax assets	85.8	71.0	14.8

The timetable for deferred tax assets as at 31 December 2020 in the solo accounts is as follows:

Deferred tax assets timetable **La Compagnie** *(in millions of euros)*	**At December 31, 2020**			
	less than 1 year	**between 1 and 4 years**	**more than 5 years**	**TOTAL**
Total deferred tax assets	**70.1**	**14.5**	**1.2**	**85.8**

The deferred tax assets of the solo segment increase mainly due to the increase in the amount of cancellation of IFRS technical provisions by reinsurers (especially in Germany, Italy, the Netherlands and the United Kingdom) and the netting rule for deferred taxes (IAS 12).

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at 31 December 2020 totalled €159 million over Compagnie française d'assurance pour le commerce extérieur's scope of consolidation.

♦ 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	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Property, plant & equipment held for own use	160.1	141.2	18.9

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Property, plant & equipment held for own use	142.0	121.4	20.6

D.2 Technical provisions

There are two types of technical provisions: provisions for claims and provisions for premiums, to which a separately calculated risk margin is added under Solvency II. The best estimate of provisions for premiums is valued using the entity* product cross-tabulation, by adapting the simplified method described in the April 2014 technical specifications.

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

The technical provisions in the financial statements are valued with a quantile level greater than 90% while it is the expectancy that is used in the prudential balance sheet. The methods for assessment of technical reserves have not been significantly changed since the previous financial year.

The assumptions used for the estimation of Best Estimates are objective assumptions based on the Group's past and present experience as well as on projections of the future environment and context. Best estimates are also based on expert opinions that incorporate assumptions relating to the Group's pricing, provisioning, marketing, recovery and arbitration.

The aggregated results at the end of 2020 are given below, for best estimates and the margin for risk.

D.2.1 Best estimates

Best estimate (in millions of euros)	As of Dec. 31 2020	2019	Change
Group	951	832	120
La Compagnie	896	762	134

Reinsurance recoverables (in millions of euros)	As of Dec. 31 2020	2019	Change
Group	290	216	75
La Compagnie	422	317	105

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

- by the entities: a local valuation is approved by the local Provisioning Committee and reviewed at the regional level by a dedicated committee
- by the Group Actuarial Department: following an economic expectations committee involving the operational divisions (Commercial Underwriting, Litigation and Commercial) and the Marketing, Management Control, Risks, Economic Studies and Actuarial Departments, a valuation is made by the Provisioning team 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 technical provisions that will analyse the margin in the provisions and the BE.

D.2.2 Risk margin

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

Risk Margin (in millions of euros)	As of Dec. 31 2020	2019	Change
Group	71	75	-4
La Compagnie	65	61	4

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 risks and charges excluding provisions for pensions and other benefits	As of Dec. 31		
COFACE SA (in millions of euros)	**2020**	**2019**	**Change**
Provision for litigation	3	3	0
Provision for risk on subsidiaries	17	18	-1
Provisions for restructuring	11	10	1
Provision for taxes (excludind IS)	6	1	6
Other risk provisions	2	3	0
Total provisions other than technical provisions	**39**	**34**	**5**

Provisions for risks and charges excluding provisions for pensions and other benefits	As of Dec. 31		
La Compagnie (in millions of euros)	**2020**	**2019**	**Change**
Provision for litigation	2	2	-1
Provision for risk on subsidiaries	9	11	-1
Provisions for restructuring	9	9	-1
Provision for taxes (excludind IS)	0	0	0
Other risk provisions	2	3	0
Total provisions other than technical provisions	**22**	**25**	**-3**

The changes for liabilities and charges varied little between 2019 and 2020.

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 considered as liabilities in the accounts of the various COFACE SA companies granting them.

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

- Defined contribution schemes (or plans): these are characterised by payments to agencies releasing the employer from any subsequent obligation, with the agency taking charge of paying to employees the amounts due to them. 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 present value of future benefits, corresponding to the present-day value of all benefits to be paid out. This present-day value is mainly based on:

  - the known characteristics of the population concerned
  - the benefits to be paid out (end of career allowances, long-service awards, etc.)
  - the probabilities of occurrence of each event
  - the evaluation of each of the factors entering into calculation of the benefits (changes in salaries, etc.)
  - the interest rates making it possible to work out future benefits at the date of the evaluation

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

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 composed of the scheme's investments, mainly government bonds held by funds and insurance policies incorporating a counter-guarantee.

According to 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	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Pension benefit obligations	62	64	-3

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Pension benefit obligations	57	60	-3

D.3.3 Deferred tax liabilities

The basis for accounting for deferred tax liabilities and the amount and maturity date, if any, of 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 technical provisions: best estimate and 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

Each restatement being impacted on the relevant entity, the corresponding deferred tax charge is calculated using the tax rate applicable in the entity's country.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Deferred tax liabilities	199	212	-12

The timetable for deferred tax liabilities as at 31 December 2020 for the Group is as follows:

Deferred tax liabilities timetable COFACE SA (in millions of euros)	At December 31, 2020 less than 1 year	 between 1 and 4 years	 more than 5 years	 TOTAL
Total deferred tax liabilities	158	6	35	199

The group's deferred tax liabilities decreased slightly due to lower deferred taxes on best estimate premiums. Among the S2 restatements, the main component of deferred tax liabilities involves the cancellation of technical provisions.

La Compagnie (in millions of euros)	As of Dec. 31 2020	 2019	 Change
Deferred tax liabilities	154	132	22

The timetable for deferred tax liabilities as at 31 December 2020 for Compagnie française d'assurance pour le commerce extérieur is as follows:

Deferred tax liabilities timetable La Compagnie (in millions of euros)	At December 31, 2020 less than 1 year	 between 1 and 4 years	 more than 5 years	 TOTAL
Total deferred tax liabilities	141	7	7	154

The main item in deferred tax liabilities involves a cancellation of technical provisions and the recording of Best Estimate provisions ceded by Compagnie française d'assurance pour le commerce extérieur to reinsurers.

D.3.4 Financial debt owed to non-credit institutions

For the Group, this item corresponds to commercial papers issued by COFACE SA for the purpose of financing the factoring business.

COFACE SA (in millions of euros)	As of Dec. 31 2020	 2019	 Change
Debts owed to non-credit institutions	538	439	99

La Compagnie (in millions of euros)	As of Dec. 31 2020	 2019	 Change
Debts owed to non-credit institutions	-	-	-

The solo scope of consolidation did not include COFACE SA, the holding company that issues the commercial papers. In addition, the debt was not recognised on the balance sheet of Compagnie française d'assurance pour le commerce extérieur.

D.3.5 Payables arising from insurance and reinsurance operations

Ceded deferred acquisition costs are cancelled on the same principle as for gross deferred acquisition costs. In accordance with the Solvency II principles, deferred acquisition costs are considered to be worthless in the prudential balance sheet and their value is therefore reduced to zero.

Ceded earned premiums not yet written are reclassified into ceded 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	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Insurance & intermediaries payables	79	66	13
Reinsurance payables	256	62	193
Total liabilities from insurance and resinsurance	**335**	**128**	**207**

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Insurance & intermediaries payables	62	54	8
Reinsurance payables	249	52	197
Total liabilities from insurance and resinsurance	**311**	**106**	**205**

D.3.6 Subordinated liabilities

Financial liabilities are recognised at fair value.

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Subordinated liabilities	417	419	-2

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Subordinated liabilities	345	346	-1

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

D.3.7 Other payables

The table below sets out the other liabilities of the Coface Group and Compagnie française d'assurance pour le commerce extérieur:

COFACE SA	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Payables (trade, not insurance)	395	425	-30

La Compagnie	**As of Dec. 31**		
(in millions of euros)	**2020**	**2019**	**Change**
Payables (trade, not insurance)	350	369	-19

The change between the two years is mainly related to a decrease in rental liabilities between the two years.

D.4 Alternative valuation methods

COFACE SA and Compagnie française d'assurance pour le commerce extérieur 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 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 – Compagnie française d'assurance pour le commerce extérieur. This policy is subject to approval from the Board of Directors of COFACE SA and Compagnie française d'assurance pour le commerce extérieur and is re-examined at least once per year.

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

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

The capital management policy mainly deals with the following points:

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

E.1.2 Structure and quality of own funds

- **COFACE SA**

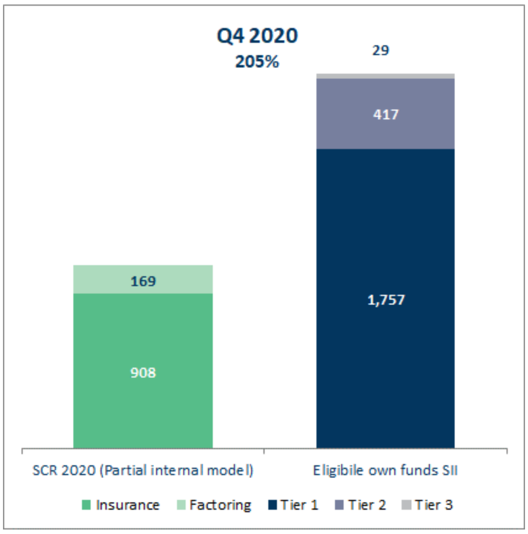
In accordance with regulations, as at 31 December 2020, the Coface Group calculated its available own funds necessary for complying with two levels of capital requirements: minimum capital requirement, MCR, and solvency capital requirement, SCR (see Chapter E.2.).

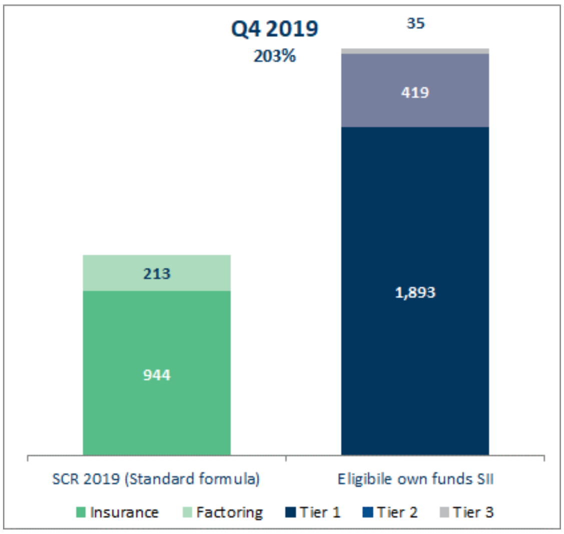
For insurance activities, in accordance with the Solvency II regulations that came into force on 1 January 2016, the Group calculated the Solvency Capital Requirement (SCR) as of 31 December 2020 using its partial internal model, introduced by European Directive No. 2009/138/EC.

For factoring activities, the Group has deferred its capital requirements under the standard approach of banking regulations since 31 December 2019. It should be noted that local regulators in Germany and

Poland (the only countries in which the Group conducts its factoring activities) do not impose equity requirements on factoring companies.

As at 31 December 2020, the Group meets the capital requirements, which amounts to €1,076.8 million in respect of SCR, as represented in the following chart.





The own funds available to cover the SCR amounted to €2,204 million as at 31 December 2020. In accordance with the Solvency II directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence. The breakdown is as follows:

- ***Tier 1:*** €1,757 million (80% of available own funds), corresponding to the net amount of assets in the Group's prudential balance sheet minus the amount of own funds classified in the other two categories
- ***Tier 2:*** €417 million (19% of available own funds), corresponding to the value of the subordinated debt where the eligibility to this category of own funds is justified by the application of Article 308 *ter* (10) of Directive 2014/51/EU. A summary of the main characteristics of this subordinated debt is set out below:

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

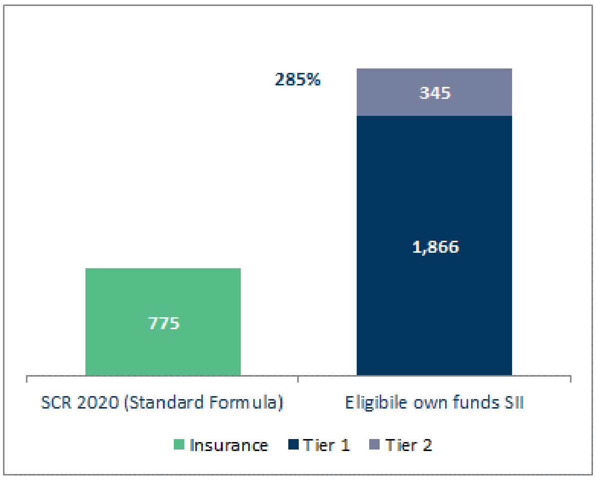
- ***Tier 3:*** €29 million (1% of available own funds), representing the proportion of Solvency II own funds made up of the sum of each tax entity's net deferred tax assets, after implementation of the eligibility test for those net deferred taxes at the local level

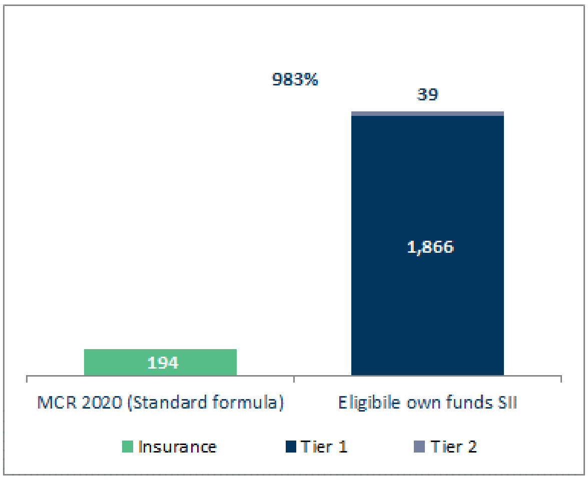
For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

♦ Compagnie française d'assurance pour le commerce extérieur

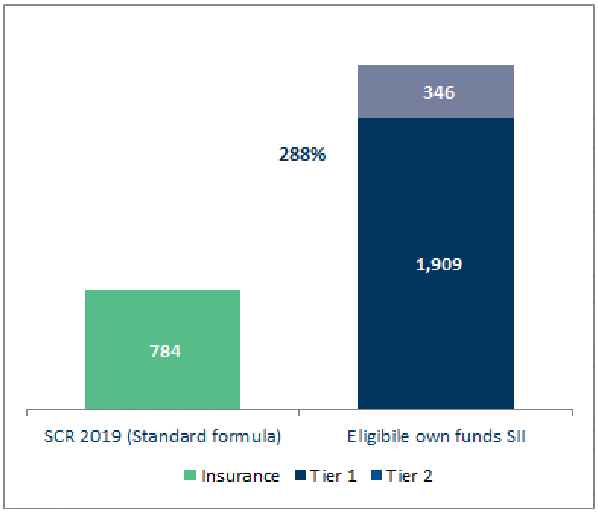
In accordance with regulations, as at 31 December 2019 and 2020, Compagnie française d'assurance pour le commerce extérieur calculated, according to the standard formula, its available own funds necessary to meet the requirements with two levels of capital requirements: the minimum capital requirement and the solvency capital requirement, SCR (see Chapter E.2.).

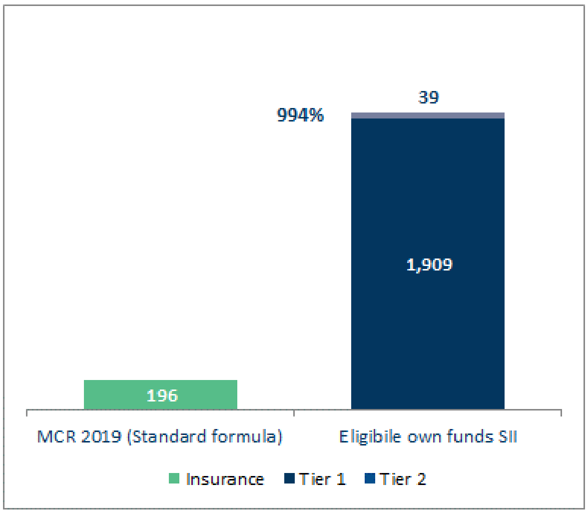
As at 31 December 2020:





As at 31 December 2019:





As at 31 December 2020, Compagnie française d'assurance pour le commerce extérieur met the capital requirements, which amounted to €194 million for MCR and €775 million with respect to SCR, as represented in the above chart.

The own funds available to cover the MCR amounted to €1,905 million as at 31 December 2020. In accordance with the Solvency II directive, own funds are classified into three categories or "tiers". This classification is based on their quality, which is assessed by reference to their availability, their degree of subordination and their duration or permanence.

As at 31 December 2020, the breakdown of own funds available for covering the MCR was as follows:

- ***Tier 1:*** €1,866 million (98% of available own funds), corresponding to the net amount of assets in the prudential balance sheet minus the amount of own funds classified in the other two categories.
- ***Tier 2:*** €38.7 million (2% of available own funds), which corresponds to the portion of the subordinated loan taken out by COFACE SA eligible to cover the MCR (i.e. 20% of €193.8 million). The total value of this subordinated loan is €314 million and its classification as "Tier 2" own funds is justified as transitional by Article 308 *ter* (10) of Directive 2014/51/EU. The features of the subordinated loan correspond to those of the subordinated debt issued by COFACE SA (see table above).

The own funds available for coverage of the SCR at 31 December 2020 amount to €2,210.8 million, made up as follows:

- ***Tier 1:*** €1,866 million (84% of available own funds), as indicated in the previous paragraph
- ***Tier 2:*** €345 million (16% of available own funds), corresponding to the total value of the subordinated loan indicated in the previous paragraph

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

For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

E.1.3 Basic own funds

At 31 December 2020, Coface SA's and Compagnie française d'assurance pour le commerce extérieur's own funds are exclusively made up of basic own funds, pursuant to Solvency II standard criteria.

E.1.4 Ancillary own funds

At 31 December 2020, Coface SA and Compagnie française d'assurance pour le commerce extérieur do 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 is introducing a test in order to determine the availability, at Group level, of the eligible own funds of affiliated companies. As a first step, the test consists on determining the surplus of each entity's Solvency II own funds above and beyond its SCR then, as a second step, comparing that surplus with the total of own fund items available for the Group's requirements:

- As soon as the surplus of an entity's own funds can be entirely represented by fungible and transferable own fund items, no adjustment of the Group's own funds is considered for this entity.
- Otherwise, the proportion of the surplus not represented by fungible and transferable items gives rise to an adjustment in the Group's own funds. At 31 December 2020, the amount of this adjustment amounted to €69 million.

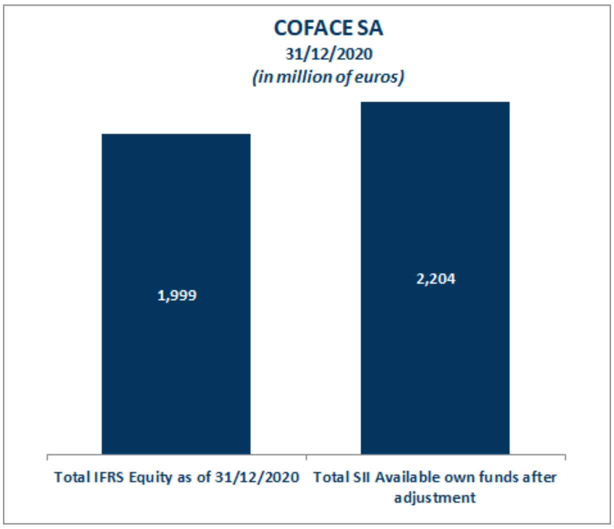
E.1.6 Absorption of losses by capital

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

E.1.7 Reconciliation reserve

- **COFACE SA**

The following chart illustrates the difference between the Group's own funds that are eligible to cover the solvency capital requirement at 31 December 2020 and the consolidated own funds as shown in the Group's financial statements.



For more information on this section, please see the corresponding section in QRT 23.01 (see Appendix F.2).

The Group's eligible Solvency II equity was €2,204 million at 31 December 2020.

Eligible own funds at 31 December 2020 included:

- Share capital of €304 million,
- Issue premiums relating to share capital for €810 million,
- A reconciliation reserve [7] of €708 million classified as Tier 1.

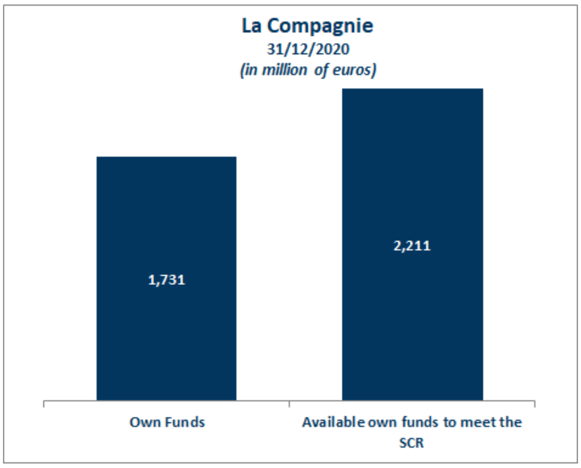
Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. The subordinated debt issued in the form of bonds by COFACE SA in March 2014, rose to €417 million at 31 December 2020 and is classified as Tier 2 by applying the so-called "grandfathering" mechanisms set out in Article 308 *ter* (10) of the Solvency II Directive.

Lastly, unavailable own funds were assessed at €69 million at 31 December 2020.

[7] *The reconciliation reserve as presented in the statement (S.23.01.t - ex OF-B1Q) is defined as equity excluding capital and premiums related to capital, less dividends payable*

The Board of Directors of COFACE SA plans to propose to shareholders at the Annual General Meeting of May 12, 2021 the distribution of a dividend of €0.55 per share, bringing the payout ratio to 100% of net income.

♦ Compagnie française d'assurance pour le commerce extérieur



The amount of eligible Solvency II shareholders' equity was €2,210.8 million at 31 December 2020.

Eligible own funds at 31 December 2020 included:

- Share capital for €137.1 million
- Issue premiums relating to share capital for €627.4 million
- A reconciliation reserve of €1,101.6[8] million classified as Tier 1.

Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1. Furthermore, a subordinated loan with COFACE SA for €345 million 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. These securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur.
- A joint surety was issued by Compagnie française d'assurance pour le commerce extérieur 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 Compagnie française d'assurance pour le commerce extérieur’s corporate financial statements and is taken into account in the counterparty default risk type 1 SCR.
- Concomitantly, COFACE SA granted an intra-group subordinated loan to Compagnie française 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 amounts to €324 million in the statutory accounts. This was €345 million in the Solvency II accounts due to discounting the debt.

Compagnie Française Board of Directors plans to propose the distribution of a dividend of €2.08 per share at the Annual Shareholders' Meeting on May 12, 2021.

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[8] The reconciliation reserve as presented in the statement (S.23.01.t - ex OF-B1Q) is defined as equity excluding capital and premiums related to capital, less dividends payable

E.1.8 Additional ratios

Not applicable to either the Coface Group or Compagnie française d'assurance pour le commerce extérieur.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Annual requirements

- **Standards used**

The calculations[9] 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 IRM software which enabled the Coface Group to generate the QRTs in XBRL format. Calculations for the partial internal model scope were made in line with specifications described in the approval file.

The risk-free rate curve used is the curve, without volatility adjustment, published by EIOPA applicable at the end of December 2020.

- **SCR**

The Group SCR at 31 December 2020 and 2019 breaks down as follows:

COFACE SA	As of Dec. 31	
(in millions of euros)	2020	2019
SCR Global (1)	**1,077**	**1,158**
Insurance SCR	908	944
Financial institution SCR	169	213
Own funds eligible (2)	**2,204**	**2,347**
Consolidated SII ratio (3) = (2)/(1)	**205%**	**203%**
Total Risk (1)+(2)+(3)	**1,109**	**1,146**

Compagnie française d'assurance pour le commerce extérieur's SCR at 31 December 2020 and 2019 breaks down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

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

La Compagnie	As of Dec. 31	
(in millions of euros)	2020	2019
SCR Global (1)	**775**	**784**
Insurance SCR	775	784
Financial institution SCR	0	0
Own funds eligible (2)	**2 211**	**2 255**
Consolidated SII ratio (3) = (2)/(1)	**285%**	**288%**
SII insurance ratio	285%	288%
MCR	**194**	**196**

E.2.2 Calculation methods used

The calculation methods Compagnie française d'assurance pour le commerce extérieur used are as follows:

- **Non-life SCR**

- **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.

- **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.

- **Volumes of premiums**

The volume measurement for Compagnie française d'assurance pour le commerce extérieur's premium risk is provided using the following formula (for an assessment date at 12/31/N):

Volume of premiums = Max (Earned premiums (N); Earned premiums (N+1)) + existing FP + future FP

The premiums used are net of policyholders' bonuses and rebates and net of reinsurance. The existing FP and future FP are calculated for each product line (Credit, Single Risk and Surety) in line with the following definitions:

- Existing FP represents the expected actual value of premiums to be acquired by Compagnie française d'assurance pour le commerce extérieur after the coming 12 months for existing contracts
- Future FP represents the expected actual value of premiums to be acquired by Compagnie française d'assurance pour le commerce extérieur for contracts whose date of initial recognition occurs within the coming 12 months, excluding premiums to be acquired during the 12 months that follow 12/31/N.

- **Aggregation of premium and reserve risk**

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

- 19% applied to the volume of premiums
- 17.2% 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:

- Compagnie française d'assurance pour le commerce extérieur only works in 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 Compagnie française d'assurance pour le commerce extérieur'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.

- **Catastrophe SCR**

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

- A major risk corresponding to a plummet in the two largest portfolio exposures with a 10% loss rate, in accordance with regulations.
- A risk of recession corresponding to a deterioration in the overall economic climate and a mass loss experience.

Calculating Catastrophe SCR for credit and surety bond risks is described in Article 134 of the EU delegated regulation 2015/35 dated 10 October 2014.

- **Description of the external reinsurance programme**

The Coface Group's external reinsurance is intended to cover frequency risk and the risk of recession. Frequency risk is addressed through quota-share treaties. Catastrophe risk is addressed by means of quota share treaties and two excess of loss treaties (by debtor and by country).

Risk of recession is addressed by quota share treaties and the stop-loss treaty against the disproportionate change in the frequency of claims.

- **Surrender risk**

In accordance with Article 118 of the European Commission delegated regulation EU 2015/35 of 10 October 2014, Compagnie française d'assurance pour le commerce extérieur measures winding up SCR at €0 million at the end of 2020.

- **Aggregation of Non-life SCR**

The aggregation of these various risk modules is performed 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.

♦ **Market SCR**

- **Organization**

For financial assets, COFACE SA and Compagnie française d'assurance pour le commerce extérieur use the PICIM platform managed by Amundi to supply SAS IRM. The service is intended to provide COFACE SA and Compagnie française d'assurance pour le commerce extérieur with portfolio inventories enhanced with unitary SCR characteristics and calculations per instrument at 31 December 2020. The PICIM portfolio represents 98% of the investment portfolio excluding equity investments and operating property.

The files provided correspond to book inventories supplied by the asset servicing provider to COFACE SA and Compagnie française d'assurance pour le commerce extérieur "CACEIS"'s financial assets portfolio and enriched by Amundi. Amundi supplies COFACE SA and Compagnie française d'assurance pour le commerce extérieur with Equity, Interest (only on financial assets), Spread and Property SCRs on its scope of consolidation.

The Concentration, Change and Interest SCRs (excluding financial assets) were calculated directly by SAS IRM, as were the shocks to be applied on the equity investments held.

- **Classification of securities**

The CIC field used for the accounting classification of each security is populated by Amundi in the files provided to COFACE SA and Compagnie française d'assurance pour le commerce extérieur.

- **Look-through of funds**

Asset classifications and SCR calculations were carried out on a line-by-line basis for the most 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 four UCITS for which calculation on a line-by-line basis was either unavailable or irrelevant.

- **Equities SCR**

Regarding equities held in portfolio, COFACE SA decided not to use the "grandfathering equity" clause for 2020, as in 2019.

- **Property SCR**

The scope of consolidation on Property SCR consists of 24% operating property, 0.1% investment property and 75.9% supports whose underlying assets are property assets.

♦ Default SCR

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

♦ Simplifications used

- **Capacity for absorption by deferred taxes**

For Compagnie française d'assurance pour le commerce extérieur, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) on the basis of the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2020 + Operational SCR_2020)*Tax rate_2020. Entities in a net deferred tax asset position have a zero SCR adjustment.

♦ Problems and difficulties encountered

Certain risk reduction mechanisms used by Compagnie française d'assurance pour le commerce extérieur cannot be taken into account in the standard formula despite the fact that they represent a major challenge for the Company. This involves in particular:

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

♦ COFACE SA

The calculation method for COFACE SA is described below.

The premium, natural disaster and reserve SCR for the "credit insurance" scope is estimated using a partial internal model developed by the COFACE Group. The partial internal model developed by the COFACE Group covers non-life underwriting risk for credit insurance activities of the group's accounting scope of consolidation. The purpose of this model is two-fold:

- To gain a clear understanding of this risk when calculating the regulatory capital requirement
- To run a tool that enhances existing technical analyses in various operational processes

The capital requirement (SCR rated) of non-life underwriting risk for the partial internal model is calculated as a Value-At-Risk for the underwriting income (as an economic view) over one year.

$$SCR_{Souscription\ Non-Vie,Crédit} = -\mathbb{V}aR_{0.5\%}[Résultat\_Technique]$$

Both the financial and management data used for Coface's partial internal model are fit for purpose. To guarantee it, Coface practices dedicated governance for data quality, including controls that meet three data quality criteria: completeness, consistency and appropriateness. These controls are reviewed on a quarterly basis by all the regional data quality agents and local points of contact.

♦ Non-life SCR

• Premium, reserve and natural disaster SCR

The partial internal model is structured according to the following modules and sub-modules:

- "Reserves risk" module, which models the risk of the claims provision best estimate to pay sliding in one year.
- "Risk of premiums and natural disasters" module, which breaks down as follows:
  - "Default generator", which simulates exposure at default among all of COFACE SA's exposures
  - "Portfolio loss ratio", which estimates claims paid, net of recourse, using exposure at default
  - "Premiums, fees, exposure and profit-sharing", which models the other items in the underwriting income statement
- "Reinsurance" module, which models COFACE SA's external reinsurance agreements

These different modules simulate a large number of underwriting income statements net of reinsurance at one year, then help obtain the solvency capital required for covered risks via the 99.5% quantile of the distribution of underwriting income net of reinsurance.

The premium, natural disaster and reserve SCR within the scope of "other income" is estimated using the standard formula according to the method described for Compagnie française d'assurance pour le commerce extérieur.

- **Description of the external reinsurance program**

The Coface Group's external reinsurance is intended to cover frequency risk and the risk of recession. Frequency risk is addressed through quota-share treaties. Catastrophe risk is addressed by means of quota share treaties and two excess of loss treaties (by debtor and by country).

Risk of recession is addressed by quota share treaties and the stop-loss treaty against the disproportionate change in the frequency of claims.

- **Winding-up risk**

In accordance with Article 118 of the European Commission delegated regulation EU 2015/35 of 10 October 2014, COFACE SA measures winding-up SCR at the end of 2020 at a €0 million level.

- **Aggregation of Non-life SCR**

The diversification effects in the Internal Model result from the application of aggregation methods for different risks, portfolios and entities (with different geographical locations).

Diversification between premium, reserve and catastrophe risks in the partial internal model is achieved in simulation within the projection model via Gaussian copulas.

Premium, reserve and natural disaster risks of the other insurance activities are calculated using the standard formula and estimate non-life underwriting risk (excluding disposal) of other insurance activities. The capital requirement for non-life underwriting risks (excluding winding up) of COFACE's insurance activities is obtained by aggregating the requirement of its credit insurance activities (measured using the partial internal model) and the requirement of the insurance activities excluding credit (measured using the standard formula) using a correlation coefficient calibrated on historical data.

The winding-up risk for all products is estimated then combined with a correlation of 0% in accordance with regulatory provisions.

♦ **Market SCR**

Market SCR is obtained via the standard formula, the same way as the method described for Compagnie française d'assurance pour le commerce extérieur.

♦ **Default SCR**

The counterparty default SCR is obtained via the standard formula, the same way as the method described for Compagnie française d'assurance pour le commerce extérieur.

♦ **Simplifications used**

- **Capacity for absorption by deferred taxes**

For COFACE SA and Compagnie française d'assurance pour le commerce extérieur, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) on the basis of the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2020 + Operational SCR_2020)*Tax rate_2020. Entities in a net deferred tax asset position have a zero SCR adjustment.

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.

Details of the calculation of the minimum capital requirement ratio **La Compagnie** *(in millions of euros)*		**As of Dec. 31**	
		2020	**2019**
A	Technical provisions without risk margin for non-life insurance and reinsurance obligations after deducting amounts recoverable under reinsurance contracts	473.5	444.3
B	Net written premium	366.9	565.8
C	Solvency Capital Requirement - SCR	775.3	784.4
D=0,25*C	0,25*Solvency Capital requirement	193.8	196.1
E=0,45*C	0,45*Solvency Capital requirement	348.9	353.0
F	Risk factor relating to the technical provisions for the credit-insurance segment α	17.7%	17.7%
G	Risk factor for premiums issued for credit-insurance segment β	11.3%	11.3%
H=(A*F)+(B*G)	Non-life Minimum Capital Requiement	**193.8**	**142.6**
I=H	Linear Minimum Capital Requirement	125.3	142.6
J	Non-life AMCR level (absolute threshold)	2.2	2.2
K	**Combined MCR =min(max(I;0,25*C);0,45*C)**	**193.8**	**196.1**
Global MCR	MCR=max (K;J)	193.8	196.1

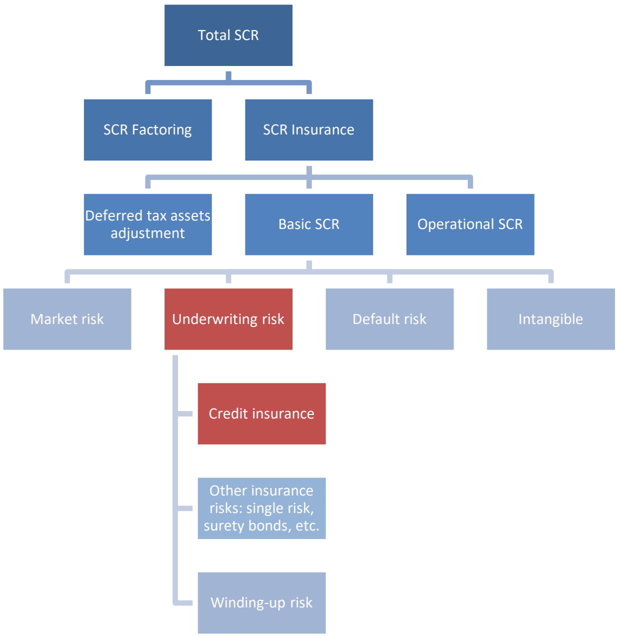
E.3 Use of the duration-based equity risk sub-module to calculate the solvency capital requirement

COFACE SA and Compagnie française d'assurance pour le commerce extérieur 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**

The diagram below summarises the various modules used to calculate COFACE Group's capital requirements for all businesses. The modules that use the internal model are highlighted in red.



The internal model has a different structure and calculation method from the standard formula. The capital requirement (SCR rated) of non-life underwriting risk for the partial internal model is calculated as a Value-At-Risk for the underwriting income (as an economic view) over one year.

$$SCR_{Non-life\ underwriting\ ,Credit} = -\mathbb{V}aR_{0.5\%}[Technical\_Result]$$

To this end, the partial internal model breaks down the income statement to understand credit insurance risks:

- Reserve risk, meaning losses related to having insufficient provisions to cover claim events that have taken place during previous financial years that have not yet been paid;
- Premium and natural disaster risk, meaning losses related to not having enough in premiums to cover the loss ratio in the coming year, based on measuring the main income statement items for the next year, namely:
  - Premiums, net of profit-sharing,
  - Claims for the current year (settlements, claim management fees and provisions),
  - Administrative, sales and marketing expenses,
  - Reinsurance balance.

The partial internal model involves generating a large number of simulations (reflecting probable economic situations at one year) and calculating the related income statement. Based on these simulations, the distribution of net income is obtained. The VaR at 99.5% of this distribution represents the Credit Insurance Underwriting SCR.

More specifically, for the premium risk and catastrophe risk:

- The default exposure is simulated by the buyer using a Merton model integrated by global risk factors, countries and sectors.
- The final part of the certificate rendered by default is simulated by the successive application of three factors:
    - o Simulation of a UGD (Usage Given Default) factor which represents the change from defaulted exposure to the unpaid amount: DTS - Declaration of Threat of Sinister, or NOA - Notification of Overdue Amount
    - o Factor CS (Contractual specificities) which represents the reduction in claims resulting from contractual clauses: simulation of a loss rate without follow-up and application of a determined factor to be changed to the first reserve amount
    - o Simulation of an LGD (Loss Given Default) factor which represents the passage from the first to the last net of resources.

    The ultimate loss simulation is based on segmentation and calibration specific to each phenomenon: PD (Probability of Default), UGD, CS, LGD. A classification tree approach associated with expert judgments is used.
- To this ultimate loss is added the claims experience for which the exposure is unknown: unspecified claims (or Blind Cover) and DCL (or Discretionary Credit Limit); unrelated claims.
- The other phenomena necessary to feed the income statement are projected: premiums, premiums and claims costs, premium accessories, profit sharing clauses (PS or Profit Sharing), evaluation of the Best Estimate (BE) of premiums at end N + 1.

For the reserve risk, a distribution representing the variability of the 1-year Best Estimates is projected by a Bootstrap approach over six segments. A Gaussian copula is used to aggregate the distributions of the different segments; finally, the premium and reserve risk distributions are in turn aggregated by Gaussian copula.

The various reinsurance treaties, in QS (Quota-Share), XS (excess of loss) and SL (Stop Loss) are applied simulation by simulation. Distributions net of reinsurance feed into the distribution of the net income statement at the end of N + 1, of which the VaR (Value-at-Risk) at 0.5% constitutes the credit insurance subscription SCR valued in the Partial Internal Model.

Thus, unlike the modeling of underwriting risk in credit insurance using the standard formula, the Internal Partial Model makes it possible to reflect Coface's risk profile:
- Projection of the required capital from the volume of exposure broken down into segments differentiated by level of risk, according to the quality of the exposure
- Taking into account the dependence between the risk factors world, countries and sectors, allowing to jointly model the risks of premiums and catastrophe, which vary simply by the intensity of the defaults.

Insofar as the Internal Partial Model applies to a limited scope of underwriting risk (credit insurance excluding termination risk and excluding single risk and surety business lines), the default integration methods proposed by the regulations are not suitable. The integration of the MIP in the standard formula can be summarized as follows:
- Aggregation of the MIP SCR with the non-life SCR of other products, using a specifically calibrated correlation parameter
- Calculation of a MIP BSCR by aggregating the SCRs relating to the MIP perimeter with a specifically calibrated correlation matrix
- Calculation of a Standard Formula BSCR by aggregating the SCRs relating to the Standard Formula scope with the correlation matrix of the standard formula
- Calculation of the total SCR by summing the two BSCRs (MIP perimeters and Standard Formula), the adjustment for taxes and the SCR relating to operational risk.

Finally, the appropriateness of the data used in the MIP is monitored by a data quality system whose governance principles are defined within the data quality policy. This policy is approved by the Board of Directors.

The operational implementation of the policy is ensured by the data quality department:
- managed by the data quality manager, attached to the Business Technology Department,
- led by data quality correspondents, appointed within each of the 7 regions, measured by qualitative and quantitative indicators, shared during ad hoc bodies (quarterly data quality steering committee).

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

Compagnie française d'assurance pour le commerce extérieur does not use any internal model to calculate its requirements in prudential own funds.

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

During the 2020 financial year, neither COFACE SA nor Compagnie française d'assurance pour le commerce extérieur failed to comply with the minimum capital requirement or the solvency capital requirement.

E.6 Other information

None.

/ F. APPENDICES

F Appendices

F.1 Details of parent company-subsidiary relationships

Country	ENTITY	CONSOLIDATION METHOD	PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
			DEC. 31, 2020	DEC. 31, 2020	DEC. 31, 2019	DEC. 31, 2019
Northern Europe						
Germany	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung)	-	Branch*		Branch*	
Germany	Coface Finanz GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Debitorenmanagement GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Holding GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Kisselberg KG	Full	100.00%	100.00%	100.00%	100.00%
Germany	Fct Vega (Fonds de titrisation)	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Services	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland	-	Branch*		Branch*	
Denmark	Coface Danmark	-	Branch*		Branch*	
Sweden	Coface Sverige	-	Branch*		Branch*	
Norway	GIEK Kredittforsikring AS	Full	100.00%	100.00%	-	-
Western Europe						
France	COFACE SA	Parent company	100.00%	100.00%	100.00%	100.00%
France	Compagnie française d'assurance pour le commerce extérieur	Full	100.00%	100.00%	100.00%	100.00%
France	Cofinpar	Full	100.00%	100.00%	100.00%	100.00%
France	Cogeri	Full	100.00%	100.00%	100.00%	100.00%
France	Fimipar	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *ter*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 *quater*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 *bis*	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium Services	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface Ré	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 *bis*	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 3	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 3 *bis*	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 5	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 6	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Holdings	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Services	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK	-	Branch*		Branch*	
Ireland	Coface Ireland	-	Branch*		Branch*	

Country	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2020	PERCENTAGE INTEREST DEC. 31, 2020	PERCENTAGE CONTROL DEC. 31, 2019	PERCENTAGE INTEREST DEC. 31, 2019
Central Europe						
Austria	Coface Austria Kreditversicherung Service GmbH	Full	100.00%	100.00%	100.00%	100.00%
Austria	Coface Central Europe Holding AG	Full	100.00%	100.00%	100.00%	100.00%
Austria	Compagnie francaise d´assurance pour le commerce extérieur SA Niederlassung Austria	-	Branch*		Branch*	
Hungary	Compagnie francaise d´assurance pour le commerce extérieur Hungarian Branch Office	-	Branch*		Branch*	
Poland	Coface Poland Credit Management Services Sp. z o.o.	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Factoring Sp. z o.o.	Full	100.00%	100.00%	100.00%	100.00%
Poland	Compagnie francaise d'assurance pour le commerce extérieur Spółka Akcyjna Oddział w Polsce	-	Branch*		Branch*	
Czech Republic	Compagnie francaise d'assurance pour le commerce extérieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania CMS	Full	100.00%	100.00%	100.00%	100.00%
Romania	Compagnie francaise d'assurance pour le commerce extérieur S.A. Bois - Colombes – Sucursala Bucuresti	-	Branch*		Branch*	
Romania	Coface Technologie - Roumanie	-	Branch*		Branch*	
Slovakia	Compagnie francaise d´assurance pour le commerce extérieur, pobočka poisťovne z iného členského štátu	-	Branch*		Branch*	
Slovenia	Coface PKZ	Full	100.00%	100.00%	100.00%	100.00%
Lithuania	Compagnie francaise d'assurance pour le commerce extérieur Lietuvos filialas	-	Branch*		Branch*	
Bulgaria	Compagnie francaise d'assurance pour le commerce extérieur SA – Branch Bulgaria	-	Branch*		Branch*	
Russia	CJSC Coface Rus Insurance Company	Full	100.00%	100.00%	100.00%	100.00%

Country	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2020	PERCENTAGE INTEREST DEC. 31, 2020	PERCENTAGE CONTROL DEC. 31, 2019	PERCENTAGE INTEREST DEC. 31, 2019
Mediterranean & Africa						
Italy	Coface Italy (Succursale)	-	Branch*		Branch*	
Italy	Coface Italia	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface Israel	-	Branch*		Branch*	
Israel	Coface Holding Israel	Full	100.00%	100.00%	100.00%	100.00%
Israel	BDI – Coface (business data Israel)	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa	Full	97.50%	97.50%	97.50%	97.50%
South Africa	Coface South Africa Services	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Servicios España,	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Iberica	-	Branch*		Branch*	
Portugal	Coface Portugal	-	Branch*		Branch*	
Greece	Coface Grèce	-	Branch*		Branch*	
Turquey	Coface Sigorta	Full	100.00%	100.00%	100.00%	100.00%

			PERCENTAGE			
			CONTROL	INTEREST	CONTROL	INTEREST
Country	ENTITY	CONSOLIDATION METHOD	DEC. 31, 2020	DEC. 31, 2020	DEC. 31, 2019	DEC. 31, 2019
North America						
United States	Coface North America Holding Company	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface Services North America	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Insurance company	Full	100.00%	100.00%	100.00%	100.00%
Canada	Coface Canada	-	Branch*		Branch*	
Latin America						
Mexico	Coface Seguro De Credito Mexico SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Holding America Latina SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Coface Do brasil Seguros de Credito SA	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Seguradora Brasileira De Credito Interno SA (SBCE)	Full	0.00%	0.00%	100.00%	100.00%
Chile	Coface Chile SA	Full	100.00%	100.00%	100.00%	100.00%
Chile	Coface Chile	-	Branch*		Branch*	
Argentina	Coface Argentina	-	Branch*		Branch*	
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Singapore	Coface Singapour	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	

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

F.2 Quantitative reporting templates

Public disclosure QRTs Public Disclosure are declined in euros.

- **S.02.01.01 Balance sheet – COFACE SA**

S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0.01
Deferred tax assets	R0040	64,187,493.40
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	160,106,474.72
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,925,054,540.26
Property (other than for own use)	R0080	288,000.00
Holdings in related undertakings, including participations	R0090	106,445,254.71
Equities	R0100	143,237,675.70
Equities - listed	R0110	135,079,151.00
Equities - unlisted	R0120	8,158,524.70
Bonds	R0130	1,912,025,709.46
Government Bonds	R0140	819,757,071.72
Corporate Bonds	R0150	1,092,268,637.74
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	688,027,716.99
Derivatives	R0190	10,107,985.51
Deposits other than cash equivalents	R0200	64,922,197.89
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	10,397,124.00
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	10,397,124.00
Reinsurance recoverables from:	R0270	290,413,411.12
Non-life and health similar to non-life	R0280	290,413,411.12
Non-life excluding health	R0290	290,413,411.12
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	5,713,363.00
Insurance and intermediaries receivables	R0360	262,353,960.70
Reinsurance receivables	R0370	79,598,202.06
Receivables (trade, not insurance)	R0380	784,424,789.24
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	369,054,989.34
Any other assets, not elsewhere shown	R0420	-
Total assets	R0500	4,951,304,347.85

		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	1,022,433,772.48
Technical provisions - non-life (excluding health)	R0520	1,022,433,772.48
Technical provisions calculated as a whole	R0530	0.00
Best Estimate	R0540	951,042,140.19
Risk margin	R0550	71,391,632.29
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	32,290,437.05
Pension benefit obligations	R0760	61,651,133.19
Deposits from reinsurers	R0770	3,193,923.00
Deferred tax liabilities	R0780	199,390,301.79
Derivatives	R0790	1,095,099.00
Debts owed to credit institutions	R0800	1,488.04
Financial liabilities other than debts owed to credit institutions	R0810	537,691,874.00
Insurance & intermediaries payables	R0820	79,039,643.59
Reinsurance payables	R0830	255,810,690.59
Payables (trade, not insurance)	R0840	394,907,439.39
Subordinated liabilities	R0850	417,078,539.00
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	417,078,539.00
Any other liabilities, not elsewhere shown	R0880	1,675,817.82
Total liabilities	R0900	3,006,260,158.94
Excess of assets over liabilities	R1000	1,945,044,188.91

S.02.01.02 Balance sheet – La Compagnie

S.02.01.02
Balance sheet

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0.00
Deferred tax assets	R0040	85,797,801.64
Pension benefit surplus	R0050	.
Property, plant & equipment held for own use	R0060	141,998,335.15
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,516,287,211.63
Property (other than for own use)	R0080	288,000.00
Holdings in related undertakings, including participations	R0090	378,710,703.96
Equities	R0100	111,640,926.00
Equities - listed	R0110	103,482,401.00
Equities - unlisted	R0120	8,158,525.00
Bonds	R0130	1,406,778,212.01
Government Bonds	R0140	547,495,315.96
Corporate Bonds	R0150	859,282,896.05
Structured notes	R0160	.
Collateralised securities	R0170	.
Collective Investments Undertakings	R0180	581,313,845.40
Derivatives	R0190	7,126,718.51
Deposits other than cash equivalents	R0200	30,428,805.75
Other investments	R0210	.
Assets held for index-linked and unit-linked contracts	R0220	.
Loans and mortgages	R0230	181,358,643.00
Loans on policies	R0240	.
Loans and mortgages to individuals	R0250	.
Other loans and mortgages	R0260	181,358,643.00
Reinsurance recoverables from:	R0270	422,166,090.98
Non-life and health similar to non-life	R0280	422,166,090.98
Non-life excluding health	R0290	422,166,090.98
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	7,919,621.00
Insurance and intermediaries receivables	R0360	210,590,648.09
Reinsurance receivables	R0370	76,077,036.66
Receivables (trade, not insurance)	R0380	264,205,516.82
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	251,456,547.21
Any other assets, not elsewhere shown	R0420	0.00
Total assets	R0500	4,157,857,452.18

Liabilities		Solvency II value
		C0010
Technical provisions - non-life	R0510	955,625,665.03
Technical provisions - non-life (excluding health)	R0520	955,625,665.03
Technical provisions calculated as a whole	R0530	0.00
Best Estimate	R0540	895,707,487.06
Risk margin	R0550	59,918,177.97
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	22,211,096.00
Pension benefit obligations	R0760	57,239,764.78
Deposits from reinsurers	R0770	19,031,552.73
Deferred tax liabilities	R0780	154,158,431.93
Derivatives	R0790	846,799.00
Debts owed to credit institutions	R0800	0.26
Financial liabilities other than debts owed to credit institutions	R0810	0.00
Insurance & intermediaries payables	R0820	61,876,465.52
Reinsurance payables	R0830	249,323,247.41
Payables (trade, not insurance)	R0840	350,154,629.39
Subordinated liabilities	R0850	344,638,582.00
Subordinated liabilities not in Basic Own Funds	R0860	.
Subordinated liabilities in Basic Own Funds	R0870	344,638,582.00
Any other liabilities, not elsewhere shown	R0880	1,675,817.82
Total liabilities	R0900	2,216,782,051.87
Excess of assets over liabilities	R1000	1,941,075,400.31

- ## S.05.01.02 Premiums, claims and expenses by line of business – COFACE SA (1/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	1,123,248,034.06	R0110-C0100	R0110-C0110	R0110-C0120					1,123,248,034.06
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	93,112,110.58	R0120-C0100	R0120-C0110	R0120-C0120					93,112,110.58
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	551,093,163.01	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	551,093,163.01
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	665,266,981.67	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	665,266,981.67
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	1,113,843,175.34	R0210-C0100	R0210-C0110	R0210-C0120					1,113,843,175.34
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	93,554,701.84	R0220-C0100	R0220-C0110	R0220-C0120					93,554,701.84
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	565,463,440.33	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	565,463,440.33
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	641,934,436.81	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	641,934,436.81

• S.05.01.02 Premiums, claims and expenses by line of business – COFACE SA (2/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	1,123,248,034.06	R0110-C0100	R0110-C0110	R0110-C0120					1,123,248,034.06
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	93,112,110.58	R0120-C0100	R0120-C0110	R0120-C0120					93,112,110.58
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	551,093,163.01	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	551,093,163.01
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	665,266,981.67	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	665,266,981.67
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	1,113,843,175.34	R0210-C0100	R0210-C0110	R0210-C0120					1,113,843,175.34
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	93,554,701.84	R0220-C0100	R0220-C0110	R0220-C0120					93,554,701.84
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	565,463,440.33	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	565,463,440.33
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	641,934,436.81	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	641,934,436.81
Claims incurred																		
Gross - Direct Business	**R0310**	R0310-C0010	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	529,651,894.83	R0310-C0100	R0310-C0110	R0310-C0120					529,651,894.83
Gross - Proportional reinsurance accepted	**R0320**	R0320-C0010	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	38,272,249.94	R0320-C0100	R0320-C0110	R0320-C0120					38,272,249.94
Gross - Non-proportional reinsurance accepted	**R0330**													R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0200
Reinsurers' share	**R0340**	R0340-C0010	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	296,591,216.44	R0340-C0100	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	296,591,216.44
Net	**R0400**	R0400-C0010	R0400-C0020	R0400-C0030	R0400-C0040	R0400-C0050	R0400-C0060	R0400-C0070	R0400-C0080	271,332,928.33	R0400-C0100	R0400-C0110	R0400-C0120	R0400-C0130	R0400-C0140	R0400-C0150	R0400-C0160	271,332,928.33
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	R0410-C0010	R0410-C0020	R0410-C0030	R0410-C0040	R0410-C0050	R0410-C0060	R0410-C0070	R0410-C0080	6,995.26	R0410-C0100	R0410-C0110	R0410-C0120					6,995.26
Gross - Proportional reinsurance accepted	**R0420**	R0420-C0010	R0420-C0020	R0420-C0030	R0420-C0040	R0420-C0050	R0420-C0060	R0420-C0070	R0420-C0080	R0420-C0090	R0420-C0100	R0420-C0110	R0420-C0120					R0420-C0200
Gross - Non- proportional reinsurance accepted	**R0430**													R0430-C0130	R0430-C0140	R0430-C0150	R0430-C0160	R0430-C0200
Reinsurers' share	**R0440**	R0440-C0010	R0440-C0020	R0440-C0030	R0440-C0040	R0440-C0050	R0440-C0060	R0440-C0070	R0440-C0080	R0440-C0090	R0440-C0100	R0440-C0110	R0440-C0120	R0440-C0130	R0440-C0140	R0440-C0150	R0440-C0160	R0440-C0200
Net	**R0500**	R0500-C0010	R0500-C0020	R0500-C0030	R0500-C0040	R0500-C0050	R0500-C0060	R0500-C0070	R0500-C0080	6,995.26	R0500-C0100	R0500-C0110	R0500-C0120	R0500-C0130	R0500-C0140	R0500-C0150	R0500-C0160	6,995.26
Expenses incurred	**R0550**	R0550-C0010	R0550-C0020	R0550-C0030	R0550-C0040	R0550-C0050	R0550-C0060	R0550-C0070	R0550-C0080	384,549,598.35	R0550-C0100	R0550-C0110	R0550-C0120	R0550-C0130	R0550-C0140	R0550-C0150	R0550-C0160	384,549,598.35
Other expenses	**R1200**																	R1200-C0200
Total expenses	**R1300**																	384,549,598.35

- ## S.05.01.02 Premiums, claims and expenses by line of business – La Compagnie (1/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	912,792,875.76	R0110-C0100	R0110-C0110	R0110-C0120					912,792,875.76
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	174,340,299.13	R0120-C0100	R0120-C0110	R0120-C0120					174,340,299.13
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	706,861,797.98	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	706,861,797.98
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	380,271,376.91	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	380,271,376.91
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	902,842,502.26	R0210-C0100	R0210-C0110	R0210-C0120					902,842,502.26
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	178,005,604.90	R0220-C0100	R0220-C0110	R0220-C0120					178,005,604.90
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	723,935,644.91	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	723,935,644.91
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	356,912,462.25	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	356,912,462.25

- ## S.05.01.02 Premiums, claims and expenses by line of business – La Compagnie (2/2)

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	R0110-C0010	R0110-C0020	R0110-C0030	R0110-C0040	R0110-C0050	R0110-C0060	R0110-C0070	R0110-C0080	912,792,875.76	R0110-C0100	R0110-C0110	R0110-C0120					912,792,875.76
Gross - Proportional reinsurance accepted	**R0120**	R0120-C0010	R0120-C0020	R0120-C0030	R0120-C0040	R0120-C0050	R0120-C0060	R0120-C0070	R0120-C0080	174,340,299.13	R0120-C0100	R0120-C0110	R0120-C0120					174,340,299.13
Gross - Non-proportional reinsurance accepted	**R0130**													R0130-C0130	R0130-C0140	R0130-C0150	R0130-C0160	R0130-C0200
Reinsurers' share	**R0140**	R0140-C0010	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	706,861,797.98	R0140-C0100	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	706,861,797.98
Net	**R0200**	R0200-C0010	R0200-C0020	R0200-C0030	R0200-C0040	R0200-C0050	R0200-C0060	R0200-C0070	R0200-C0080	380,271,376.91	R0200-C0100	R0200-C0110	R0200-C0120	R0200-C0130	R0200-C0140	R0200-C0150	R0200-C0160	380,271,376.91
Premiums earned																		
Gross - Direct Business	**R0210**	R0210-C0010	R0210-C0020	R0210-C0030	R0210-C0040	R0210-C0050	R0210-C0060	R0210-C0070	R0210-C0080	902,842,502.26	R0210-C0100	R0210-C0110	R0210-C0120					902,842,502.26
Gross - Proportional reinsurance accepted	**R0220**	R0220-C0010	R0220-C0020	R0220-C0030	R0220-C0040	R0220-C0050	R0220-C0060	R0220-C0070	R0220-C0080	178,005,604.90	R0220-C0100	R0220-C0110	R0220-C0120					178,005,604.90
Gross - Non-proportional reinsurance accepted	**R0230**													R0230-C0130	R0230-C0140	R0230-C0150	R0230-C0160	R0230-C0200
Reinsurers' share	**R0240**	R0240-C0010	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	723,935,644.91	R0240-C0100	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	723,935,644.91
Net	**R0300**	R0300-C0010	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	356,912,462.25	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	356,912,462.25
Claims incurred																		
Gross - Direct Business	**R0310**	R0310-C0010	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	429,559,958.31	R0310-C0100	R0310-C0110	R0310-C0120					429,559,958.31
Gross - Proportional reinsurance accepted	**R0320**	R0320-C0010	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	85,174,937.93	R0320-C0100	R0320-C0110	R0320-C0120					85,174,937.93
Gross - Non-proportional reinsurance accepted	**R0330**													R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0200
Reinsurers' share	**R0340**	R0340-C0010	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	374,920,181.94	R0340-C0100	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	374,920,181.94
Net	**R0400**	R0400-C0010	R0400-C0020	R0400-C0030	R0400-C0040	R0400-C0050	R0400-C0060	R0400-C0070	R0400-C0080	139,814,714.30	R0400-C0100	R0400-C0110	R0400-C0120	R0400-C0130	R0400-C0140	R0400-C0150	R0400-C0160	139,814,714.30
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	R0410-C0010	R0410-C0020	R0410-C0030	R0410-C0040	R0410-C0050	R0410-C0060	R0410-C0070	R0410-C0080	R0410-C0090	R0410-C0100	R0410-C0110	R0410-C0120					R0410-C0200
Gross - Proportional reinsurance accepted	**R0420**	R0420-C0010	R0420-C0020	R0420-C0030	R0420-C0040	R0420-C0050	R0420-C0060	R0420-C0070	R0420-C0080	R0420-C0090	R0420-C0100	R0420-C0110	R0420-C0120					R0420-C0200
Gross - Non- proportional reinsurance accepted	**R0430**													R0430-C0130	R0430-C0140	R0430-C0150	R0430-C0160	R0430-C0200
Reinsurers' share	**R0440**	R0440-C0010	R0440-C0020	R0440-C0030	R0440-C0040	R0440-C0050	R0440-C0060	R0440-C0070	R0440-C0080	R0440-C0090	R0440-C0100	R0440-C0110	R0440-C0120	R0440-C0130	R0440-C0140	R0440-C0150	R0440-C0160	R0440-C0200
Net	**R0500**	R0500-C0010	R0500-C0020	R0500-C0030	R0500-C0040	R0500-C0050	R0500-C0060	R0500-C0070	R0500-C0080	R0500-C0090	R0500-C0100	R0500-C0110	R0500-C0120	R0500-C0130	R0500-C0140	R0500-C0150	R0500-C0160	R0500-C0200
Expenses incurred	**R0550**	R0550-C0010	R0550-C0020	R0550-C0030	R0550-C0040	R0550-C0050	R0550-C0060	R0550-C0070	R0550-C0080	233,091,469.21	R0550-C0100	R0550-C0110	R0550-C0120	R0550-C0130	R0550-C0140	R0550-C0150	R0550-C0160	233,091,469.21
Other expenses	**R1200**																	R1200-C0200
Total expenses	**R1300**																	233,091,469.21

- ## S.05.02.01 Premiums, claims and expenses by country – COFACE SA

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	US	ES	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	**R0110**	165,732,842.00	181,374,156.00	146,011,851.00	104,467,569.05	83,485,071.00	44,963,143.50	726,034,632.55
Gross - Proportional reinsurance accepted	**R0120**	4,659,813.60	R0120-C0090	R0120-C0090	R0120-C0090	R0120-C0090	R0120-C0090	4,659,813.60
Gross - Non-proportional reinsurance accepted	**R0130**	329,960.00	R0130-C0090	R0130-C0090	R0130-C0090	R0130-C0090	R0130-C0090	329,960.00
Reinsurers'share	**R0140**	122,667,330.00	62,917,448.00	125,688,548.00	25,592,329.42	22,041,666.00	33,678,466.13	392,585,787.55
Net	**R0200**	48,055,285.60	118,456,708.00	20,323,303.00	78,875,239.63	61,443,405.00	11,284,677.37	338,438,618.60
Premiums earned								
Gross - Direct Business	**R0210**	165,979,942.00	181,640,194.00	147,391,660.00	105,107,047.57	82,626,851.00	46,864,108.56	729,609,803.13
Gross - Proportional reinsurance accepted	**R0220**	2,283,790.11	R0220-C0090	R0220-C0090	R0220-C0090	R0220-C0090	R0220-C0090	2,283,790.11
Gross - Non-proportional reinsurance accepted	**R0230**	142,793.12	R0230-C0090	R0230-C0090	R0230-C0090	R0230-C0090	R0230-C0090	142,793.12
Reinsurers'share	**R0240**	122,667,330.00	70,057,293.00	117,735,771.00	27,929,308.38	22,099,441.00	33,494,585.88	393,983,729.26
Net	**R0300**	45,739,195.23	111,582,901.00	29,655,889.00	77,177,739.19	60,527,410.00	13,369,522.68	338,052,657.10
Claims incurred								
Gross - Direct Business	**R0310**	71,370,159.00	89,072,284.00	24,244,543.00	68,364,393.11	39,337,869.00	22,883,563.77	315,272,811.88
Gross - Proportional reinsurance accepted	**R0320**	468,256.70	R0320-C0090	R0320-C0090	R0320-C0090	R0320-C0090	R0320-C0090	468,256.70
Gross - Non-proportional reinsurance accepted	**R0330**	0.00	R0330-C0090	R0330-C0090	R0330-C0090	R0330-C0090	R0330-C0090	0.00
Reinsurers'share	**R0340**	61,772,637.00	50,928,727.00	55,361,526.00	14,365,619.46	10,575,034.00	22,041,347.39	215,044,890.85
Net	**R0400**	10,065,778.70	38,143,557.00	-31,116,983.00	53,998,773.65	28,762,835.00	842,216.38	100,696,177.73
Changes in other technical provisions								
Gross - Direct Business	**R0410**	R0410-C0080	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0140
Gross - Proportional reinsurance accepted	**R0420**	0.00	R0420-C0090	R0420-C0090	R0420-C0090	R0420-C0090	R0420-C0090	0.00
Gross - Non- proportional reinsurance accepted	**R0430**	0.00	R0430-C0090	R0430-C0090	R0430-C0090	R0430-C0090	R0430-C0090	0.00
Reinsurers'share	**R0440**	R0440-C0080	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0140
Net	**R0500**	0.00	R0500-C0090	R0500-C0090	R0500-C0090	R0500-C0090	R0500-C0090	0.00
Expenses incurred	**R0550**	76,593,206.00	72,072,622.00	66,103,203.00	50,461,445.66	41,129,681.00	11,892,547.83	318,252,705.49
Other expenses	**R1200**							R1200-C0140
Total expenses	**R1300**							318,252,705.49

- ## S.05.02.01 Premiums, claims and expenses by country – La Compagnie

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		IT	DE	ES	GB	NL	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	165,732,842.00	181,374,156.00	146,011,851.00	83,485,071.00	44,660,064.20	43,135,257.00	664,399,241.20
Gross - Proportional reinsurance accepted	R0120	4,699,974.80	0.00	0.00	0.00			4,699,974.80
Gross - Non-proportional reinsurance accepted	R0130	329,960.00	0.00	0.00	0.00			329,960.00
Reinsurers'share	R0140	72,525,534.00	41,960,358.00	114,402,440.00	1,247,139.00	26,586,806.47	42,344,575.00	299,066,852.47
Net	R0200	98,237,242.80	139,413,798.00	31,609,411.00	82,237,932.00	18,073,257.73	790,682.00	370,362,323.53
Premiums earned								
Gross - Direct Business	R0210	165,979,942.00	181,640,194.00	147,391,660.00	82,626,851.00	46,575,523.29	43,220,208.00	667,434,378.29
Gross - Proportional reinsurance accepted	R0220	2,283,790.11	0.00	0.00	0.00			2,283,790.11
Gross - Non-proportional reinsurance accepted	R0230	142,793.12	0.00	0.00	0.00			142,793.12
Reinsurers'share	R0240	72,525,534.00	48,393,405.00	106,433,476.00	1,241,292.00	28,417,234.44	42,618,395.00	299,629,336.44
Net	R0300	95,880,991.23	133,246,789.00	40,958,184.00	81,385,559.00	18,158,288.85	601,813.00	370,231,625.08
Claims incurred								
Gross - Direct Business	R0310	82,513,808.25	97,134,850.00	32,756,065.75	46,435,510.50	27,947,503.43	30,099,172.75	316,886,910.68
Gross - Proportional reinsurance accepted	R0320	468,256.70	0.00	0.00	0.00			468,256.70
Gross - Non-proportional reinsurance accepted	R0330	0.00	0.00	0.00	0.00			0.00
Reinsurers'share	R0340	57,047,254.00	30,133,081.00	63,950,804.00	1,028,184.00	19,611,479.21	27,947,567.00	199,718,369.21
Net	R0400	25,934,810.95	67,001,769.00	-31,194,738.25	45,407,326.50	8,336,024.22	2,151,605.75	117,636,798.17
Changes in other technical provisions								
Gross - Direct Business	R0410	R0410-C0080	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0090	R0410-C0140
Gross - Proportional reinsurance accepted	R0420	0.00	0.00	0.00	0.00			0.00
Gross - Non- proportional reinsurance accepted	R0430	0.00	0.00	0.00	0.00			0.00
Reinsurers'share	R0440	R0440-C0080	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0090	R0440-C0140
Net	R0500	0.00	0.00	0.00	0.00			0.00
Expenses incurred	R0550	36,311,556.00	69,914,899.00	64,699,937.00	33,665,725.00	9,019,879.96	965,743.00	214,577,739.96
Other expenses	R1200							R1200-C0140
Total expenses	R1300							214,577,739.96

- ## S.17.01.02 Non-life Technical Provisions – La Compagnie

S.17.01.02

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**	R0010-C0020	R0010-C0030	R0010-C0040	R0010-C0050	R0010-C0060	R0010-C0070	R0010-C0080	R0010-C0090	R0010-C0100	R0010-C0110	R0010-C0120	R0010-C0130	R0010-C0140	R0010-C0150	R0010-C0160	R0010-C0170	R0010-C0180
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**	R0050-C0020	R0050-C0030	R0050-C0040	R0050-C0050	R0050-C0060	R0050-C0070	R0050-C0080	R0050-C0090	R0050-C0100	R0050-C0110	R0050-C0120	R0050-C0130	R0050-C0140	R0050-C0150	R0050-C0160	R0050-C0170	R0050-C0180
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	R0060-C0020	R0060-C0030	R0060-C0040	R0060-C0050	R0060-C0060	R0060-C0070	R0060-C0080	R0060-C0090	158,106,371.22	R0060-C0110	R0060-C0120	R0060-C0130	R0060-C0140	R0060-C0150	R0060-C0160	R0060-C0170	158,106,371.22
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	R0140-C0020	R0140-C0030	R0140-C0040	R0140-C0050	R0140-C0060	R0140-C0070	R0140-C0080	R0140-C0090	65,187,233.12	R0140-C0110	R0140-C0120	R0140-C0130	R0140-C0140	R0140-C0150	R0140-C0160	R0140-C0170	65,187,233.12
Net Best Estimate of Premium Provisions	**R0150**	R0150-C0020	R0150-C0030	R0150-C0040	R0150-C0050	R0150-C0060	R0150-C0070	R0150-C0080	R0150-C0090	92,919,138.10	R0150-C0110	R0150-C0120	R0150-C0130	R0150-C0140	R0150-C0150	R0150-C0160	R0150-C0170	92,919,138.10
Claims provisions																		
Gross	**R0160**	R0160-C0020	R0160-C0030	R0160-C0040	R0160-C0050	R0160-C0060	R0160-C0070	R0160-C0080	R0160-C0090	737,601,115.89	R0160-C0110	R0160-C0120	R0160-C0130	R0160-C0140	R0160-C0150	R0160-C0160	R0160-C0170	737,601,115.89
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	R0240-C0020	R0240-C0030	R0240-C0040	R0240-C0050	R0240-C0060	R0240-C0070	R0240-C0080	R0240-C0090	356,978,858.55	R0240-C0110	R0240-C0120	R0240-C0130	R0240-C0140	R0240-C0150	R0240-C0160	R0240-C0170	356,978,858.55
Net Best Estimate of Claims Provisions	**R0250**	R0250-C0020	R0250-C0030	R0250-C0040	R0250-C0050	R0250-C0060	R0250-C0070	R0250-C0080	R0250-C0090	380,622,257.34	R0250-C0110	R0250-C0120	R0250-C0130	R0250-C0140	R0250-C0150	R0250-C0160	R0250-C0170	380,622,257.34
Total Best estimate - gross	**R0260**	R0260-C0020	R0260-C0030	R0260-C0040	R0260-C0050	R0260-C0060	R0260-C0070	R0260-C0080	R0260-C0090	895,707,487.10	R0260-C0110	R0260-C0120	R0260-C0130	R0260-C0140	R0260-C0150	R0260-C0160	R0260-C0170	895,707,487.10
Total Best estimate - net	**R0270**	R0270-C0020	R0270-C0030	R0270-C0040	R0270-C0050	R0270-C0060	R0270-C0070	R0270-C0080	R0270-C0090	473,541,395.44	R0270-C0110	R0270-C0120	R0270-C0130	R0270-C0140	R0270-C0150	R0270-C0160	R0270-C0170	473,541,395.44
Risk margin	**R0280**	R0280-C0020	R0280-C0030	R0280-C0040	R0280-C0050	R0280-C0060	R0280-C0070	R0280-C0080	R0280-C0090	59,918,178.39	R0280-C0110	R0280-C0120	R0280-C0130	R0280-C0140	R0280-C0150	R0280-C0160	R0280-C0170	59,918,178.39
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	R0290-C0020	R0290-C0030	R0290-C0040	R0290-C0050	R0290-C0060	R0290-C0070	R0290-C0080	R0290-C0090	R0290-C0100	R0290-C0110	R0290-C0120	R0290-C0130	R0290-C0140	R0290-C0150	R0290-C0160	R0290-C0170	R0290-C0180
Best estimate	**R0300**	R0300-C0020	R0300-C0030	R0300-C0040	R0300-C0050	R0300-C0060	R0300-C0070	R0300-C0080	R0300-C0090	R0300-C0100	R0300-C0110	R0300-C0120	R0300-C0130	R0300-C0140	R0300-C0150	R0300-C0160	R0300-C0170	R0300-C0180
Risk margin	**R0310**	R0310-C0020	R0310-C0030	R0310-C0040	R0310-C0050	R0310-C0060	R0310-C0070	R0310-C0080	R0310-C0090	R0310-C0100	R0310-C0110	R0310-C0120	R0310-C0130	R0310-C0140	R0310-C0150	R0310-C0160	R0310-C0170	R0310-C0180
Technical provisions - total																		
Technical provisions - total	**R0320**	R0320-C0020	R0320-C0030	R0320-C0040	R0320-C0050	R0320-C0060	R0320-C0070	R0320-C0080	R0320-C0090	955,625,665.49	R0320-C0110	R0320-C0120	R0320-C0130	R0320-C0140	R0320-C0150	R0320-C0160	R0320-C0170	955,625,665.49
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	R0330-C0020	R0330-C0030	R0330-C0040	R0330-C0050	R0330-C0060	R0330-C0070	R0330-C0080	R0330-C0090	422,166,091.67	R0330-C0110	R0330-C0120	R0330-C0130	R0330-C0140	R0330-C0150	R0330-C0160	R0330-C0170	422,166,091.67
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	R0340-C0020	R0340-C0030	R0340-C0040	R0340-C0050	R0340-C0060	R0340-C0070	R0340-C0080	R0340-C0090	533,459,573.82	R0340-C0110	R0340-C0120	R0340-C0130	R0340-C0140	R0340-C0150	R0340-C0160	R0340-C0170	533,459,573.82

S.19.01.21 Non-life Insurance Claims Information – La Compagnie (1/4)

S.19.01.21

Non-life Insurance Claims Information

Accident year / Underwriting year	**Z0020**	Z-Z0020

Gross Claims Paid (non-cumulative)

(absolute amount)

		Development year										
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											-6,305,480.00
N-9	**R0160**	64,112,350.00	372,201,250.00	94,794,260.00	28,705,220.00	28,472,370.00	-18,054,470.00	-12,467,530.00	-2,838,680.00	-4,201,300.00	464,350.00	
N-8	**R0170**	118,174,240.00	303,377,700.00	98,543,150.00	7,532,880.00	3,420,660.00	12,582,090.00	2,702,110.00	4,717,220.00	15,755,370.00		
N-7	**R0180**	80,166,970.00	282,772,700.00	66,718,830.00	30,681,100.00	3,182,750.00	-4,521,830.00	-5,593,090.00	-1,760,120.00			
N-6	**R0190**	84,670,470.00	306,455,420.00	135,529,170.00	31,588,290.00	2,551,810.00	-7,168,010.00	-5,226,050.00				
N-5	**R0200**	57,086,550.00	278,507,420.00	84,677,620.00	9,481,730.00	-11,127,730.00	-2,635,020.00					
N-4	**R0210**	70,148,560.00	243,641,670.00	92,697,170.00	28,782,780.00	2,361,030.00						
N-3	**R0220**	52,477,910.00	233,067,180.00	87,371,870.00	22,069,480.00							
N-2	**R0230**	63,861,550.00	248,768,890.00	86,113,300.00								
N-1	**R0240**	62,300,520.00	288,478,460.00									
N	**R0250**	62,842,250.00										

- ## S.19.01.01 Non-life Insurance Claims Information – La Compagnie (2/4)

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	-6,305,480.00	-6,305,480.00
	R0160	464,350.00	551,187,820.00
	R0170	15,755,370.00	566,805,420.00
	R0180	-1,760,120.00	451,647,310.00
	R0190	-5,226,050.00	548,401,100.00
	R0200	-2,635,020.00	415,990,570.00
	R0210	2,361,030.00	437,631,210.00
	R0220	22,069,480.00	394,986,440.00
	R0230	86,113,300.00	398,743,740.00
	R0240	288,478,460.00	350,778,980.00
	R0250	62,842,250.00	62,842,250.00
Total	R0260	462,157,570.00	4,172,709,360.00

- ## S.19.01.01 Non-life Insurance Claims Information – La Compagnie (3/4)

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											39,541,997.51
N-9	R0160	R0160-C0200	R0160-C0210	R0160-C0220	R0160-C0230	R0160-C0240	R0160-C0250	R0160-C0260	R0160-C0270	5,192,773.87	1,628,780.75	
N-8	R0170	R0170-C0200	R0170-C0210	R0170-C0220	R0170-C0230	R0170-C0240	R0170-C0250	R0170-C0260	27,263,687.72	9,388,394.64		
N-7	R0180	R0180-C0200	R0180-C0210	R0180-C0220	R0180-C0230	R0180-C0240	R0180-C0250	4,982,355.33	2,098,554.19			
N-6	R0190	R0190-C0200	R0190-C0210	R0190-C0220	R0190-C0230	R0190-C0240	6,156,986.34	5,127,149.57				
N-5	R0200	R0200-C0200	R0200-C0210	R0200-C0220	R0200-C0230	24,532,268.50	36,491,170.44					
N-4	R0210	R0210-C0200	R0210-C0210	R0210-C0220	41,973,159.77	27,545,318.79						
N-3	R0220	R0220-C0200	R0220-C0210	81,131,386.89	34,594,796.31							
N-2	R0230	R0230-C0200	199,318,078.81	42,780,625.71								
N-1	R0240	311,838,205.67	164,279,277.00									
N	R0250	369,774,625.67										

- **S.19.01.01 Non-life Insurance Claims Information – La Compagnie (4/4)**

		Year end (discounted data)
		C0360
	R0100	39,785,890.06
	R0160	1,639,892.17
	R0170	9,443,849.12
	R0180	2,118,832.60
	R0190	5,161,311.54
	R0200	36,362,540.63
	R0210	27,676,035.50
	R0220	34,831,408.91
	R0230	43,095,939.31
	R0240	165,194,082.60
	R0250	372,291,333.46
Total	R0260	737,601,115.89

• S.23.01.22 Own funds – COFACE SA (1/3)

S.23.01.22						
Own funds						
		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	**R0010**	304,063,898.00	304,063,898.00		.	
Non-available called but not paid in ordinary share capital at group level	**R0020**	0.00	0.00		0.00	
Share premium account related to ordinary share capital	**R0030**	810,419,792.00	810,419,792.00		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	.	.		.	
Subordinated mutual member accounts	**R0050**	.		.	.	.
Non-available subordinated mutual member accounts at group level	**R0060**	0.00		0.00	0.00	0.00
Surplus funds	**R0070**	.	.			
Non-available surplus funds at group level	**R0080**	.	.			
Preference shares	**R0090**	.		.	.	.
Non-available preference shares at group level	**R0100**	.		.	.	.
Share premium account related to preference shares	**R0110**	.		.	.	.
Non-available share premium account related to preference shares at group level	**R0120**	0.00		0.00	0.00	0.00
Reconciliation reserve	**R0130**	708,401,183.94	708,401,183.94			
Subordinated liabilities	**R0140**	417,078,539.00		.	417,078,539.00	.
Non-available subordinated liabilities at group level	**R0150**	0.00		0.00	0.00	0.00
An amount equal to the value of net deferred tax assets	**R0160**	32,758,977.06				32,758,977.06
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	3,408,982.88				3,408,982.88
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	0.00	0.00	0.00	0.00	0.00
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	0.00	0.00	0.00	0.00	0.00
Minority interests (if not reported as part of a specific own fund item)	**R0200**	.	.	.	.	.
Non-available minority interests at group level	**R0210**	0.00	0.00	0.00	0.00	0.00
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**	168,723,047.00	168,723,047.00	.	.	
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**	.	.	.	.	
Deductions for participations where there is non-availability of information (Article 229)	**R0250**	.	.	.	.	.
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	.	.	.	.	.
Total of non-available own fund items	**R0270**	69,074,172.65	65,665,189.77			3,408,982.88
Total deductions	**R0280**	237,797,219.65	234,388,236.77	.	.	3,408,982.88

- **S.23.01.22 Own funds – COFACE SA (2/3)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	**R0290**	2,034,925,170.35	1,588,496,637.17	0.00	417,078,539.00	29,349,994.18
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	.			.	
Unpaid and uncalled preference shares callable on demand	**R0320**	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive **2009/138/EC**	**R0350**	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	.			.	
Supplementary members calls - other than under **first subparagraph** of Article 96(3) of the Directive **2009/138/EC**	**R0370**	.			.	.
Non available ancillary own funds at group level	**R0380**	.			.	.
Other ancillary own funds	**R0390**	.			.	.
Total ancillary own funds	**R0400**	.			.	.
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	**R0410**	.	.	.	.	
Institutions for occupational retirement provision	**R0420**	.	.	.	.	.
Non regulated entities carrying out financial activities	**R0430**	168,723,047.00	168,723,047.00	.	.	
Total own funds of other financial sectors	**R0440**	168,723,047.00	168,723,047.00	.	.	.
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**	.	.	.	.	.
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**	.	.	.	.	.
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	2,034,925,170.35	1,588,496,637.17	0.00	417,078,539.00	29,349,994.18
Total available own funds to meet the minimum consolidated group SCR	**R0530**	2,005,575,176.17	1,588,496,637.17	0.00	417,078,539.00	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	2,034,925,170.35	1,588,496,637.17	0.00	417,078,539.00	29,349,994.18
Total-eligible own funds to meet the minimum consolidated group SCR	**R0570**	1,642,382,108.51	1,588,496,637.17	0.00	53,885,471.34	
Minimum consolidated Group SCR	**R0610**	269,427,356.69				

- ## S.23.01.22 Own funds – COFACE SA (3/3)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	6.10				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	2,203,648,217.35	1,757,219,684.17	0.00	417,078,539.00	29,349,994.18
Group SCR	**R0680**	1,077,709,426.76				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	2.04				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	1,945,044,188.91				
Own shares (held directly and indirectly)	**R0710**	-				
Foreseeable dividends, distributions and charges	**R0720**	89,400,337.91				
Other basic own fund items	**R0730**	1,147,242,667.06				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0.00				
Other non available own funds	**R0750**	-				
Reconciliation reserve	**R0760**	708,401,183.94				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**					
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**					
Total Expected profits included in future premiums (EPIFP)	**R0790**					

• S.23.01.01 Own funds – La Compagnie (1/2)

S.23.01.01						
Own funds						
		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	137,052,417.00	137,052,417.00		.	
Share premium account related to ordinary share capital	**R0030**	627,437,165.00	627,437,165.00		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	.	.		.	
Subordinated mutual member accounts	**R0050**	.		.	.	.
Surplus funds	**R0070**	.	.			
Preference shares	**R0090**	.		.	.	.
Share premium account related to preference shares	**R0110**	.		.	.	.
Reconciliation reserve	**R0130**	1,101,676,420.31	1,101,676,420.31			
Subordinated liabilities	**R0140**	344,638,582.00		.	344,638,582.00	.
An amount equal to the value of net deferred tax assets	**R0160**	.				.
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	.	.	.	.	.
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**	.	.	.	.	.
Total basic own funds after deductions	**R0290**	2,210,804,584.31	1,866,166,002.31	.	344,638,582.00	.
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	.			.	
Unpaid and uncalled preference shares callable on demand	**R0320**	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	.			.	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	.			.	.
Other ancillary own funds	**R0390**	.			.	.

• S.23.01.01 Own funds – La Compagnie (2/2)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**	.			.	.
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	2,210,804,584.31	1,866,166,002.31	.	344,638,582.00	.
Total available own funds to meet the MCR	**R0510**	2,210,804,584.31	1,866,166,002.31	.	344,638,582.00	
Total eligible own funds to meet the SCR	**R0540**	2,210,804,584.31	1,866,166,002.31	0.00	344,638,582.00	0.00
Total eligible own funds to meet the MCR	**R0550**	1,904,932,611.75	1,866,166,002.31	0.00	38,766,609.44	
SCR	**R0580**	775,332,188.89				
MCR	**R0600**	193,833,047.22				
Ratio of Eligible own funds to SCR	**R0620**	2.85				
Ratio of Eligible own funds to MCR	**R0640**	9.83				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1,941,075,400.31
Own shares (held directly and indirectly)	**R0710**	.
Foreseeable dividends, distributions and charges	**R0720**	74,909,398.00
Other basic own fund items	**R0730**	764,489,582.00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0.00
Reconciliation reserve	**R0760**	1,101,676,420.31
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

S.25.02.22 SCR - for groups using the standard formula and partial internal model – COFACE SA

S.25.02.22

Solvency Capital Requirement - for groups using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	Consideration of the future management actions regarding technical provisions and/or deferred taxes	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0050	C0060	C0070	C0090	C0120
1	Market Risk	306,514,727.05	R-C0050	R-C0060	0.00		
2	Counterparty Default Risk	121,477,594.67	R-C0050	R-C0060	0.00		
5	Non-Life Underwriting Risk	682,079,122.15	R-C0050	R-C0060	584,503,818.28		
7	Operational Risk	36,504,082.08	R-C0050	R-C0060	0.00		
9	Loss-Absorbing Capacity of Deferred Taxes	-97,508,305.87	R-C0050	R-C0060	0.00		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	1,049,067,220.08
Diversification	R0060	-140,080,840.32
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	908,986,379.76
Capital add-ons already set	R0210	0.00
Solvency capital requirement for undertakings under consolidated method	R0220	1,077,709,426.76
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	
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 Requirement for matchingadjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	R0450-C0100
Net future discretionary benefits	R0460	R0460-C0100
Minimum consolidated group solvency capital requirement	R0470	269,427,356.69
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	168,723,047.00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	.
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	168,723,047.00
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	1,077,709,426.76

• S.25.01.21 SCR - for undertakings on Standard Formula – La Compagnie

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	316,091,661.69		
Counterparty default risk	R0020	148,995,440.45		
Life underwriting risk	R0030	.	R0030-C0090	R0030-C0100
Health underwriting risk	R0040	.	R0040-C0090	R0040-C0100
Non-life underwriting risk	R0050	592,456,781.06	R0050-C0090	R0050-C0100
Diversification	R0060	-233,786,996.30		
Intangible asset risk	R0070	0.00		
Basic Solvency Capital Requirement	R0100	823,756,886.90		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	32,723,954.42
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	-81,148,652.43
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	.
Solvency Capital Requirement excluding capital add-on	R0200	775,332,188.89
Capital add-on already set	R0210	.
Solvency capital requirement	R0220	775,332,188.89
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	.
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	.
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	0.00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0.00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0.00

• S.28.01.01 MCR - Only life or only non-life insurance or reinsurance activity – La Compagnie

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	125,275,610.31

		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	473,541,395.44	366,891,887.75
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	125,275,610.31
SCR	R0310	775,332,188.89
MCR cap	R0320	348,899,485.00
MCR floor	R0330	193,833,047.22
Combined MCR	R0340	193,833,047.22
Absolute floor of the MCR	R0350	2,200,000.00
Minimum Capital Requirement	R0400	193,833,047.22

- ## S.32.01.22 Undertakings in the scope of the group – COFACE SA

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	Country	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	[YES/NO]	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0010	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
3800HKUQBHEN7	GB	LEI	Coface UK Holdings Limited	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Limited Company	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
13800LK258I58TR	GB	LEI	Coface UK Services Ltd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
3800VWFVJ3PDAI	IL	LEI	Coface Holding Israel	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	Private limited company (Ltd.)	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
3800W324V1DP5	IL	LEI	Business Data Information	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
3400TQL1PRQT3N	RU	LEI	Coface RUS Insurance Company	Non-Life undertakings	Closed Joint-Stock Company	Non-mutual	: (Tsentralniy Bank	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
59400PH0142SLB.	PL	LEI	Coface Poland CMS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sp z o.o.	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9400ZFRKNWZW6	PL	LEI	Coface Poland Factoring	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	Non-mutual		99.9952%	100.0000%	100.0000%		Significant	100.0000%	Included into scope of group supervision		Method 1: Adjusted equity method
15700PF7WLOIKBF	RO	LEI	Coface Romania CMS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	Non-mutual		99.9460%	100.0000%	99.9508%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
51000020C6NKQI	SI	LEI	Coface PKZ d.d.	Non-Life undertakings	public limited company	Non-mutual	i nadzor, 1000 Lju	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
99006D8U9HJM9	DE	LEI	Coface Debitoren (ex-ADGC)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
29900CW8R9ZEIJN	AT	LEI	Coface Services Austria	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Private Limited Company	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
29900F0GY4C443U	DE	LEI	Coface Finanz (ex-AKCF)	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	alt fur Finanzdien	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Adjusted equity method
9900HMUTQF2EK	DE	LEI	cofacerating.de GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9900OUQBJGH5Q	AT	LEI	Coface Central Europe Holding	Mixed financial holding company as defined in Art. 212 section1 [h] of Directive 2009/138/EC	imited Liability Company / GmbH	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9900UYKF95GQF4	DE	LEI	Cofacerating-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9900VLW25U8Q4	ZA	LEI	Coface South Africa Services (ex-CUAL)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9900ZEEQUB7KU	ZA	LEI	Coface South Africa	Non-Life undertakings	Limited Company	Non-mutual	inancial Services E	97.4953%	100.0000%	97.5000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
93000AP6VMDH6	US	LEI	Coface North America Holding Company	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	Corporation	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
493007N150J79H7	CL	LEI	Coface Chile S.A. (Insurance)	Non-Life undertakings	SA	Non-mutual	ncia de Valores y	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	Country	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	[YES/NO]	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0010	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
9300857WCY2W4	US	LEI	Coface North America, Inc. (MGU)	Non-Life undertakings	Corporation	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
49300AE9J7SZR49	BE	LEI	Coface Belgium Services Holding (ex-RBB)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9300AH1830FZ5N	US	LEI	Coface Services North America, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
49300HBAICZQX9	US	LEI	Coface North America Insurance Company	Non-Life undertakings	Corporation	Non-mutual	ealth of Massachu	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
49300L2E9PESIFA	CH	LEI	Coface RE SA	Reinsurance undertakings	SA	Non-mutual	enossische Finanzr	100.0000%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9300R49CJGOAHI	BR	LEI	Coface Do brasil Seguros de Credito	Non-Life undertakings	SA	Non-mutual	tendencia de Seg	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9300U436DACQW	MX	LEI	Coface Holding America Latina S.A	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA de CV	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
49300VKNSGSISZ	MX	LEI	Coface Seguro de Credito Mexico	Non-Life undertakings	SA de CV	Non-mutual	n Nacional de Seg	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
967007LIEEXZX9N	NO	LEI	Coface GK Forsikring AS	Non-Life undertakings	Limited Company	Non-mutual	Supervisory Autho	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
4500ONKFNDI2RI	NL	LEI	Coface Nederland Services B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Dutch B.V.	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9000TSX8QMK0Q	TR	LEI	Coface Sigorta	Non-Life undertakings	ANONIM SIRKETI (SA)	Non-mutual	n Regulation and	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
5600C3B3BA64D	IT	LEI	Coface Italia	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Società a responsabilità limitat	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
980046WUPXWLF	ES	LEI	Coface Servicios Espana, SL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SLU	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
95000CSKX9IHH4	FR	LEI	Cofinpar	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
9500161CXOCK0	FR	LEI	Fimipar	Credit institutions, investment firms and financial institutions	SA	Non-mutual	le prudentiel et de	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Adjusted equity method
5950025N07LTJYF	FR	LEI	COFACE SA	Mixed-activity insurance holding company as defined in Art. 212 section1 [g] of Directive 2009/138/EC	SA	Non-mutual	le prudentiel et de	100.0000%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
95007AC8Q2X70	FR	LEI	Coface Europe (ex-Coface SA)	Non-Life undertakings	SA	Non-mutual	le prudentiel et de	99.9952%	100.0000%	99.9952%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
59500IBHXHF6T3P	FR	LEI	Cogeri	Other	SAS	Non-mutual		99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Full consolidation
SC/DE9	DE	Specific code	FCT VEGA	Special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC	FCT	Non-mutual	rite des marches	99.9952%	100.0000%	100.0000%		Dominant	100.0000%	Included into scope of group supervision		Method 1: Adjusted equity method

F.3 Glossary

Autorité de contrôle prudentiel et de résolution (The French Prudential Supervision and Resolution Authority - ACPR): The French authority responsible for supervising the banking and insurance sectors.

Autorité des Marchés Financiers (The French Financial Markets Authority – AMF): The French authority responsible for regulating the French financial markets.

Best Estimate (BE): economic value of insurance liabilities calculated under the Solvency II Directive.

Prudential balance sheet: an insurance company's balance sheet under the Solvency II Directive. The valuation of the prudential balance sheet is based on the economic value of various items.

Brexit: The United Kingdom's exit from the European Union.

European Insurance and Occupational Pensions Authority (EIOPA): European authority that regulates insurance companies and pension funds.

Key functions: the Solvency II Directive has defined four key functions: the internal audit function, the actuarial function, the risk management function and the compliance verification function. These functions are viewed as strategic in managing risks, and the heads of these functions must comply with fit and proper policy requirements.

Unrestricted Tier 1 own funds: correspond to Tier 1 own funds excluding subordinated debt, which is calculated by adding share capital, additional paid-in capital and reconciliation reserve less non-fungible own funds.

Restricted Tier 1 own funds: correspond to Tier 1 subordinated debt including grandfathered perpetual subordinated debt issued before the Solvency II Directive took effect.

Tier 2 own funds: correspond to Tier 2 subordinated debt including grandfathered dated subordinated debt issued before the Solvency II Directive took effect.

Tier 3 own funds: correspond to Tier 3 subordinated debt as well as potential net deferred tax in Tier 3.

Own funds eligible to cover the MCR: correspond to the sum of Tier 1, Tier 2 and Tier 3 own funds that are eligible to cover the MCR. Accordingly, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not authorised to cover the MCR.

Own funds eligible to cover the SCR: correspond to the sum of Tier 1, Tier 2 and Tier 3 own funds eligible to cover the SCR. Against this backdrop, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of the SCR.

International financial reporting standards (IFRS): international financial reporting standards designed to standardise how accounting information is presented at the international level.

Minimum Capital Requirement (MCR) : an insurer's minimum basic own funds defined by the Solvency II Directive to protect insurers and beneficiaries. When the amount of eligible basic own funds falls below the MCR, the insurer's approval is withdrawn if it is not able to bring this amount back up to the MCR level quickly.

Own Risk and Solvency Assessment (ORSA) : internal assessment of risks and solvency by the insurance company. All the processes and procedures help identify, assess, monitor, manage and communicate all of an insurance company's short- and long-term risks as well as determine the own funds necessary to cover all these risks.

The ORSA is a risk assessment tool used to define a company's strategy. This means, among other things, assessing all risks in a quantitative and qualitative way. The process results in an ORSA report approved by the Board of Directors.

Quantitative Reporting Templates (QRT) : Solvency II regulatory reporting in the form of quantitative statements for the supervisor and/or public, produced quarterly.

Risk Margin : adjustment for explicit risk to account for uncertainties regarding the amount and date of cash outflows. In assessing insurance liabilities, the risk margin is on top of the Best Estimate.

Solvency: an insurer's ability to honour its commitments to policyholders while running a sustainable and profitable business.

Solvency II: European rules guaranteeing solvency of insurance companies. Solvency II aims to adjust the level of equity to the real risks it is exposed to. It is based on a framework agreement adopted in 2009 (Directive 2009/138/EC) and on implementing measures.

Solvency Capital Requirements (SCR) : level of eligible own funds enabling an insurer to absorb material losses and providing reasonable assurance that the commitments to policyholders and beneficiaries will be honoured when they are due. The SCR is defined by the Solvency II Directive as the Value-at-Risk of the insurer's basic own funds, with a one-year confidence level of 99.5%

Solvency and Financial Condition Report (SFCR): annual report for the general public on an insurer's solvency and financial position, set forth by the Solvency II Directive.

Universal Registration Document (URD): document that allows frequent issuers to make available a description of the company's "structure, activities, financial position, results, outlook, governance and shareholding structure for each financial year". The URD is a regulatory requirement introduced in July 2019 by regulation Prospectus 2017/1129 of June 14, 2017, replacing the Registration Document.

Market value: value of an asset on the financial markets.

Volatility: measure of the scale of changes of an indicator over time, such as the market price of a financial asset. For instance, it serves as a factor in quantifying the risk of market price fluctuation for a financial asset.

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France

SA (Société Anonyme)
With a capital of €307,985,522
RCS Nanterre n° 432 413 599