SINGLE SFCR
SOLVENCY AND FINANCIAL CONDITIONS REPORT 2024

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.

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 using 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 April 03, 2025, under the number D.25-0227.

♦ 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 October 10, 2014.*

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

Please note that COFACE SA comprises the Coface Group ("COFACE SA" or "the Group"), accounted for on a consolidated basis and Compagnie française d'assurance pour le commerce extérieur (« la Compagnie »), an institution accounted for on a solo basis.

The Coface Group's general scope of consolidation is stated on page 13 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, La Compagnie 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 La Compagnie primarily comprises information relating to the parent holding company and to the 34 full-service branches listed in Appendix 1.
- The factoring business and credit insurance or services subsidiaries are not consolidated by La Compagnie 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.
- In the absence of a specific paragraph or note, the qualitative or quantitative information in this document is also valid for this establishment.
- This report has not been reviewed by the Statutory Auditors of COFACE SA or La Compagnie, although it has been approved by the respective Boards of Directors of COFACE SA and La Compagnie.

Contents

Summary

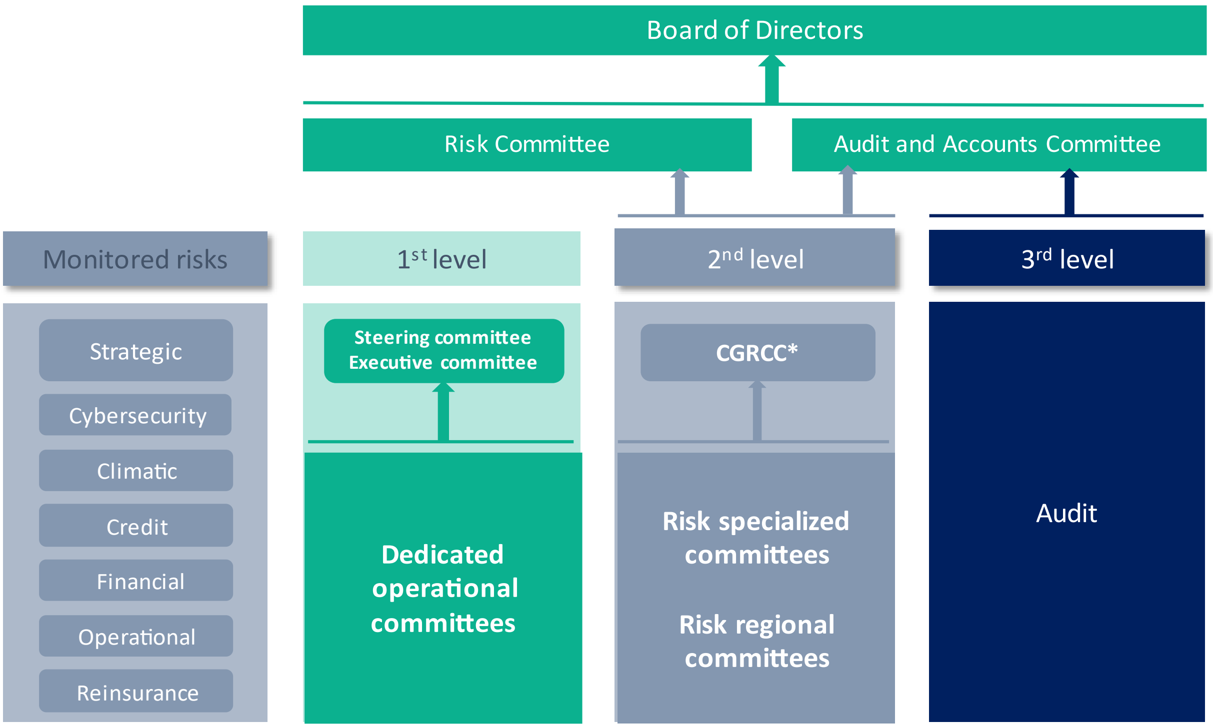
♦ Business and performance

Consolidated turnover came to €1,845 million, down 0.6% on 2023 at constant FX and perimeter. The net combined ratio stood at 65.5%, or 1.2 points above the level recorded in 2023 (64.3%). This breaks down into a 2.5 points decrease in the loss ratio to 35.2% and a 3.6 points increase in the cost ratio to 30.2% in relation to 2023. The Group ended the year with net income (Group share) of €261 million and return on average tangible equity of 13.9%. As at December 31, 2024, the solvency ratio was 196%, above the target solvency range of between 155% and 175%.

The turnover of La Compagnie, which amounted to €1,398 million, fell by 1.6% (at constant FX and perimeter) compared with 2023. The loss ratio gross of reinsurance improved by 1.7 points. It stood at 34.7% and the gross cost ratio was up slightly to 45.5% in 2024, compared with 41.8% in 2023. La Compagnie ended the year with net income of €137 million (compared with €365 million in 2023), a fall of 62.5% *(see Section A.2.2 for more details)*.

♦ 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.



* Coface Group Risk and Compliance Committee (CGRCC)

♦ Risk profile

As a credit insurer, commercial underwriting risk, which is essentially a credit risk for Coface, is one of the Group's main risks, accounting for a significant proportion of the capital requirements. The latter is nonetheless sensitive to strategic, cyber, market, 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 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 December 31, 2024, 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 2023, allowing comparisons between changes in the major classes of assets and liabilities. This values the assets of the Coface Group at €5,794 million under *Solvency II*. La Compagnie has total assets of €4,691 million.

As far as liabilities are concerned, the Group's liabilities amounted to €3,502 million, and the excess of assets over liabilities stood at €2,292 million, while La Compagnie's liabilities totalled €2,631 million, with an excess of assets over liabilities of €2,060 million (*see Section D for further details*).

♦ Capital management

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

The Group has put a capital management policy that it reviews at least once a year in order to meet regulatory requirements, to manage the suitability of its capital with its insurance commitments and to optimise its own funds.

La Compagnie uses the standard formula for calculating its Solvency Capital Requirements (SCR) and Minimum Capital Requirements (MCR).

At December 31, 2024, the Group's solvency ratio was 196%.

At December 31,2024, the La Compagnie's solvency ratio was 237%.

/ 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 €300,359,584 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.

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

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

COFACE SA and La Compagnie 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 Damien LEURENT and Jérôme-Eric GRAS	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY

  - **Statutory auditors – La Compagnie**

Principal Statutory Auditors	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense cedex Represented by Damien LEURENT	Mazars 61, rue Henri Regnault 92400 Courbevoie Represented by Jean-Claude PAULY

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:

	As at December 31, 2024				As at December 31, 2023		As at December 31, 2022	
	Shares	%	Voting rights	%	Shares	Voting rights	Shares	Voting rights
Arch Capital Group	44,849,425	29.86%	44,849,425	30.04%	44,849,425	44,849,425	44,849,425	44,849,425
Employees	1,588,614	1.06%	1,588,614	1.06%	1,265,554	1,265,554	1,223,920	1,223,920
Public	102,873,899	68.50%	102,873,899	68.90%	102,891,911	102,891,911	102,990,329	102,990,329
Treasury shares [1]	867,854	0.58%	0	0.00%	1,172,902	0	1,116,118	0
Total	**150,179,792**	**100%**	**149,311,938**	**100%**	**150,179,792**	**149,006,890**	**150,179,792**	**149,063,674**

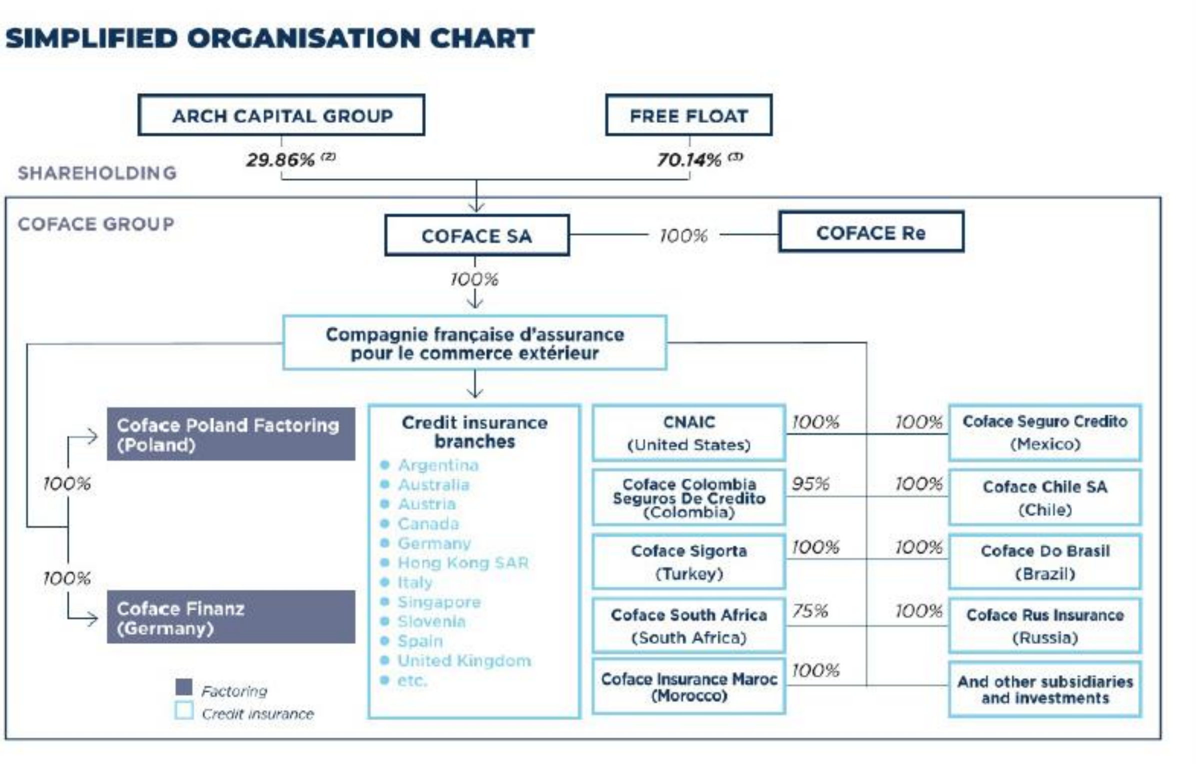
[1] *Independent holding: liquidity contract, treasury share transactions and redemption for cancellation.*

♦ La Compagnie

La Compagnie is fully owned by COFACE SA.

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

The following diagram represents COFACE SA's legal structure and shows its material subsidiaries and branches (*see Chapter "Overview of Coface" of the Universal Registration Document of the Coface Group*).



(2) See paragraph 1.1 "History of the Group" of the Universal Registration Document of the Coface Group
(3) See paragraph 7.1.3 "Own shares and the acquisition of treasury shares by the Company" 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 90% of COFACE SA's turnover in 2024 (*see Note 19 of Chapter 4 "Revenue" in the 2024 Universal Registration Document*). This entails providing businesses with solutions to protect them against the risk of client debtor insolvency in both their domestic and export markets.

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 La Compagnie is exclusively conducted through its 34 branches.

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

- Northern Europe,
- Western Europe and Africa[1],
- Central Europe,
- Mediterranean and Africa,
- North America,
- Latin America,
- Asia-Pacific.

Furthermore, the Group is active in the factoring market, the surety bond market and sells information and debt collection products.

A.1.5 Substantial transactions and significant events in 2024

♦ Governance evolution

- **In the Board of Directors**

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

- **In the Executive Committee**

On May 14, 2024, Ernesto de Martinis has been appointed as the CEO of Coface Mediterranean and Africa region, effective on July 1, 2024. He joins the Group executive committee and reports to Xavier Durand, Coface CEO. He takes over from Cécile Paillard who will continue her career outside the Group.

♦ COFACE SA launches Power the Core, its 2024-2027 strategic plan with a view to develop a global ecosystem of reference for credit risk management

During its investor day organised on March 5, 2024, in Paris, Coface presented its new 2027 strategic plan Power the Core. This plan aims to build upon the successes of the previous strategic plans. Coface has laid strong foundations which will support its development.

[1] *Since July 1st 2024, commercial activities in the Maghreb and Central Western Africa (MAWECA) are part of the Western Europe region (WER).*

In particular, the new plan aims to: a) Reach data and technology excellence; b) Deepen and broaden Coface's historical Trade Credit Insurance (TCI) franchise; c) Grow profitably Business Information services at double digit growth rate; and d) Leverage its unique culture of a human-sized multinational with its Corporate Social Responsibility (CSR) engagements.

With the launch of the plan *Power the Core,* Coface raises all its financial targets.

- **Reimbursement of its subordinated notes issued in 2014 and due on March 27, 2024**

COFACE SA issued a subordinated notes of an amount of €380,000,000, on March 27, 2014, bearing a fixed interest rate of 4.125 per cent. On September 21, 2022, the Company repurchased €153,400,000 in advance following a tender offer. On March 26, 2024, COFACE SA reimbursed the remaining capital, i.e. €226,600,000.

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

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

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

The rating agency AM Best, on May 29, 2024, has upgraded the Long-Term Issuer Credit Ratings (Long-Term ICRs) to 'a+' (Excellent) from 'a' (Excellent) and affirmed the Financial Strength Rating – IFS rating of A (Excellent) of Compagnie française d'assurance pour le commerce extérieur (La Compagnie), Coface North America Insurance Company (CNAIC) and Coface Re. The outlook for these ratings is "stable".

A.1.6 Post closing events at December 31, 2024

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

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

A.2 Underwriting performance

A.2.1 COFACE SA

COFACE SA's consolidated premium income was €1,845 million in 2024. It fell by 0.6% at constant FX and perimeter compared to 2023.

The changes at constant FX and perimeter, presented for comparison purposes in the tables below, take into account the integration of the following entities:

- in the third quarter of 2024: Coface Service Maghreb,
- in the fourth quarter of 2024: Coface Services Greater China.

Underwriting income before reinsurance amounted to €457 million at December 31, 2024, up 0.6% in relation to the end of 2023 (€454 million).

Underwriting income after reinsurance, other revenues and the cost of risk amounted to €369 million at December 31, 2024, down 6.8% in relation to the end of 2023 (€395 million).

Reinsurance costs increased by €14 million. They were -€118 million at December 31, 2024 (€-104 million at December 31, 2023). This increase was mainly due to the fall in ceded claims (linked to the fall in the gross loss ratio) and the fall in commissions received from reinsurers.

A more detailed description is available in *Chapters 1.3 – Description of principal activities and 3.3 – Comments on income in the 2024 Universal Registration Document*.

A.2.2 La Compagnie

♦ Turnover

Turnover for Compagnie Française d'Assurance pour le Commerce Extérieur was €1,398 million down 2.4% compared to December 2023 (1.6% at constant FX and perimeter).

The following table illustrates the changes in turnover, as at December 31, 2023 and 2024:

Change in consolidated turnover La Compagnie *(in millions of euros)*	**As at Dec. 31**		**Change**		
	2024	**2023**	**as a %**	**as a %: at constant FX**	**%: at constant FX and perimeter**
Direct business premiums	1,193	1,180	1.1%	2.6%	2.6%
Premiums accepted	192	239	-19.9%	-22.3%	-22.3%
Earned premiums	**1,385**	**1,420**	**-2.5%**	**-1.6%**	**-1.6%**
Fee and commission income	**13**	**13**	**-0.4%**	**-1.5%**	**-1.5%**
Other underwriting income	**1**	**0**	**1,012.7%**	**1,012.6%**	**1,012.6%**
Total turnover	**1,398**	**1,433**	**-2.4%**	**-1.6%**	**-1.6%**

Earned premiums were €1,385 million, a decrease compared with 2023. Fees and commission income fell by 0.4% to €13 million as at December 31, 2024. Lastly, other underwriting income totalled €563 thousands, up €0.5 million from December 2023.

♦ Change in turnover 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 December 31, 2023 and 2024:

Change in consolidated turnover La Compagnie *(in millions of euros)*	As at Dec. 31		Change			
	2024	**2023**	**(in €m)**	**as a %**	**as a %: at constant FX**	%: **at constant FX and perimeter**
Western Europe	347	285	62	21.7%	24.5%	24.5%
Northern Europe	256	269	-12	-4.7%	-2.8%	-2.8%
Central Europe	134	137	-3	-2.5%	-0.6%	-0.6%
Mediterranean & Africa	396	420	-24	-5.6%	-4.9%	-4.9%
Latin America	21	54	-33	-61.4%	-38.5%	-38.5%
North America	103	122	-19	-15.6%	-26.1%	-26.1%
Asia-Pacific	142	147	-5	-3.4%	-7.6%	-7.6%
Total turnover	**1,398**	**1,433**	**-34**	**-2.4%**	**-1.6%**	**-1.6%**

The regions recorded different changes in revenue at constant FX and perimeter, ranging from 38.5% for Latin America to 0.6% for Central Europe.

In Western Europe, revenue increased by 21.7% (24.5% at constant FX and perimeter) thanks to a better fourth quarter of 2024 for credit insurance as a result of a significant recovery in activity.

In Northern Europe, revenue was down 4.7% due to the selective non-renewal of some loss-making policies at the beginning of the year, despite the stabilisation of client activity in the fourth quarter of 2024.

Revenue stagnated in Central Europe, falling by -0.6% at constant FX and perimeter, due to the decline in client activities, which weighed on credit insurance, despite a high client retention rate.

In the Mediterranean and Africa region, which is driven by Spain, revenue fell 4.9% at constant FX and perimeter, due to slower sales activity in Italy.

In Latin America, revenue fell sharply by 61.4% (-38.5% at constant FX and perimeter).

In North America, revenue decreased by 15.6%, from €122 million in 2023 to €103 million in 2024. The region is suffering from the slowdown in customer activity, despite a higher level of retention and a relatively buoyant economic environment.

In the Asia-Pacific region, revenue fell slightly, by 3.4% (-7.6% at constant FX and perimeter). This lower revenue was due to a slowdown in client activities that robust sales were unable to offset, as well as the selective non-renewal of certain policies.

♦ Loss experience

The cost of claims of Compagnie Française d'Assurance pour le Commerce Extérieur was €480 million, up 2.6% from 2023.

La Compagnie	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change (%)**
Claims expenses	**-480**	**-468**	2.6%
Earned premiums	1,385	1,420	-2.5%
Loss ratio before reinsurance	**34.7%**	**33.0%**	**1.7 ppt**

The loss ratio before reinsurance, including claims handling expenses increased by 1.7 points, up from 33.0% in 2023 to 34.7% for 2024.

♦ Overheads

Overheads La Compagnie *(in millions of euros)*	As at Dec. 31		Change	
	2024	2023	as a %	%: at constant FX and perimeter
Internal overheads	-390	-358	9.1%	8.6%
o/w claims handling expenses	*-33*	-28	20.3%	19.8%
o/w internal investment management expenses	-6	-6	-2.6%	-2.7%
Commissions	-240	-242	-0.9%	3.4%
Total overheads	**-630**	**-600**	**5.1%**	**6.5%**

Total overhead costs, which include claims handling expenses and of internal investment management, was up by 5.1% (6.5% at constant FX and perimeter), from €600 million in 2023 to €630 million in 2024.

Contract acquisition commissions were stable this year. They were €240 million in 2024.

Internal overheads, which include claims handling expenses and internal investment management expenses, increased by 9.1% (8.6% at constant FX and perimeter), from €358 million in 2023 to €390 million in 2024.

♦ Reinsurance income

The cost of reinsurance fell by 18.4% in 2024, from €250 million in 2023 to €204 million in 2024.

La Compagnie	As at Dec. 31		
(in millions of euros)	2024	2023	Change (%)
Ceded premiums	-682	-745	-8.4%
Ceded claims	199	200	-0.9%
Commissions paid by reinsurers	280	295	-5.2%
Reinsurance income	**-204**	**-250**	**-18.4%**

♦ Net underwriting income

La Compagnie's underwriting income fell by 59.0%, from €404 million in 2023 to €165 million in 2024.

The decline in French GAAP net underwriting is mainly due to the reversal of the equalization provision, which is significantly lower this year than last. This year, a net charge of €67 million was recorded, compared with a reversal of €218 million in 2023.

A.3 Investment performance

A.3.1 Detailed results over the period

- **Trends in the financial markets**

Macroeconomic figures for 2024 showed divergent trends on each side of the Atlantic. The US economy surprised by its resilience, while Europe and, to an even greater extent, China posted weaker-than-expected growth. Inflation in developed economies fell significantly, from 4.7% to 2.6%, but remained stable in emerging economies, decreasing on average from 5.7% to 5.3%. Monetary policy arrived at a turning point with cuts in key central banks' key rates. The ECB initiated this trend with a rate cut in June, followed by the Fed in September. On the financial markets, the strong performance of the bond markets was driven by the cuts made to key interest rates. The equity markets also rose in 2024, with the major US indices reaching new highs. The credit markets were positive thanks to the strength of balance sheets and the cuts made to the central banks' key rates. On the foreign exchange market, the resilience of the US economy, the belated cut to the Fed's rates and the significant capital inflows after Donald Trump's victory caused the dollar to rise. The euro/US dollar exchange rate fell from 1.10 to 1.03.

The US economy maintained a high pace of growth (2.7% in 2024), with real GDP accelerating in recent quarters. Consumer spending remained robust, despite a slight slowdown in the labour market, with the unemployment rate rising from 3.7% to 4.2%. This election year was marked by the return of Donald Trump following a clear victory for the Republicans, who won a majority in Congress. US headline inflation fell from 4.1% to 2.4% on average over the year, while core inflation stood at 3.3%. Inflationary pressure is now concentrated in the services and food sectors. Against this backdrop, the Fed kept interest rates unchanged in the first half of the year before starting a normalisation cycle with a first cut of 50 basis points in September, followed by two 25 basis point cuts at subsequent meetings, bringing the Fed Funds range down to 4.25%-4.5%. In view of the US economy's strong momentum and a slower-than-expected slowdown in inflation, the Fed has shown itself to be cautious about making further cuts to key rates. The US 10-year bond yield is close to 4.6% (+69 basis points) while the 2-year yield remains close to 4.3% (-1 basis point). On the equity markets, the S&P 500 gained more than 23% over the year, driven by good corporate earnings and the fall in the Fed Funds rate.

In the eurozone, economic growth continued to show signs of weakness. Real GDP growth was 0.8% over the year, mainly thanks to the recovery in the services sector. However, conditions remain challenging for the manufacturing sector. We note that the gap is widening between Spain, which seems to be accelerating, and Germany and France, where the outlook remains negative. While inflation is generally falling in the eurozone, particularly for goods, it is continuing to prove resilient in service activities. The eurozone annual inflation rate was 2.4% in December, moving closer to the ECB's 2% target. As a result, the ECB cut interest rates by 25 basis points in June 2024. After a pause in July, the ECB made three further 25 basis point cuts at its meetings between September and December, accelerating its monetary easing and bringing the deposit rate down to 3%. The 10-year Bund yield ended the year at around 2.4% (+34 basis points) while the 2-year yield approached 2% (-32 basis points). Since the announcement of the dissolution of the French National Assembly, 10-year spreads between France and Germany have widened by nearly 30 points, to 80 points. On the equity markets, the Euro Stoxx 50 gained 8.3% over the year.

Economic activity in emerging countries continued to grow faster than in developed economies. Growth in emerging markets was 4.1% this year. This was reflected in confidence among businesses and households, as well as foreign investors on the bond and stock markets. Despite the economic slowdown in China, weakened by its property market crisis and weak domestic demand, Asia remained the main driver thanks to the strong growth enjoyed by India (6.4%). In Latin America, growth in Brazil was broadly stable at 3.1%, while growth in Mexico slowed sharply to 1.5%. Eastern European countries remained on relatively moderate growth trajectories.

♦ Financial income from investments – COFACE SA

• Development of the investment portfolio

In 2024, the Coface Group continued to lower its portfolio's risk profile mainly by reducing its exposure to emerging sovereign debt in favour of Investment grade corporate bonds.

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

Lastly, cash levels remain high to cover a possible deterioration in the loss experience.

At December 31, 2024, the bond portfolio represented 78.5%, compared with 68.8% at the end of 2023.

Finally, loans, deposits and other financial investments accounted for 14.4% of the Group's portfolio at the end of 2024, compared with 23.3% at the end of 2023.

These investments were all made in a strictly defined risk context: the quality of issuers, the sensitivity of issues, the dispersion of issuer status and geographic region are the subject of specific rules defined in the different management mandates granted to the Group's dedicated managers.

The market value of the portfolio fell slightly by €15 million over the 2024 financial year.

The financial portfolio by main asset classes breaks down as follows:

Investment portfolio	**As at Dec. 31**			
COFACE SA	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	150	4.6%	180	5.4%
Shares	85	2.6%	82	2.5%
Bonds	2582	78.5%	2,273	68.8%
Loans, deposits and other financial investments	473	14.4%	770	23.3%
Total financial assets	**3,290**	**100.0%**	**3,305**	**100.0%**

• Investment portfolio income

Net investment income from the investment portfolio amounted to €92 million in 2024, including adjustments to the market value of assets measured at fair value through profit or loss for -€3 million and -€3 million in foreign exchange income.

Income from the investment portfolio came to €99 million. As monetary policy normalised, the unrealised losses of real estate investment funds were fully offset by realised gains.

Income from the investment portfolio COFACE SA *(in millions of euros)*	**As at Dec. 31**		**Change**	
	2024	**2023**	***(in €m)***	***(as a %)***
Investment income	99	68	30	44.2%
Change in fair value of financial instruments at fair value through profit or loss	-3	-22	19	-86.8%
Capital gains/losses on disposals	11	18	-7	-37.4%
Charges to and reversals of provisions for impairment in value	3	*0*	3	2,800.0%
Currency gains and losses	-3	-39	36	-93.0%
Investment management expenses	-16	-13	-2	15.7%
Net investment income	**92**	**13**	**79**	**627.8%**

The portfolio's economic rate of return was 4.8%, higher than 2023 (4.0%), explained by the 40% increase in portfolio revenues, combined with a sharp reduction in foreign exchange losses and an improvement in the level of financial asset revaluation reserves, due in particular to more moderate fall in real estate assets.

♦ Financial income from investments – La Compagnie

• Development of the investment portfolio

La Compagnie's portfolio followed the same allocation pattern as that of the Group, with a fall in exposure to investment property and loans, deposits and other financial investments in favour of Investment grade corporate bonds.

The investment portfolio of La Compagnie can be broken down as follows:

Investment portfolio La Compagnie *(in millions of euros)*	**As at Dec. 31**			
	2024		**2023**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	119	4.6%	146	5.5%
Shares	85	3.3%	82	3.1%
Bonds	1971	77.0%	1,626	61.1%
Loans, deposits and other financial investments	386	15.1%	809	30.4%
Total financial assets	**2,561**	**100.0%**	**2,663**	**100.0%**

• Investment portfolio income

La Compagnie's net investment portfolio income amounted to €113 million in 2024, versus €27 million in 2023.

Income from the investment portfolio La Compagnie *(in millions of euros)*	As at Dec. 31		Change	
	2024	**2023**	***(in €m)***	***(as a %)***
Investment income	126	97	28	28.9%
Gains on the realisation of investments	156	86	70	81.0%
Total income and gains	**281**	**184**	**98**	**53.3%**
Financial expenses	-40	-32	-8	26.5%
Investment management	-6	-6	0	-2.6%
Provision for impairment of investments	-2	-2	0	2.1%
Other investment expenses	-14	-12	-2	16.6%
Losses on the realisation of investments	-106	-104	-2	2.0%
Total expenses	**-169**	**-156**	**-13**	**8.0%**
Financial income	**113**	**27**	**85**	**311.6%**

In 2024, the Coface Group continued to lower its portfolio's risk profile mainly by reducing its exposure to emerging sovereign debt in favour of Investment grade corporate bonds. Cash levels remained high throughout the year as a precautionary measure.

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

In the statutory accounts of La Compagnie, 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, held by La Compagnie, 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 December 31, 2024 and, for comparison purposes, at December 31, 2023:

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

** Insurance Finance Expenses*

*** Provisions for pensions and similar obligations*

COFACE SA *(in thousands of euros)*	**Technical liabilities / IFE***	**Investment instruments**	**Reserves - Non-recyclable gains and losses (IAS19**)**	**Income Tax**	**Revaluation reserves - Group share**	**Non-controlling interests**	**Revaluation reserves**
Amounts as at December 31, 2022 restated IFRS17	**16,096**	**-72,874**	**-17,637**	**21,435**	**-52,981**	**-91**	**-53,070**
Financial instruments first application of impact IFRS	0	-40,296	0	2,796	-37,500	0	-37,500
Amounts as at January 1, 2023	**16,096**	**-113,170**	**-17,637**	**24,231**	**-90,481**	**-91**	**-90,570**
Fair value adjustments on financial assets reclassified to income	0	-3,618	0	1,879	-1,739	0	-1,739
Fair value adjustments on financial assets recognised in equity and recyclable	0	66,813	0	-13,464	53,348	8	53,357
Change in reserves - gains and losses not reclassified to income statement	0	-24,445	-2,794	-1,497	-28,737	0	-28,737
Transactions with shareholders	0	0	0	0	0	0	0
Reevaluation IFRS17 OCI reserves variations recyclable in P&L	-4,620	0	0	1,346	-3,275	-8	-3,267
Amounts as at December 31, 2023	**11,476**	**-74,426**	**-20,429**	**12,498**	**-70,880**	**-79**	**-70,956**

** Insurance Finance Expenses*

*** Provisions for pensions and similar obligations*

♦ La Compagnie

La Compagnie prepares its financial statements in accordance to French accounting standards. Under these standards, items of income or expense are recognized in the income statement, and no items are recognized directly in equity.

A.3.3 Securitisation

Not applicable for COFACE SA and La Compagnie.

Indeed, as at December 31, 2024, 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 €9 million as at December 31, 2024, and principally comprised:

- expenses related to the entry of two service entities into the scope of consolidation for €2.0 million;
- provisions for restructuring costs of €3.3 million;
- expenses related to the CSRD project for €1.7 million.

♦ La Compagnie

Extraordinary income and expenses amounted to €3 million as at December 31, 2024.

Extraordinary expenses mainly consisted of:

- provisions for restructuring costs of €0.3 million;
- other expenses related to miscellaneous projects of €7.7 million.

Extraordinary income mainly consisted of:

- reversals of excess depreciation for €3.4 million;
- reversals of provisions for restructuring costs of €2.3 million;
- other extraordinary income related to the assignment of reinsurance contracts to Coface Europe for €5.5 million.

A.4.2 Rental Agreements

♦ Operating leases

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 La Compagnie and its Italian branch. At Group level, other individual leases are not material.

• COFACE SA

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 September 1, 2018, and should end on August 31, 2030.

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

• La Compagnie

La Compagnie's main office rental agreements are the same as those of the Group.

♦ Financial leases

Not applicable to COFACE SA or La Compagnie.

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 governance system

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 February 27, 2024, the Board of Directors, which approves the parent company and consolidated financial statements, is made up of ten members, of which 50% are women and 60% are independent:

- Bernardo Sanchez Incera, Chairman,
- Janice Englesbe,
- David Gansberg,
- Chris Hovey,
- Isabelle Laforgue,
- Laetitia Léonard-Reuter,
- Nathalie Lomon,
- Sharon MacBeath,
- Laurent Musy,
- Nicolas Papadopoulo.

Note: Chris Hovey resigned on 25 May 2024. Following this resignation, Marcy Rathman was co-opted at the Board of Directors' meeting held on August 5, 2024, for the remainder of his term of office.

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 2024 Universal Registration Document*.

- **Audit and Accounts Committee**

During financial year 2024, the members of the Audit and Accounts Committee were Laetitia Léonard-Reuter (Chairman), David Gansberg and Isabelle Laforgue.

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

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

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

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

a) Monitoring the preparation of financial information,

b) Monitoring the control of the external audit of financial statements,
c) Selection and renewal of the Statutory Auditors,
d) Approval of the provision by the Statutory Auditors of services other than account certification,
e) Internal control duties,
f) Annual budget.

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

More details are available in *the 2024 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**

In 2024, the members of the Risk Committee were Nathalie Lomon (Chair), Janice Englesbe, Isabelle Laforgue and Laurent Musy.

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

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

a) Efficiency of risk management systems,
b) Review of all regulatory reports relating to the company,
c) Monitoring of changes in prudential regulations,
d) Monitoring of the Group's capital requirements,
e) Monitoring of the internal control system,
f) Review of items related to the partial internal model.

More details are available in the *2024 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, Compensation and CSR Committee**

In the 2024 financial year, the members of the Nominations, Compensation and CSR Committee were Sharon MacBeath (Chair), Bernardo Sanchez Incera and Nicolas Papadopoulo.

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

Detailed information on its composition, powers, operations and activity is set out in the paragraph on the *Nominations, Compensation and CSR Committee in Section 2.1.8 – Specialised committees set up by the Board of Directors in the 2024 Universal Registration Document.*

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

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

- Pierre Bevierre, *Human Resources* Director,
- Cyrille Charbonnel, *Underwriting and Claims* Director,
- Declan Daly, *Group Operations* Manager,
- Nicolas Garcia, Commercial Director,
- Phalla Gervais, Chief *Financial and Risk* Officer,
- Carole Lytton, General Secretary,
- Keyvan Shamsa, *Business Technology* Director,
- Thibault Surer, Strategy and Business Development Director.

Note: Gonzague Noël was appointed Group Operations Manager, replacing Declan Daly with effect from February 3, 2025.

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

La Compagnie is governed by a Board of Directors. As at December 31, 2024, the Board of Directors comprised eight Directors appointed by the Ordinary Shareholders' Meeting and four Directors representing employees. They were as follows:

- Xavier Durand, Chairman,
- Mary Varkados,
- Pierre Vilalta,
- Bertrand de la Boussinière, employee Board member,
- Cyrille Charbonnel,
- Doris Kukla, employee Board member, until May 13, 2024,
- Katarzyna Kompowska,
- Cécile Paillard, until August 30, 2024,
- Avelino Pereira, employee Board member, until May 13, 2024,
- Carine Pichon,
- Matthias Rolf, employee Board member,
- Oscar Villalonga,
- Ernesto de Martinis, with effect from September 12, 2024,
- Marcin Ogulewicz, employee Board member with effect from September 12, 2024,
- Bogdan Nichisoiu, employee Board member with effect from September 12, 2024.

B.1.2 Description of the key functions

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

Heads of key functions carry out their roles for both COFACE SA and La Compagnie.

The *Solvency II Regulation* grants the Chief Executive Officer and, if necessary, the Deputy Chief Executive Officer, the status of effective directors of a Group. It authorises the appointment by the Board of Directors of one or more other executive 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 controlled by the Chief Executive Officer or the effective manager and operates under the ultimate responsibility of the Board of Directors. It has direct access to the Board for reporting any major problem in the function's area of responsibility. This right is enshrined in the Board of Directors' Rules of Procedure.

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

Key functions are free of influences that may compromise their capacity to carry out the tasks assigned to them in an objective, loyal and independent manner.

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, the same reporting line by function has been established between country and regional managers. Further details are provided on each key function in a specific paragraph.

B.1.3 Significant change in governance during the period

- **Appointment of Marcy Rathman as a director of Coface SA**

Chris Hovey resigned on 25 May 2024. Following this resignation, Marcy Rathman was co-opted at the Board of Directors' meeting held on August 5, 2024, for the remainder of his term of office.

B.1.4 Compensation policy and other benefits for employee

The compensation 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. and encouraging risk management.

It complies with the regulations in force and guarantees internal fairness and professional equality, particularly between men and women. It incorporates social and environmental issues.

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, Compensation and CSR 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 and their competitiveness on the market.

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 *2024 Universal Registration Document in Chapters 2.3 (Compensation and benefits paid to managers and corporate officers) and 8 (General meeting)).*

♦ Compensation of members of COFACE SA's Board of Directors

- **The Board of Directors:**

The Combined Shareholders' Meeting of May 16, 2024, in its ninth resolution, approved the compensation policy for directors as set by the Board of Directors on February 27, 2024.

For members of the Board of Directors, the compensation policy 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.

Note: the Chairman of the Board of Directors, Bernardo Sanchez Incera, an independent director, receives an annual fixed fee of €180,000, which is paid monthly.

- **Audit and Accounts Committee:**

For members of the Audit and Accounts Committee, the compensation policy is determined as follows:

	Fixed portion (per year prorata to the term of office)	Variable portion (per meeting and capped at 6 meetings)
Chairman	€17,000	€3,000
Members	€5,000	€2,000

- **Risk Committee:**

For members of the Risk Committee, the compensation policy is determined as follows:

	Fixed portion (per year prorata to the term of office)	Variable portion (per meeting and capped at 6 meetings)
Chairman	€17,000	€3,000
Members	€5,000	€2,000

- **Nominations, Compensation and CSR Committee:**

For members of the Nominations, Compensation and CSR Committee, the compensation policy is determined as follows:

	Fixed portion (per year prorata to the term of office)	Variable portion (per meeting and capped at 5 meetings)
Chairman	€17,000	€3,000
Members	€5,000	€2,000

♦ Compensation of members of the Board of Directors of La Compagnie

On 13 May 2024, the General Meeting of Shareholders of La Compagnie allocated a total annual budget of €65,000 as remuneration for directors for the 2024 financial year.

Each director is paid €750 per session, and this amount is doubled if they actually attend.

Employee directors of La Compagnie and/or its subsidiaries who represent the management do not receive any compensation.

B.1.5 Information on significant transactions

For both COFACE SA and La Compagnie, no significant transaction with shareholders, persons exercising significant influence on the company or members of the administrative, management or supervisory body took place in 2024.

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 La Compagnie.

B.2.1 Fit

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

The assessment of 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 sciences 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 considers the training they may receive 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 regarding 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 and the Company on February 27, 2024, and by la Compagnie's Board of Directors on March 6, 2024.

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 reflects the search for business opportunities and the strategy of developing the Company in an environment intrinsically subject to numerous hazards. The essential goal of the risk management function is to identify the risks to which the Group is exposed and to set up an efficient internal control system to create value.

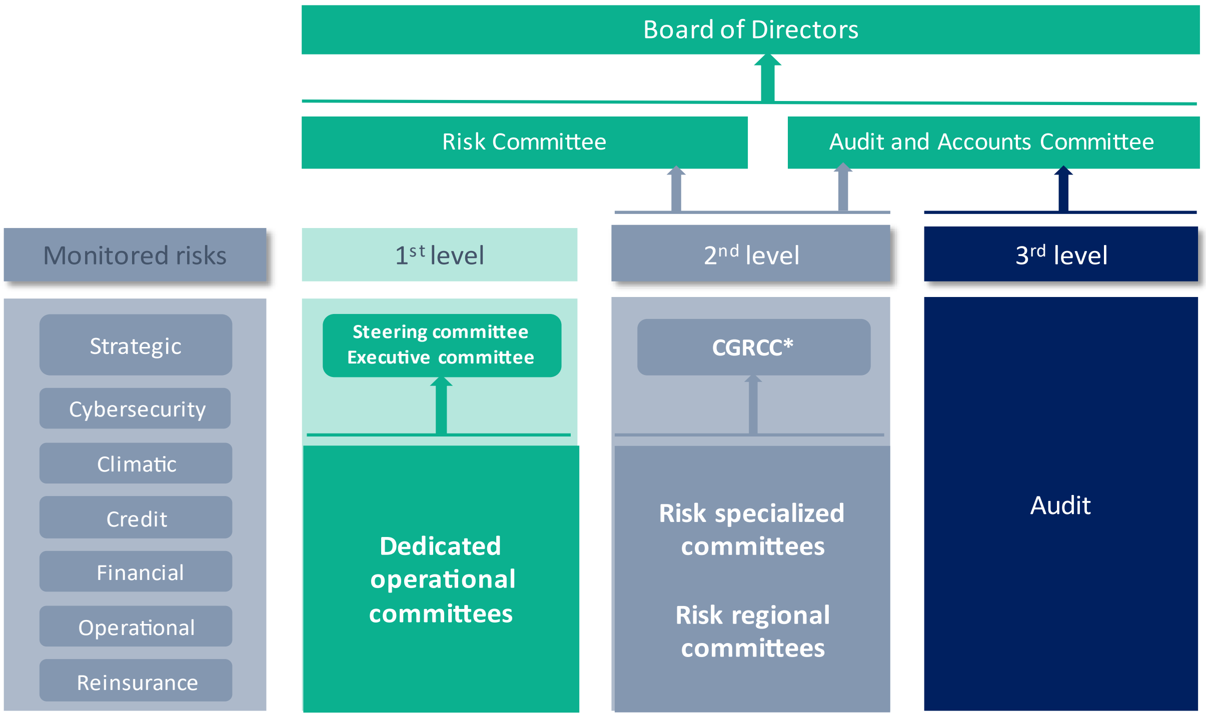
To address these risks, the Group has established a risk management structure which aims to ensure i) the proper functioning of all of its internal processes, ii) compliance with the laws and regulations in all of the countries where it operates, and iii) control of compliance by all operating entities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

The Group defines the internal control system as a set of mechanisms intended to ensure control of its development, profitability, risks and business operations. These mechanisms seek to ensure that i) risks of any kind are identified, assessed and managed; ii) operations and behaviours are in accordance with the decisions made by the management bodies, and comply with the laws, regulations, values and internal rules of the Group; and iii) these operations are carried out to ensure effectiveness and efficient use of resources.

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

- **Governance structure**

In accordance with Article 46 of Directive 2009/138 - *Solvency II*, the Group has implemented a risk management and control system that is based on a clear governance supported by a dedicated organisation, which is based on key functions. This is illustrated by the following diagram, which shows the linkages between, on the one hand, the three lines of risk control put in place at Coface and, on the other, the committees that report to Coface's Board of Directors and general management.



* Coface Group Risk and Compliance Committee (CGRCC)

A Regional Risk Committee exists for each of the seven regions where Coface operates and where the Group is represented by the Risk Director and the Compliance Director.

♦ Management structures and control mechanisms

The management structures and control mechanisms are based on the *CGRCC (Coface Group Risk and Compliance Committee*). Under the chairmanship of the Chief Executive Officer, the *CGRCC* meets at least every quarter. Its composition and tasks are detailed in the *"Governance structure" paragraph in Chapter 5.3.3 - Governance of the internal control system of the 2024 Universal Registration Document.*

♦ Governance of the Partial Internal Model

COFACE has been using a Partial Internal Model (PIM) since December 31, 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 model change policy and the model validation 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 (Coface Group Risk and Compliance Committee*).

In addition, the independent model validation process is based on the principles set out in the validation policy and complies with the *Solvency II standards* on internal model validation. 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.

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 (Coface Group Risk and Compliance Committee*).

• Identification of risks

The Group has identified seven main types of risk: credit risk, financial risk, strategic risk, reinsurance risk, operational and non-compliance risk, cybersecurity risks and risks linked to climate change.

➢ *Credit risks*

Credit risk is the risk of losses arising from non-payment by a debtor of a receivable owed to one of the Group's policyholders.

Credit risk may increase if exposures are concentrated (by country, sector, debtor, 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;
- major 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 include all risks related to 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 represents the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield 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 represents the sensitivity of the value of assets, liabilities and financial instruments to changes affecting the level or volatility of the market value of real estate assets;
- 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 refers to the risk to the Group's results and solvency caused by changes in market conditions or countries because of geopolitical considerations, poor strategic decisions or inadequate implementation of these decisions, the inability to comply with regulatory changes, new accounting standards or tax reforms and/or a lasting and serious deterioration in our reputation or our image on the market.

➢ ***Reinsurance risks***

Given its risk appetite, COFACE SA and La Compagnie reinsure themselves against the extreme risks they may encounter. Reinsurance risk is defined as the loss incurred by any gap between the Group's risk appetite with respect to extreme credit events and the coverage obtained on 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 the reinsurance treaty performance.

Operational and compliance risks

Operational risk is defined as a risk of direct or indirect losses due to an inadequacy or failure regarding procedures and internal processes (non-compliance with procedures, data recording errors), persons (skill requirements, unsatisfactory availability or ethics) including the risk of internal or external fraud, internal systems or external events (the political situation, a natural disaster leading to damage or destruction, a pandemic or cyber-attacks).

Operational risk also includes the notion of legal risk, including the risk of dependency. The Group does not consider that its business or profitability is dependent on any trademarks, patents or licences. Indeed, as part of its business selling credit insurance solutions and additional services, the Group does not hold any patent. The name Coface is protected by trademark registration, including in France. Lastly, the Group has registered a number of trademarks, logos and domain names used in its businesses worldwide.

Non-compliance risk is defined as breaches of the laws or regulations applicable to Coface's business activities, its internal procedures, professional and ethical standards, or the guidelines issued by national and European regulators. Such a breach may result in administrative, judicial or disciplinary sanctions, financial losses or damage to the Group's reputation.

At Coface, the risk of external fraud is jointly monitored by the Compliance Department and the Risk Division (for risks related to information systems and social engineering).

➢ ***Cybersecurity risks***

Cybersecurity risk is defined as the risk of direct or indirect losses resulting from an internal or external malicious event that may compromise the confidentiality, availability, integrity or traceability of Coface's Information System (IS) assets. These assets may include services, processing, applications, data (personal, banking/insurance, technical or strategic data), employees or premises, provided by the Group or by third parties. The Group's cybersecurity risk management system is part of the Group's business risk management system and strengthens the Group's internal control system.

It seeks to anticipate and limit the impact of such malicious events that may affect the IS assets. These may relate to various services, applications, information or data, an employee or a location, provided by Coface or an external partner. Cybersecurity, as a multidisciplinary and cross-functional domain, plays a key role in the business's digital resilience. Effective governance is essential in mitigating cybersecurity risks, which could have financial, reputational and legal consequences in the absence of adequate measures.

Cybersecurity is a multidisciplinary and cross-functional topic that contributes to the business's digital resilience. Coface must have an effective governance system in place that reduces its cybersecurity risk, which, without effective implementation, could expose Coface to financial, reputational and legal risks. The management of cybersecurity risks has the following objectives:

- Ensure cybersecurity through risk management, in line with the Group's business risk management framework, and in compliance with regulatory requirements and the market standards applicable to the Group's entities;
- Make cybersecurity an opportunity for growth through the creation of new services, by anticipating developments (new threats, new technologies, etc.) and by meeting clients' expectations;
- Incorporate the cybersecurity approach into all important business processes;
- Define cybersecurity action plans that focus on the choice of common solutions in response to the same issues encountered by the different entities/regions/countries;
- Increase the professionalisation of teams by strengthening cross-functional skills in cybersecurity activities;
- Enable the entities/functions/regions/countries to provide the expected services, even in a degraded manner;
- In the event that situations deteriorate, contribute to ensuring a rapid, secure and reliable return to operating conditions that are as near to normal as possible;
- Ensure that the services to which clients subscribe are provided continuously, in a manner commensurate with the impact of losses to which Group entities are or may be exposed;
- Be able to anticipate and contribute to the coordinated management of crisis situations liable to interrupt the Group's activities or damage its brand image.

➢ ***Climate change risks***

For several years, a collective awareness of the issues related to climate risks has emerged, pushing all economic players to integrate the ESG (Environmental, Social and Governance) dimension in the day-to-day management of their company. Climate risks are one of Coface's strategic priorities as they affect its activities at two levels (*the impact of Coface's operations on the climate – covered in Chapter 6 of the Universal Registration Document – and the impact of climate risks on the company's operations and profitability*).

Although Coface's exposure to climate change risks seems limited as its business is credit insurance, the Group constantly monitors these risks as climate events are intensifying.

There are two key climate risk categories. The Group's exposure to these categories is summarised below (*see also Chapter 6 of the Universal Registration Document* for details of the underlying risks, the findings of the risk analysis carried out by the Group and the methodology used):

- physical risk:
  - On Coface's operations: as the Group operates in a large number of countries, its operations are mainly exposed to the inherent physical risks of heavy rain, storms, floods and heat waves in the short, medium and long term. The Group has, however, adopted a remote working strategy post-Covid enabling it to limit, to a very significant degree, the disruption that these types of event could cause to its activity. The Group's data centres are also all Tier 3-certified, thereby significantly reducing their exposure. The residual risk is therefore considered to be "low";
  - On the Coface value chain (clients, debtors, investments): due to the size and wide variety of its investment and credit insurance portfolios (in terms of geographical and sectoral footprint), Coface is exposed to a number of inherent physical risks, particularly in Spain (long-term droughts) and the Netherlands (short, medium and long-term flooding). Residual physical risk, however, is considered to be "low" in the short and medium term and "moderate" in the long term, thanks to the strong intra-sector diversification of the Group's investment and credit insurance portfolios in these two countries.
- transition risk:
  - On Coface's operations: the main identified inherent risk is the risk associated with compliance with climate regulations. From a residual point of view, this risk is considered to be immaterial, as Coface does not generate significant emissions due to the nature of its business, although a plan to decarbonise its business activities is in the process of being implemented *(see Chapter 6 of the Universal Registration Document for more information),*
  - On the Coface value chain (clients, debtors, investments): due to the size and wide variety of its investment and credit insurance portfolios (in terms of geographical and sectoral footprint), Coface is exposed to a number of inherent transition risks, particularly in Europe in the industrial sector (regulatory and reputational risks and risks associated with market sentiment in the short, medium and long term). Residual physical risk, however, is considered to be "low" in the short and medium term and "moderate" in the long term, in particular because the European industrial sector is already adapting to these risks.

As part of the ORSA exercise for the Group and La Compagnie, a stress test on climate risk was performed again in 2024. In this scenario reflecting the risk of a delayed transition to a low-carbon economy, obligors operating in sectors the most exposed to transition risk (such as carbon intensive sectors) and whose financial strength is low or medium would be the most exposed. However, the share of these companies in Coface's portfolio is very low. As a result, the impact of this stress scenario on the Group's profitability and solvency is not material.

The governance system put in place by Coface, strengthened by monitoring and control mechanisms, allows credit, financial, strategic, climate, operational, cybersecurity and reinsurance risks to be appropriately managed. This system is regularly assessed to ensure that it is appropriate for the nature, scale and complexity of the company's financial and non-financial risks.

B.3.2 Procedure for the own risk and solvency assessment

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

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

The ORSA is assessed and approved by the Boards of COFACE SA and La Compagnie on an annual basis but may be updated 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 La Compagnie as a risk appetite management tool. An assessment of the overall solvency needs carried out as part of the ORSA enables the adequacy of the Group's solvency to be analysed on a consolidated and solo basis to cover all risk factors, including those not included in the calculation of the SCR. Finally, the results of the stress tests implemented in the ORSA are taken into account in defining and monitoring the Solvency range communicated as part of the strategic plan, which states the Group's risk appetite.

The ORSA model is identical for COFACE SA (Group) and for La Compagnie (Solo), with the only difference being the scope of exposure to risks. The governance of Group and Solo ORSAs is common to both (except for the approval by their respective 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 2024 Universal Registration Document.

B.4.2 Compliance function

The compliance function ensures that the Coface Group remains compliant with the laws and regulations applicable to its business and implements internal rules and standards relating to the main risks of non-compliance listed below:

- Combating money laundering and terrorist financing,
- Compliance with embargoes, asset freezes and other international financial sanctions,
- Prevention of active/passive corruption and influence peddling,
- Managing conflicts of interest, agreements or arrangements between competitors,
- Protection of clients, fair treatment of intermediaries,
- Professional ethics,
- Compliance with the laws and regulations related to insurance activities in connection with compliance issues,
- Vigilance regarding fraud,
- Data protection and confidentiality.

B.5 Internal audit function

♦ Organisation of the internal audit function

The internal audit function's mandate is conferred by Coface's Board of Directors. It authorises the Coface Group's audit function to provide independent, objective and risk-based reviews and advice to the Board of Directors and General Management. The internal audit function's authority is derived from the fact that it reports to the Board of Directors via the Audit Committee.

The Group's Internal Audit Department is placed under the responsibility of the Group Audit Director, who is also in charge of the internal audit key function. The Audit Director attends the Group General Executive Committee meetings in an advisory capacity and reports to the Group's Chief Executive Officer.

The 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 inherent in its mission. 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. Independence is strengthened by the hierarchical structure in place.

The Group Audit Director has full authority to refer matters to the chairman of the Audit Committee and has free access to the Audit Committee. If necessary, and after consulting the Chief Executive Officer and/or the Chairman of the Audit Committee, the Group Audit Director may inform the ACPR (French Prudential and Resolution Authority) of any breaches observed.

The Group Audit Department has no 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. The internal auditors have no other responsibility under 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 internal audit function's objective is to strengthen the organisation's ability to create value over the long term by providing independent, risk-based and objective reviews and advice to the board of directors and management. This function accordingly evaluates 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 consistency, adequacy and proper functioning of risk assessment and control systems, and their compliance with regulatory requirements;
- the reliability and integrity of accounting information and management information, including information linked to Solvency II issues;
- adherence to the Group's laws, regulations and rules (compliance) and to the main decisions taken by the Board of Directors. The audit checks the quality and relevance of the procedures implemented to ensure compliance with laws, regulations and professional standards applicable to the audited activities in France and abroad, and with the Group's policies, decisions by its corporate bodies, and its internal rules;
- the quality, effectiveness and smooth operation of the permanent control mechanism and other components of the governance system;
- the quality and level of security offered by the information systems;
- the effective implementation of the recommendations of prior audit missions, whether they derive from the proceedings of the Group's audit function or from external audits by the supervisory authorities.

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 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 July 1, 2016. To perform its duties, the actuarial function has direct access to Board meetings.

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

- coordinates the calculation of technical provisions: the actuarial function organises the reserving process. In particular, it sends to the entities the reserving guidelines at the beginning of the process;
- ensures the appropriateness of the methodologies, underlying models and assumptions used in the calculation of technical provisions: the methodologies for calculating reserves are analysed annually. The analysis is set out 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 the management at the quarterly Group Reserving Committees;
- supervises the calculation of technical provisions in the cases specified 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;
- issues an opinion on the appropriateness of measures taken in terms of reinsurance: the opinion given by the actuarial function is documented in the actuarial report on reinsurance;
- contributes to the effective implementation of the risk management system under *Article 44*. In particular, it ensures compliance with reserving and commercial underwriting policies and the correct implementation of reinsurance, through specific studies included in the actuarial report.

The Group Actuarial Director is also responsible for the supervision of the claims provisioning process in accordance with IFRS standards (Best Estimate and Risk Adjustment). He supervises the methodologies relating to the calculation of capital requirement calculations within the framework of the *Solvency II* partial internal model for technical reserves 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 2024 of 3 different reports:

- an actuarial report on the reserving process,
- an actuarial report on reinsurance,
- an actuarial report on the underwriting process.

B.7 Subcontracting

B.7.1 Outsourced activities or functions

Outsourcing important or critical activities or operational functions is subject to a Group internal policy called the "Framework Policy on Outsourcing Coface Group Activities" and is defined in accordance with Articles L. 354-3 and R. 354-7 of the French Insurance Code (Code des assurances) transposing Article 49 of the European Directive 2009/138/EC dated November 25, 2009 called *"Solvency II"*, Article 274 of the delegated regulation (EU) 2015/35 dated October 10, 2014 and point 12.4 of the *"Solvency II - Governance System"* notice of the Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution).

This policy was implemented in 2013, has been reviewed annually since then, was overhauled in 2021 and was recently updated in 2024 following approval by the Boards of Directors of COFACE SA in November and of La Compagnie in December. The outsourcing policy aims to identify significant or critical outsourced services and so-called "standard" services and functions, as well as to define:

(i) the criteria for qualifying the concept of outsourcing;
(ii) the regulatory clauses to be stipulated in the outsourcing contracts for important or critical activities and functions, as well as;
(iii) the process for prior approval by La Compagnie's Board of Directors and that of COFACE SA of projects to outsource significant or critical activities and functions, as well as the process of notifying the ACPR of such outsourcing projects;
(iv) the control tools at several levels to ensure compliance with the rules and processes established by this policy.

The policy deems the following activities and/or functions important or critical:

- the four key functions mentioned in Article L.354-1 of the French Insurance Code (Code des assurances):
  - the risk management function,
  - the compliance function,
  - the internal audit function,
  - the actuarial function, as well as,
- the functions, where interrupting them, once outsourced, could have a significant impact on the company's business or on its ability to manage risks effectively, or which could negate the conditions of its approval with regards to the following items:
  - the cost of the outsourced activity,
  - the financial and operational impact or the impact on the company's reputation due to the service provider's inability to accomplish the service within the given deadline,
  - the difficulty of finding another provider or taking over the activity directly within a timeframe deemed acceptable,
  - the company's ability to meet regulatory requirements if the company encounters issues with the service provider,
  - the potential losses for the policyholders, underwriters, or beneficiaries of policies or the reinsurance companies if the service provider fails.

To date, the main material or critical activities outsourced by the Group concern (i) the Company's financial investment management activity and (ii) the hosting of information systems. Key functions are rarely outsourced: Key functions are rarely outsourced with the exception of the Know Your Customer (KYC) process, which has been outsourced internally by certain Group entities.

B.7.2 Service provider quality

When certain activities or functions are outsourced, La Compagnie and all its branches located within the EU have committed to selecting service providers who meet high-quality service standards and have the qualifications and skills necessary to handle the outsourced service, whilst avoiding any conflicts of interest and respecting the commitments of confidentiality applying to Coface Group entitles. Where important or critical activities are concerned, they have also undertaken to inform the ACPR (the French Prudential Supervision and Resolution Authority) of any outsourcing project approved by the Company's Board of Directors and that of COFACE SA, no later than six weeks before the date of entry into force of the contract, in accordance with the applicable regulations. Finally, any outsourcing contract to be signed with a chosen service provider must include the mandatory clauses imposed by the outsourcing policy.

B.8 Other information

No other material information is to be made publicly available.

/ C. RISK PROFILE

C. Risk profile

C.1 Underwriting risk

One of the main risks 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 exposure management:** Exposure to certain countries with high corporate default rates or the concentration of exposures in fragile economic sectors could have a material impact on the Group's loss ratio, operating income, liquidity and solvency margin.
- **Risk of debtor insolvency:** An overestimation of the quality of our debtors, poor management of the concentration of debtors or a delay in assessing certain adverse economic developments could lead to the granting of inappropriate limits to companies that may encounter financial difficulties and potentially default on their payment obligations towards our policyholders, thereby increasing the claims submitted to the Group.
- **Risks related to the constitution of technical insurance provisions:** To establish technical provisions for claims, the Group makes estimates, which are primarily based on widely used actuarial methods (mainly the Chain-Ladder and Bornhuetter Ferguson methods), which are applied to past data triangles. Experience differences may be observed retrospectively between the Group's estimates and the final cost of observed claims. Poor quality data or a deterioration in the economic environment not reflected in projections may make estimates inadequate and have an adverse 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 La Compagnie, which are detailed in *Section E* of this document. The sensitivity of the coverage ratio to factors relating to underwriting risk (such as the loss ratio) is also measured as part of the ORSA, as detailed in section *C.7*.

C.1.2 Risk mitigation techniques

Since January 2015, the Group's external reinsurance has been 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).

In 2024, excess of loss treaties as well as the annual stop loss treaty were not triggered.

C.1.3 Risk concentration

COFACE SA and La Compagnie 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.

Regarding 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[2] reinsurance programme.

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

[2] *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, property and spread fluctuations.

Since May 2013, COFACE SA has 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 two 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 that takes into account the management of financial risk in its strategic allocation, the regulations applicable to insurance companies, and the investment constraints resulting from the management of 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 purpose of asset and liability management is to manage all financial risks and maintain control over changes in financial income. It seeks to reflect changes in the company's liabilities (provisions, disbursements, sensitivity to interest rate risk, currencies) in managing and optimising assets (liquidity, sensitivity, currencies, congruence, interest rate risk and credit risk).

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[3].

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

Investment portfolio	**As at Dec. 31**			
COFACE SA	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	150	4.6%	180	5.4%
Shares	85	2.6%	82	2.5%
Bonds	2,582	78.5%	2,273	68.8%
Loans, deposits and other financial investments	473	14.4%	770	23.3%
Total financial assets	**3,290**	**100.0%**	**3,305**	**100.0%**

Investment portfolio	**As at Dec. 31**			
La Compagnie	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Investment property	119	4.6%	146	5.5%
Shares	85	3.3%	82	3.1%
Bonds	1,971	77.0%	1,626	61.1%
Loans, deposits and other financial investments	386	15.1%	809	30.4%
Total financial assets	**2,561**	**100.0%**	**2,663**	**100.0%**

As at December 31, 2024, bonds accounted for 78.5% of the Group's total investment portfolio. The same observation can be made at the level of La Compagnie where the bond portfolio represented the largest part of the investment portfolio (77.0%), while allocations in equities and property remained substantially similar to those of the Group.

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

As at December 31, 2024 and 2023, the main features of the bond portfolio were as follows:

Breakdown of the bond portfolio by geographical region	**As at Dec. 31**			
COFACE SA	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Asia	192	7.4%	182	8.0%
Emerging countries*	149	5.8%	224	9.8%
Europe	229	8.9%	180	7.9%
North America	412	16.0%	425	18.7%
Eurozone	1,598	61.9%	1,262	55.5%
Other	1	0.0%	1	0.0%
Total	**2,582**	**100.0%**	**2,273**	**100.0%**

**Coface AFS, Brasil, Chile, Argentina, Mexico and Equator*

The investment portfolio is primarily exposed to developed countries in the eurozone and in North America. In terms of international diversification, 2024 was identical to 2023.

The breakdown by geographical area over the scope of consolidation of La Compagnie remained in line with that of the Group with a strong leaning towards the eurozone (65.9%).

Breakdown of the bond portfolio by geographical region	**As at Dec. 31**			
La Compagnie	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Asia	177	9.0%	167	10.3%
Emerging countries*	56	2.8%	113	7.0%
Europe	190	9.6%	145	8.9%
North America	249	12.6%	270	16.6%
Eurozone	1,298	65.9%	929	57.2%
Other	1	0.1%	1	0.0%
Total	**1,971**	**100.0%**	**1,626**	**100.0%**

**Coface AFS, Brasil, Chile, Argentina, Mexico and Equator*

The interest rate risk incurred by the Group on its financial portfolio is limited, with the maximum authorised modified duration of the bond asset class deliberately capped at 5[4]. As at December 31, 2024, the bond portfolio's sensitivity stood at 3.5 for the Group and 3.5 for La Compagnie.

Subsidiaries or branches whose accounts are drawn up in euros and which underwrite in other currencies must comply with the same matching principles (matching of assets and liabilities denominated in a currency other than the accounting reference currency).

Exceptionally, open positions in other currencies may be hedged. The Group does not make foreign currency investments for speculative purposes.

The great 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 December 31, 2024, 81.4% of investments were therefore denominated in euros.

Breakdown of the investment portfolio by currency	**As at Dec. 31**			
COFACE SA	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
EUR	2,677	81.4%	2,656	80.4%
USD	251	7.6%	278	8.4%
Other (<3%)	362	11.0%	371	11.2%
Total	**3,290**	**100.0%**	**3,305**	**100.0%**

For La Compagnie, we find the same high exposures to the EUR (84.2%) and the USD (3.8%).

[4] A bond's modified duration measures its loss of value in the event of a rise in interest rates. Thus, a bond with a modified duration of 5 will see its market value decrease by 5% if interest rates rise by 1%.

Breakdown of the investment portfolio by currency	As at Dec. 31			
La Compagnie	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
EUR	2,156	84.2%	2,196	82.5%
USD	96	3.8%	143	5.4%
Other (<3%)	309	12.1%	324	12.2%
Total	**2,561**	**100.0%**	**2,663**	**100.0%**

In addition, in accordance with the requirements of *Annex XX of Delegated Regulation (EU) no. 2015/35*, Coface takes into account the impact of interest rate fluctuations in the valuation of its liabilities.

Indeed, insurance commitments are discounted using a risk-free rate curve, and any change in these rates directly influences their valuation. A fall in interest rates leads to an increase in the present value of liabilities, which can increase capital requirements and impact the company's solvency. Conversely, a rise in interest rates reduces the present value of liabilities, thereby lightening the burden of future commitments.

The company closely monitors these trends in order to adapt its market risk management and ensure adequate control of its exposure to interest-rate variations.

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 amount of the hedge is then strictly limited to the amount of underlying assets held in the portfolio (equities or fixed income products) in order to hedge assets actually held in the portfolio.

C.2.3 Risk concentration

The Group’s investment policy requires risks to be diversified between geographical regions and does not rely on a specific country or economy.

Specific limits on counterparties and ratings also apply to the entire investment portfolio.

C.2.4 Sensitivity to risk

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

Rising interest rates causes the market value of the bond portfolio to fall, which may lead the Group to realise losses.

The tables below show that the sensitivity of the portfolio, at December 31, 2024, is higher on equities and bonds than in 2023 due to an increase in the associated exposures.

Sensitivity of the portfolio to changes in stock and bond markets as of December 31, 2024

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As at December 31, 2024**			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	2,582	-89	0	0
Shares	85	0	-9	-17
Total	**2,667**	**-89**	**-9**	**-17**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As at December 31, 2024**			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	1,971	-69	0	0
Shares	85	0	-9	-17
Total	**2,057**	**-69**	**-9**	**-17**

Sensitivity of the portfolio to changes in stock and bond markets as of December 31, 2023

Sensitivity of the portfolio to changes in equity and bond markets COFACE SA *(in millions of euros)*	**As at December 31, 2023**			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	2,273	-66	0	0
Shares	82	0	-8	-16
Total	**2,356**	**-66**	**-8**	**-16**

Sensitivity of the portfolio to changes in equity and bond markets La Compagnie *(in millions of euros)*	**As at December 31, 2023**			
	Market value	**Impact of 100 bp interest rate hike**	**Impact of a 10% fall in the equity market**	**Impact of a 20% fall in the equity market**
Bonds	1,626	-47	0	0
Shares	82	0	-8	-16
Total	**1,708**	**-47**	**-8**	**-16**

The recognition by the Group of shares at FV OCI NR[5] limits the impact on the result of changes in the value of shares in the portfolio on the balance sheet. This approach is justified as these are long-term investments bearing significant dividends.

As a result, the equity portfolio is extremely stable and has no impact on the Group's financial income besides the dividends received.

[5] *Fair value through OCI (Other Comprehensive Income) not reclassified to profit or loss: unrealised gains or losses are recognised directly in equity and are not reclassified to profit or loss at the time of resale.*

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.

Investments in corporate bonds account for 50% of the Group's bond portfolio, with more than 93% in investment grade companies (rating higher or equal to BBB-).

For La Compagnie, corporate bond securities represent 53.2% of the bond portfolio and are concentrated over 91% on companies of investment grade quality. The non-sovereign portion increased by 7.7% across the Group and 9.9% for La Compagnie between 2023 and 2024, as a result of the significant investment in back-to-back loans.

Breakdown by type of debt in the bond portfolio	**As at Dec. 31**			
COFACE SA	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	1,291	50.0%	1,313	57.8%
Non-sovereign	1,290	50.0%	960	42.2%
Total	**2,582**	**100.0%**	**2,273**	**100.0%**

Breakdown by type of debt in the bond portfolio	**As at Dec. 31**			
La Compagnie	**2024**		**2023**	
(in millions of euros)	***(in €m)***	***(as a %)***	***(in €m)***	***(as a %)***
Sovereign	922	46.8%	921	56.5%
Non-sovereign	1,050	53.2%	705	43.4%
Total	**1,971**	**100.0%**	**1,626**	**100.0%**

These investments were all made within a strictly defined risk framework. Issuer credit quality, issue sensitivity, and the spread of risk across issuers and geographic regions are covered by clear rules set out in the investment mandates granted to the Group's dedicated asset managers.

The bond portfolios of the Group and La Compagnie remain primarily invested in rated companies and countries rated in investment grade[6] category. The breakdown by rating for La Compagnie is very similar to that of the Group with a significant proportion on bonds having ratings of between A- and AA+.

[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 of the bond portfolio by rating COFACE SA *(in millions of euros)*	As at Dec. 31			
	2024		2023	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
AAA	239	9.3%	235	10.3%
AA - A	1,297	50.2%	1,257	55.3%
BBB	910	35.2%	682	30.0%
BB - B	131	5.1%	94	4.1%
< CCC	5	0.2%	4	0.2%
Total	**2,582**	**100.0%**	**2,273**	**100.0%**

Breakdown of the bond portfolio by rating La Compagnie (in millions of euros)	As at Dec. 31			
	2024		2023	
	(in €m)	*(as a %)*	*(in €m)*	*(as a %)*
AAA	174	8.8%	155	9.5%
AA - A	936	47.5%	900	55.4%
BBB	756	38.3%	517	31.8%
BB - B	102	5.2%	50	3.1%
< CCC	3	0.2%	4	0.2%
Total	**1,971**	**100.0%**	**1,626**	**100.0%**

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

Limits are also set on sovereign bonds in order to limit the risk on specific countries. Such exclusions or limits are defined according to the current events, the Coface country risk 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 December 31, 2024, the portfolio of the Group and of La Compagnie were not party to any.

C.3.3 Risk concentration

The Group ensures that these counterparties are diversified.

C.3.4 Sensitivity to risk

The rules set out in the investment policy as well as the diversification and quality of its counterparties mean that the group is not very sensitive to this risk.

C.4 Liquidity risk

Liquidity risk corresponds to the risk that COFACE SA and La Compagnie are not able 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 La Compagnie.

C.4.1 Exposure

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

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

Liquidity risk is monitored through analysis of cash flow availabilities and forecasts from the various entities across the whole scope of consolidation. This data is subject to constant analyses allowing cash to be managed for monetary or financial investment purposes in the event of recurring excess liquidity.

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 allocates a significant portion of its assets to highly liquid money market instruments, which accounted for 14.4% of the investment portfolio at December 31, 2024 (loans, deposits and other financial investments), corresponding to €473 million at this date. Under current market conditions and according to the Group's assessment, this amount could be fully available in less than 15 days.

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

Breakdown of the bond portfolio by maturity COFACE SA *(in millions of euros)*	**As at Dec. 31**			
	2024		**2023**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
< 1 year	495	19.2%	425	18.7%
1-3 years	792	30.7%	941	41.4%
3-5 years	351	13.6%	450	19.8%
5-10 years	489	18.9%	372	16.4%
> 10 years	454	17.6%	84	3.7%
Other	0	0.0%	0	0.0%
Total	**2,582**	**100.0%**	**2,273**	**100.0%**

49.9% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2024.

The liquidity position of an insurance company is valued by standards which measure the Company's ability to meet its financial obligations.

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

Breakdown of the bond portfolio by maturity La Compagnie *(in millions of euros)*	**As at Dec. 31**			
	2024		**2023**	
	(in €m)	***(as a %)***	***(in €m)***	***(as a %)***
< 1 year	363	18.4%	297	18.3%
1-3 years	599	30.4%	692	42.6%
3-5 years	239	12.1%	324	19.9%
5-10 years	337	17.1%	257	15.8%
> 10 years	433	21.9%	55	3.4%
Other	0	0.0%	0	0.0%
Total	**1,971**	**100.0%**	**1,626**	**100.0%**

For La Compagnie, 48.8% of securities in the bond portfolio had a maturity of less than three years as at December 31, 2024.

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

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 Risk concentration

The Group ensures that these investments are diversified into different money market vehicles and consequently the Concentration SCR was zero at December 31, 2024.

C.4.4 Sensitivity to risk

The liquidity of the portfolio of OECD credit bonds and sovereign bonds from emerging markets is monitored on a regular basis via market indicators (evolution of flows, spreads, purchase and sale spreads) and the manager carries out regular analyses on liquidation time frames and costs of lines in portfolios (duration of partial / total liquidation, cost of immediate liquidity and liquidity under stressful market conditions, etc.). These studies are presented 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.4.5 Expected profits in future premiums

For the Coface Group, expected profits included in future premiums in 2024 were €33 million, compared to €9 million for La Compagnie.

They are calculated in accordance with *Article 260(2) of delegated regulation EU/2015/35*, as, in part, the difference between technical provisions excluding risk margin with and without future premiums.

Expected profits in future premiums are valued in the prudential balance sheet in the Best Estimate premium provisions. They are estimated using the following formula: $Futures\ premiums * ((1 - ULR - CR) - QS * (1 - ULR - Comm_{Rate})) * \sum_k Cad_k * \delta_k$

With:

- Futures premiums: A statistical estimate of future premiums in line with the definition of the contract boundary
- ULR: Ultimate Loss Ratio
- CR: Cost ratio
- QS: Quota share
- $Comm_{Rate}$: Commission rate
- Cad_k: Liquidation rate for year k
- δ_k: Discount factor for year k

C.5 Operational risk

Operational risk is defined in *Section B.3 of this report*. It includes the following categories:

- Modelling risk: Modelling risk is the potential loss caused by model-based decisions and errors in the development, implementation or use of these models. More details on the management of the risks are available in *section 5.2.5 - (Modelling risk) of the Universal Registration Document*.
- Fraud and compliance risk: this risk is defined as the risk of non-compliance with laws and regulations or internal policies and rules that may lead to sanctions, financial losses and damage the Group's reputation.

  Through its international activities, the Group could be exposed to the risk of violation of economic sanctions and the breach of laws and regulations covering corruption, money laundering and terrorist financing, or external fraud, which could expose it to regulatory fines, financial losses and reputational harm. More details on the management of the risks are available in *section 5.2.5 - Operational and non-compliance risks of the Universal Registration Document*.

Given their materiality and specific management characteristics, cybersecurity risks have their own dedicated risk category on top of the seven major risks identified by Coface, namely credit risks, financial risks, strategic risks, reinsurance risks, operational and non-compliance risks, cybersecurity risks and, lastly, climate change related risks.

Managing and mitigating operational risks relies on a Level 1 and Level 2 control plan, which covers all the Group's entities. All the controls, anomalies revealed and related action plans are managed within a single software programme, made available 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 by unique risk management software that covers all the Group's insurance entities, the entities that are supervised or regulated, and the main service entities.

The Coface Group does not carry out any operational risk concentration and sensitivity analysis.

C.6 Other material risks

Reputational, strategic, regulatory, emerging, cybersecurity, fraud and non-compliance and climate change related risks are the subject of specific 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 could have on the reputation of La Compagnie or COFACE SA.

The Group has developed a mechanism to reduce this risk in particular through the compliance policy and a code of conduct together with a training and communication programme. Reputational risk is also mitigated by the control mechanism put in place within the Compliance function.

Reputational risk management is closely linked to the overall mapping of the Group's risk exposures. Identifying risks with a potential impact on the Group's reputation is essential in order to establish appropriate preventive measures.

Regarding client and broker satisfaction, the Coface teams monitor several performance indicators (client satisfaction NPS score, broker satisfaction via regular surveys) both in sales and underwriting (response time to requests for limits, client satisfaction rate on outstandings granted/requested, etc.), serving to contain a high risk of dissatisfaction via thresholds and alert levels reported regularly to the management teams. Reputational risk is also reduced by the continuous processing of client complaints.

Regarding cyber risk, investments in IT security are constantly reassessed, as are several cyber crisis exercises (two exercises in 2024 alone), which test and assess the quality of the business continuity and the crisis response measures in place and to be planned.

Lastly, Coface's operations (including the handling of client complaints) also serve to limit reputational risk.

C.6.2 Strategic risk

Strategic risk refers to the risk to the Group's results and solvency caused by changes in market conditions, poor strategic decisions or inadequate implementation of these decisions, the inability to comply with regulatory changes, new accounting standards or tax reforms and/or a lasting and serious deterioration in our reputation or our image on 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 Regulatory risk

Most countries in which the Group operates apply laws and regulations which govern solvency standards, the level of capital and reserves, the multiplicity and diversification of business investment portfolios, the conduct of business (particularly the granting of relevant licenses and approvals), distribution practices, the anti-money laundering and anti-terrorism financing rules and the Know Your Customer protection rules.

C.6.4 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.6.5 Cybersecurity risks

Cybersecurity risk arises from all internal or external risks of a malicious or non-malicious nature related to the use of digital technologies and affecting the confidentiality, integrity or availability of data and information systems. Details are set out in *section B.3.1 of this document*.

Like any company, the Group is exposed to cyberattacks or other security vulnerabilities in its IT systems and infrastructure, or in those of its third-party service providers, which could disrupt its activities, cause significant financial losses, harm its reputation and expose it to possible sanctions from the regulatory authorities. More details on the management of the risks are available in *section 5.2.7 - Cybersecurity risks of the Universal Registration Document*.

C.6.6 Fraud and non-compliance risks

Fraud and non-compliance risk is defined as the risk of non-compliance with laws and regulations or internal policies and rules that may lead to sanctions, financial losses and damage the Group's reputation.

Through its international activities, the Group could be exposed to the risk of violation of economic sanctions and the breach of laws and regulations covering corruption, money laundering and terrorist financing, or external fraud, which could expose it to regulatory fines, financial losses and reputational harm. More details on the management of the risks are available in *section 5.2.5 - Operational and non-compliance risks of the Universal Registration Document*.

C.6.7 Climate change related risks

Climate risks are one of Coface's strategic priorities as they affect its activities at two levels (the impact of Coface's operations on the climate and the impact of climate risks on the company's operations and profitability). Details are set out in *section B.3.1 of this document*.

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

As detailed in *Section C.2.4*, 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 December 31, 2024:

Central scenario	**196%[7]**
+ 100 basis points interest rates	-3.7 points
+100 basis points spreads	-2.6 points
-25% equities	-0.5 points

C.7.2 Sensitivity to other risk factors

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, interest rates, cost ratio, etc.) is measured. Accordingly, the sensitivity of the SCR to a fluctuation of +1% in premiums or +1% in the loss ratio is less than 2%.

C.7.3 Scenarios measuring the sensitivity to risks

Scenarios drawn up in the context of ORSA measure the evolution of the solvency of COFACE SA and La Compagnie, on the horizon of the strategic plan, in response to unfavourable events. Such events may correspond to a specific risk 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 global recession and long-term rises in interest rates also included a combined impact on loss experience, turnover and financial market performance. The assessment

[7] *The solvency ratio disclosed to the market on February 18, 2025 was an estimated ratio.*

produced at the time of the 2024 ORSA has made it possible to ensure that the solvency of COFACE SA and La Compagnie was not compromised by these scenarios.

C.7.4 Environmental, Social and Governance risk

The double materiality assessment is the foundation on which the CSRD (Corporate Sustainability Reporting Directive) requires businesses to develop their sustainability strategies. Coface conducted this exercise across its entire value chain for the first time in 2024, based on the already existing non-financial risk mapping. From this year onwards, the double materiality assessment replaces the non-financial risk mapping.

It was carried out taking into account all the countries in which the Group operates and its entire value chain (own activities, clients, debtors, investments, suppliers) with an adapted granularity. The information used was obtained from a variety of reliable internal and external sources, under the cross-functional oversight of the Group's CSR department and the Project Finance team.

1/ Approach to defining Impacts, Risks and Opportunities (IROs):

In its "Implementation Guidance 1", EFRAG[8] recommends capitalising on any existing sustainability frameworks (risk mapping, corporate duty of vigilance, etc.) as well as the list of sustainability themes and sub-themes identified in the CSRD in carrying out the assessment. Coface has applied these recommendations and used the following approach to define all the Impacts, Risks and Opportunities (IROs) that the Group and its value chain generate or to which it could be exposed:

- The starting point for the analysis was the internal mapping of non-financial risks produced each year by the Group's CSR department and reviewed annually by the Risk Management function.
  This mapping has existed since 2018 and was revised and improved in the 2022 financial year with contributions from all heads of business lines to refine the qualification and quantitative assessment of risks, as well as their inclusion in the Group's overall strategy.
  The mapping identified and assessed around twenty risks spread over four areas: environmental, social, insurance and governance. Of these twenty risks, ten had been prioritised and policies and actions had been defined to protect against their impact. Three ESG indicators, each representing a major category of non-financial (Environmental, Social and Governance) risks, were selected to be presented to the Risk Committee (attended by the Group CSR Manager) and integrated into Coface's risk appetite framework. These indicators have therefore been monitored by the Management Committee since 2022 and, as with other risk appetite indicators, presented to Coface's Board of Directors,
- The IROs identified were supplemented by capitalising on those detailed in the global risk map maintained by the Group's risk management function,
- Finally, a series of workshops with the main internal stakeholders[9] led by the Group's CSR department and the Finance Projects teams was organised to:
  - Identify any potential additional IROs per sustainability issue defined in the CSRD,
  - Define whether the IROs identified can generate a new IRO by dependency, and
  - Validate the final list of IROs

[8] *EFRAG : European Financial Reporting Advisory Group*

[9] *General Secretariat, Human Resources, Compliance, Investments, Risk Management, Underwriting, Purchasing, Sales, Accounting, Business Transformation.*

Coface has thus ensured that at least one IRO has been identified for each sustainability issue proposed by the CSRD regulation.

2/ Assessment of the materiality of each Impact, Risk and Opportunity (IRO):

To assess the impact materiality (positive or negative on sustainability issues) or financial materiality (risks or opportunities generated by sustainability issues) of the defined IROs, Coface followed the EFRAG Guidance, adjusted according to its own risk management rating scale.

The identified impacts have thus been categorised between:

- Positive impact, Negative impact, Risks, Opportunities,
- Group transactions / Suppliers / Clients / Debtors and/or Investment: depending on the elements of the value chain that are impacted.

They are then rated according to the following criteria:

- For an Impact:
  - Current / potential: if the impact has already occurred or could occur,
  - Scale,
  - Scope,
  - Irreversible character (only for negative impacts).
- For a Risk or Opportunity:
  - Probability of occurrence,
  - Magnitude of impact: per dimension required for value creation and the partial or total unavailability of which could impact the Group's financial results, depending on the positioning of the IRO in one of the two groups detailed below:

In total, 11 of the 41 sustainability sub-themes detailed in CSRD European Sustainability Reporting Standards (ESRS) 1[10] (37 sub-themes identified by CSRD plus four added by Coface within ESRS G1) were identified as material by Coface. These 11 material sub-themes are grouped into the three following ESRSs, which are the subject of a separate chapter in the Group's sustainability report:

- ESRS E1 - Climate Change,
- ESRS S1 - Own Workforce,
- ESRS G1 - Business Conduct.

The relevance of the double materiality assessment and these results will be reviewed annually. Its conclusions will be updated when necessary, in particular with regard to new information available on the main players in the Coface value chain following the publication of their first CSRD sustainability reports.

In addition, an annual review of the list and ratings of IROs will be carried out by the Group risk management function, in particular to ensure their consistency with the assessments resulting from the overall risk mapping.

[10] *The four additional G1 sustainability issues identified by Coface are: Data Privacy, International Sanctions, Fraud, and Anti-Money Laundering and Counter-Terrorist Financing.*

/ 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 La Compagnie.

D.1.2 Investments

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

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

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

Assessments and estimates are revised when conditions change or when new information becomes available. In the light of such information and in compliance with the objective principles and methodologies 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 financial assets COFACE SA *(in millions of euros)*	As at Dec. 31		
	2024	**2023**	**Change**
Real estate (other than where held for own use)	0	0	0
Shares	85	82	3
Listed shares	79	75	4
Unlisted shares	6	7	-1
Bonds	2,582	2,273	309
Government bonds	1,288	1,313	-25
Corporate bonds	1,294	960	333
Undertakings for collective investment	501	800	-298
Fixed assets	150	180	-30
Shares	41	27	14
Bond and money market	310	593	-283
Derivatives(*)	1	4	-3
Deposits other than cash equivalents	119	144	-25
Other investments	3	2	1
Total financial assets	**3,290**	**3,305**	**-14**

The market value of COFACE SA's portfolio fell slightly, by €14 million over the 2024 financial year.

Change in financial assets La Compagnie *(in millions of euros)*	As at Dec. 31		
	2024	**2023**	**Change**
Real estate (other than where held for own use)	0	0	0
Shares	85	82	3
Listed shares	79	75	4
Unlisted shares	6	7	-1
Bonds	1,971	1,625	346
Government bonds	922	920	2
Corporate bonds	1,050	706	344
Undertakings for collective investment	417	717	-299
Fixed assets	119	146	-27
Shares	34	23	11
Bond and money market	265	548	-283
Derivatives(*)	1	3	-2
Deposits other than cash equivalents	55	54	1
Other investments	31	182	-151
Total financial assets	**2,561**	**2,663**	**-102**

The balance sheet structure of La Compagnie is similar to that of the Group, but with more significant movement, of -€102 million.

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.

COFACE SA *(in millions of euros)*	**As at Dec. 31**		
	2024	**2023**	**Change**
Holdings in affiliated companies, including equity	129	127	2

La Compagnie **(in millions of euros)**	**As at Dec. 31**		
	2024	**2023**	**Change**
Holdings in affiliated companies, including equity	374	358	16

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).

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Receivables arising from insurance operations and amounts receivable from intermediaries	334	330	4
Receivables arising from reinsurance operations	286	209	78
Total Receivables arising from insurance and reinsurance operations	**620**	**539**	**82**

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Receivables arising from insurance operations and amounts receivable from intermediaries	249	289	-40
Receivables arising from reinsurance operations	284	300	-16
Total Receivables arising from insurance and reinsurance operations	**533**	**589**	**-56**

The changes in this item stem exclusively from the cancellation of IFRS restatements recorded on the prudential balance sheet made in order to be able to calculate the default SCR for type 2 exposures.

- **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 at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Other receivables (trade, not insurance)	922	982	-60

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Other receivables (trade, not insurance)	381	248	133

No *Solvency II* restatement is carried out for this item. Consequently, the change in the two scopes is mainly due to the C/C related companies account in the statutory accounts.

D.1.5 Cash and cash equivalents

Cash and cash equivalents are mainly composed of very short-term level 1 financial assets and bank deposits, which fell over the 2024 financial year for the Group and for La Compagnie.

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Cash and cash equivalents	361	403	-43

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Cash and cash equivalents	242	275	-33

For COFACE SA, the fall of €43 million can be broken down as follows:

- a €65 million fall in bank deposits and cash, offset by;
- a €23 million rise in cash equivalents.

For La Compagnie, the fall of -€33 million was due exclusively to the fall in bank deposits and cash.

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**

The items taken into account in calculating material deferred tax assets are:

- information on the origin of the recognition of deferred tax asset,

- the amount,
- the maturity date,
- and any 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 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 at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Deferred tax assets	65	34	31

The timetable for deferred tax assets as at December 31, 2024 is as follows:

Schedule of deferred tax assets COFACE SA *(in millions of euros)*	**As at December 31, 2024**			
	< or equal to 1 year	**1 to 4 years**	**> or equal to 5 years**	**TOTAL**
Total deferred tax assets	**57**	**4**	**4**	**65**

The main component of SII deferred tax assets involves cancellation of IFRS technical reserves, the netting of deferred taxes and 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 December 31, 2024 came to €53 million over the Group scope of consolidation.

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Deferred tax assets	38	67	-29

The timetable for deferred tax assets as at December 31, 2024, in the solo scope of consolidation is as follows:

Schedule of deferred tax assets La Compagnie *(in millions of euros)*	**As at December 31, 2024**			
	< or equal to 1 year	**1 to 4 years**	**> or equal to 5 years**	**TOTAL**
Total deferred tax assets	**35**	**2**	**2**	**38**

Unused tax losses for which no deferred tax asset is recorded in the balance sheet as at December 31, 2024 totalled €47 million over La Compagnie's scope of consolidation.

♦ Tangible fixed 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 office of Coface Deutschland (including Kisselberg). This 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 at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Tangible fixed assets held for own use	125	124	1

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Tangible fixed assets held for own use	107	111	-4

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 assessed on an aggregated basis by using the simplified method described in the EIOPA's technical specifications from April 2014 and based on provisions for premiums in financial statements. This is the best estimate of the flows associated with future claims covered by commitments recognised at the balance sheet date.

This is the discounted sum of inflows (premiums, ceded claims, etc.) and outflows (claims paid and costs of claims associated with the collection of premiums), for the scope described above.

For the purposes of *Solvency II*, recognised commitments mean:

- contracts that took effect before the balance sheet date;
- contracts under which Coface has become a contracting party and from which it can no longer unilaterally withdraw (or increase premiums without restriction and without the prior agreement of the contracting party).

In addition, Coface includes reclassifications such as the PANE (earned premiums not yet written), the profit-sharing provision and profits on fee and commission income in its provisions for premium risk.

This definition is consistent with the concept of contract boundaries, defined in *paragraphs TP.2.15. to TP.2.28 of the EIOPA technical specifications of April 30, 2014*. This concept is renamed "Boundary of a contract" in *Article 18 of the Delegated Regulation*.

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 2024 are given below, for best estimates and the margin for risk.

D.2.1 Best estimates

Before reinsurance	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Group	1,049	942	107
La Compagnie	978	885	93

Ceded reinsurance	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Group	274	235	39
La Compagnie	453	385	68

Details by business line for the Group:

Before reinsurance by line of business	As at Dec. 31		
COFACE SA *(in millions of euros)*	**2024**	**2023**	**Change**
Credit insurance	848	763	85
Bonding	106	109	-3
Single Risk insurance	95	71	25
Other	0	0	0
Total	1,049	942	107

Ceded reinsurance by line of business	As at Dec. 31		
COFACE SA *(in millions of euros)*	**2024**	**2023**	**Change**
Credit insurance	211	181	30
Bonding	36	34	2
Single Risk insurance	27	19	7
Other	0	0	0
Total	274	235	39

Details by business line for La Compagnie:

Before reinsurance by line of business	**As at Dec. 31**		
La Compagnie *(in millions of euros)*	**2024**	**2023**	**Change**
Credit insurance	779	708	71
Bonding	105	106	-1
Single Risk insurance	95	71	24
Other	0	0	0
Total	978	885	93

Ceded reinsurance by line of business	**As at Dec. 31**		
La Compagnie *(in millions of euros)*	**2024**	**2023**	**Change**
Credit insurance	359	303	56
Bonding	49	46	2
Single Risk insurance	46	35	11
Other	0	0	0
Total	453	385	69

With regard to the BE for claims, the estimation process and the methodology have changed as part of the transition to IFRS 17.

Calculations of calculations of ULR not marked-up (Best Estimate) and marked-up (for IFRS) are calculated by the Group Actuarial Department using statistical methods and following a meeting of the 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	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Group	89	98	-8
La Compagnie	92	97	-5

Details by business line for the Group:

Risk margin by line of business COFACE SA *(in millions of euros)*	As at Dec. 31 2024	 2023	 Change
Credit insurance	79	84	-6
Bonding	7	9	-3
Single Risk insurance	4	4	0
Other	0	0	0
Total	89	98	-8

Details by business line for La Compagnie:

Risk margin by line of business La Compagnie *(in millions of euros)*	As at Dec. 31 2024	 2023	 Change
Credit insurance	76	80	-5
Bonding	9	10	-1
Single Risk insurance	7	6	1
Other	0	0	0
Total	92	97	-5

D.2.3 Summary of technical provisions

The table below contains a breakdown of the best estimate and the risk margin, as well as a comparison between the total technical provisions as they appear in the financial statements.

The data relates to COFACE SA and La Compagnie.

COFACE SA	As at Dec. 31, 2024				
(in millions of euros)	**Credit**	**Bonding**	**Single Risk**	**Other**	**Total**
Gross best estimate	848	106	95	0	1,049
Net best estimate	*637*	*70*	*69*	*0*	*775*
Ceded reinsurance	*211*	*36*	*27*	*0*	*274*
Risk margin	79	7	4	0	89
Total SII reserve	**716**	**77**	**73**	**0**	**865**
Net technical reserves IFRS					**1,107**

The table above shows the value of COFACE SA's technical reserves at December 31, 2024. The majority of the provisions, i.e. €716 million under *Solvency II*, are in the Credit segment, representing the main activity. The total Net Best Estimate was €775 million, after ceded reinsurance of €274 million. The risk margin of €89 million (based on a cost of capital method) increased total SII technical provisions to €865 million.

The difference between them and the net technical provisions under IFRS (€1,107 million) was primarily caused by the IFRS Risk Adjustment, calculated using a quantile-based method, which has replaced the risk margin under *Solvency II*.

This discrepancy reflects the different approaches taken by the two standards in terms of uncertainty and prudence.

La Compagnie	As at Dec. 31, 2024				
(in millions of euros)	**Credit**	**Bonding**	**Single Risk**	**Other**	**Total**
Net best estimate	779	105	95	0	978
Gross best estimate	*420*	*56*	*49*	*0*	*525*
Ceded reinsurance	*359*	*49*	*46*	*0*	*453*
Risk margin	76	9	7	0	92
Total SII reserve	**495**	**65**	**56**	**0**	**617**
Net technical reserves including reserve for equalization					**1,662**

The table above shows the value of La Compagnie's technical reserves at December 31, 2024. The majority of the provisions, i.e. €495 million under *Solvency II*, are in the Credit segment, representing the main activity. The total Net Best Estimate was €525 million, after ceded reinsurance of €453 million. The risk margin of €92 million (based on a cost of capital method) increased total SII technical provisions to €617 million.

With the exception of the Provision for Equalisation, which is specific to French GAAP, the difference between them and the statutory technical provisions is due, as for COFACE SA, to the separate approaches taken by the two standards (statutory and *Solvency II*) in terms of uncertainty and prudence.

D.3 Other liabilities

D.3.1 Provisions other than technical reserves

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

Provisions for liabilities and charges excluding provisions for pensions and other benefits	**As at Dec. 31**		
COFACE SA *(in millions of euros)*	**2024**	**2023**	**Change**
Provision for disputes	1	1	0
Provision for risk to subsidiaries	5	10	-5
Provisions for restructuring	2	4	-2
Provisions for bonus share plans	0	0	0
Provision for taxes (excl. corporate taxes)	7	6	1
Other provisions for risks	4	4	-1
Total provisions other than technical reserves	**19**	**25**	**-7**

Provisions for liabilities and charges excluding provisions for pensions and other benefits	**As at Dec. 31**		
La Compagnie *(in millions of euros)*	**2024**	**2023**	**Change**
Provision for disputes	0	0	0
Provision for risk to subsidiaries	5	10	-5
Provisions for restructuring	2	4	-2
Provisions for bonus share plans	-3	-3	0
Provision for taxes (excl. corporate taxes)	7	6	1
Other provisions for risks	4	4	-1
Total provisions other than technical reserves	**14**	**21**	**-7**

In overall terms, the changes for liabilities and charges varied little between 2023 and 2024.

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.

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 at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Provisions for pensions	50	46	4

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Provisions for pensions	48	47	1

D.3.3 Deferred tax liabilities

The items taken into account in calculating deferred tax liabilities are:

- information on the origin of the recognition of deferred tax liabilities,
- the amount,
- the maturity date,
- and any 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:

- recording of technical provisions: best estimate and risk margin,
- cancellation of deferred acquisition expenses,

- 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 at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Deferred tax liabilities	231	207	24

The timetable for deferred tax liabilities as at December 31, 2024, for the Group is as follows:

Schedule of deferred tax assets COFACE SA	**As at December 31, 2024**			
(in millions of euros)	**< or equal to 1 year**	**1 to 4 years**	**> or equal to 5 years**	**TOTAL**
Total deferred tax liabilities	**199**	**25**	**7**	**231**

The principal components of deferred tax liabilities are cancellations of technical provisions, the netting of taxes and the BEs of reserves.

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Deferred tax liabilities	159	180	-21

The timetable for deferred tax liabilities as at December 31, 2024, for La Compagnie is as follows:

Schedule of deferred tax assets La Compagnie	**As at December 31, 2024**			
(in millions of euros)	**< or equal to 1 year**	**1 to 4 years**	**> or equal to 5 years**	**TOTAL**
Total deferred tax liabilities	**137**	**15**	**7**	**159**

D.3.4 Financial debt owed to non-credit institutions

For the Group, this item corresponds to commercial paper issued by COFACE SA for the purpose of financing the Group's factoring business, i.e. Coface Finanz (Germany) and Coface Factoring Poland (Poland).

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Financial debt owed to non-credit institutions	586	640	-55

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Financial debt owed to non-credit institutions	0	0	0

The solo scope of consolidation did not include COFACE SA, the holding company that issues the commercial papers. In addition, there is no equivalent item in the balance sheet of La Compagnie.

D.3.5 Payables arising from insurance and reinsurance operations

COFACE SA	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Debts arising from insurance operations and amounts payable to intermediaries	121	109	12
Debts arising from reinsurance operations	274	189	84
Total payables arising from insurance and reinsurance operations	**395**	**298**	**97**

La Compagnie	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Debts arising from insurance operations and amounts payable to intermediaries	110	122	-12
Debts arising from reinsurance operations	249	284	-35
Total payables arising from insurance and reinsurance operations	**359**	**406**	**-47**

The main changes between 2023 and 2024 related to:

- the €12 million increase in debts arising from insurance operations and amounts payable to the Group's intermediaries: this increase was due to debts arising from direct insurance operations, which increased by €6 million, debts from accepted insurance operations, which increased by €4 million, and fees, which increased by €3 million.
- the €84 million increase in the Group's reinsurance liabilities in connection with the business.
- the €12 million fall in debts arising from insurance operations and amounts payable to La Compagnie's intermediaries: this fall stemmed from debts arising from accepted insurance operations, which decreased from €54 million to €39 million (-€15 million), partially offset by the €4 million increase in debts arising from direct insurance operations.
- the fall in debts to La Compagnie's reinsurers (-€35 million).

D.3.6 Subordinated liabilities

Financial liabilities are recognised at fair value.

COFACE SA	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Subordinated liabilities	629	625	4

La Compagnie	As at Dec. 31		
(in millions of euros)	**2024**	**2023**	**Change**
Subordinated liabilities	515	504	12

The subordinated debt is valued 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.

The Group's subordinated debts eligible to cover the SCR were €629 million at December 31, 2024, compared with €856[11] million at December 31, 2023.

This fall is due to the fact that a subordinated debt matured on March 27, 2024.

The two subordinated debts are broken down as follows:

- a fixed-rate issue (at 6.000%) of subordinated notes by COFACE SA on September 22, 2022, for a nominal amount of €300 million, maturing on September 22, 2032. It is valued at €317 million and is eligible for Tier 2 capital.
- a fixed-rate issue (at 5.750%) of subordinated notes by COFACE SA on November 28, 2023, for a nominal amount of €300 million, maturing on November 28, 2033. It is valued at €312 million and is eligible for Tier 2 capital. The amounts raised through this issue was mainly used to refinance the subordinated notes maturing on March 27, 2024.

The Coface Group is not currently planning any new bond issues.

La Company's subordinated debt amounted to €515[12] million at December 31, 2024. These debts correspond to the subordinated loans granted by COFACE SA, eligible to cover the SCR in accordance with *Article 82 of the Delegated Regulation (EU) 2015/35*.

The features of the subordinated loans correspond to those of the subordinated debts issued by COFACE SA *(see above)*.

D.3.7 Other payables

The table below sets out the other liabilities of the Coface Group and La Compagnie:

COFACE SA	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Other payables (trade, not insurance)	450	415	35

La Compagnie	**As at Dec. 31**		
(in millions of euros)	**2024**	**2023**	**Change**
Other payables (trade, not insurance)	363	323	39

The change between the two financial years for the Group is mainly due to the increases in trade payables of €14 million, government payables of €10 million, "head office expenses and internal recharges" of €6 million, liabilities under property leases of €3 million and payroll expenses of €3 million.

The change between the two financial years for La Compagnie was mainly due to the increases in corporate income tax items of €12 million, trade payables of €12 million and current accounts of related companies of €7 million, plus a €7 million increase in provisions for disputes and uncertainties - corporate income tax.

D.4 Alternative valuation methods

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

[11] *Amount before capping of subordinated debt not available under Article 82 of Delegated Regulation no. 2015/35.*

[12] *Amount after capping of subordinated debt not available under Article 82 of Delegated Regulation no. 2015/35.*

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 – La Compagnie. This policy is subject to approval from the Board of Directors of COFACE SA and La Compagnie and is re-examined at least once per year.

Since the Group carries out its activities in various countries of 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 *(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 La Compagnie);
c) Risk of error in the classification or characterisation of regulatory own fund items for the Group or La Compagnie;
d) Risk of insufficient consideration of the quantitative limits applied to own fund items in line with the different categories;
e) Risk of non-effectiveness of own fund items in the event of crisis;
f) Risk of insufficient fungibility of own funds;
g) Risk of failing to consider the Group's solvency in the dividend distribution policy;
h) Risk of failing to consider stress-test scenarios in structuring equity.

E.1.2 Structure and quality of own funds

♦ COFACE SA

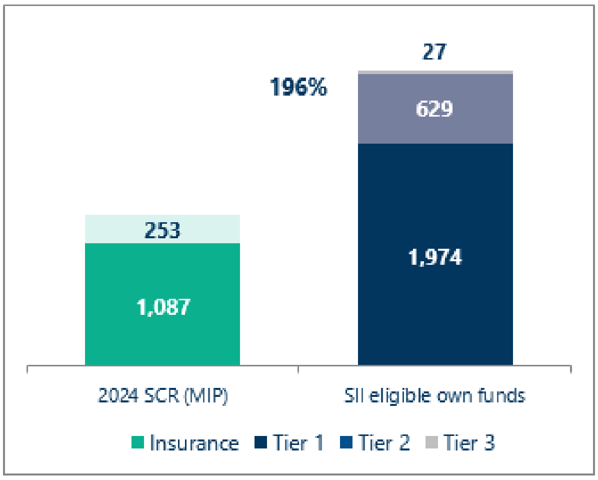
In accordance with regulations, as at December 31, 2024, the Coface Group calculated its available own funds necessary for complying with two levels of capital requirements: minimum capital requirement, MCR, and solvency capital requirement, SCR *(see Chapter E.2.)*.

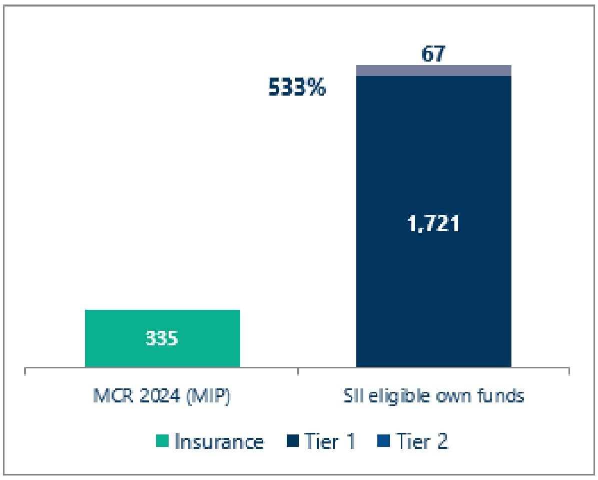
For insurance activities, in accordance with the *Solvency II* regulations that came into force on January 1, 2016, the Group calculated the Solvency Capital Requirement (SCR) as at December 31, 2024, using its partial internal model, introduced by *European Directive No. 2009/138/EC*.

For factoring activities, the Group has deferred its capital requirements under the standard approach of banking regulations since December 31, 2019. It should be noted that the local regulators for Germany and Poland (the two countries in which the Group operates its factoring business) have not defined specific mandatory capital requirements for factoring companies.

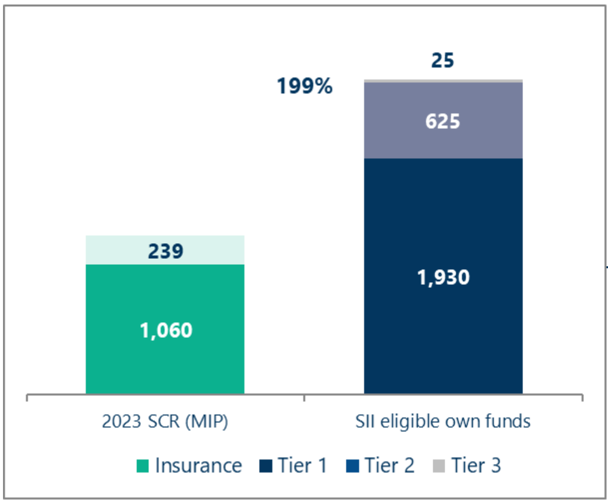
As at December 31, 2024, the Group meets the capital requirements, which amounts to €1,340 million in respect of SCR, as represented in the following chart.

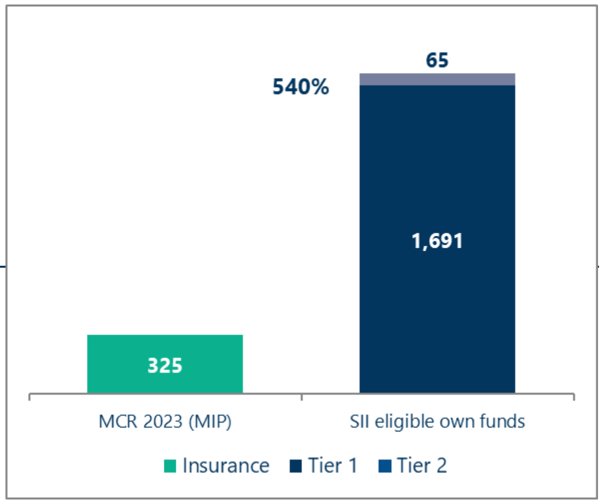
<u>As at December 31, 2024:</u>





<u>As at December 31, 2023:</u>





The own funds eligible to cover the SCR amounted to €2,630 million as at December 31, 2024. 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:*** €1,974 million (75% 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:** €629 million (24% of available own funds), corresponding to the value of the two subordinated debts eligible to cover the SCR, in accordance with *Article 82 of Delegated Regulation (EU) 2015/35*. A summary of the main characteristics of these subordinated debts is set out below:

	Coface EUR300m subordinated debt Tier 2 2032
Issuer	Coface SA
Garantor	NA
Type of guarantee	NA
Instrument	Dated subordinated debt and collateral eligible for tier 2 capital
Maturity	10 years without depreciation
Issue date	22-sept-22
Maturity date	22-sept-32
Coupon payment obligation	Report in case of SCR non-compliance
Coupon deferral option	na
Early buyback	At par, subject to redemption conditions
Quoting	EURONEXT PARIS
Applicable law	French Law
Issue amount	EUR 300m
Garantor rating	A2 / AA- (Moody's / Fitch)
Issue rating	Baa2/BBB+ (Moody's/ Fitch)
Coupon	6.00% Fixed annual
ISIN	FR001400CSY7

	Coface EUR300m subordinated debt Tier 2 2033
Issuer	Coface SA
Garantor	NA
Type of guarantee	NA
Instrument	Dated subordinated debt and collateral eligible for tier 2 capital
Maturity	Expected maturity 10 years without depreciation
Issue date	28-nov-23
Maturity date	28-nov-23
Coupon payment obligation	Report in case of SCR non-compliance
Coupon deferral option	na
Early buyback	At par, subject to redemption conditions
Quoting	EURONEXT PARIS
Applicable law	French Law
Issue amount	EUR 300m
Garantor rating	A1 / AA- (Moody's / Fitch/A.M Best)
Issue rating	Baa1/BBB+ (Moody's/ Fitch)
Coupon	5.750% Fixed annual
ISIN	FR001400MI8W6

- ***Tier 3:*** €27 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.

At December 31, 2024, the own funds eligible to cover the MCR amounted to €1,788 million, broken down as follows:

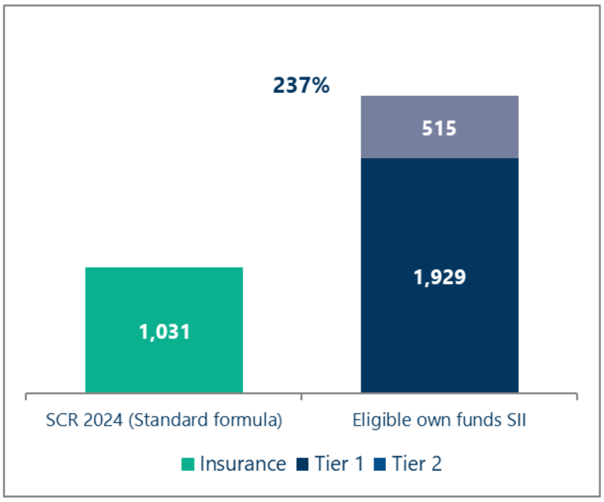
- **Tier 1**: €1,721 million (96% of available own funds), corresponding to the amount of net assets on the prudential balance sheet in accordance with the *Solvency II Directive*;
- **Tier 2**: €67 million (4% of available own funds), corresponding to the value of the subordinated debts eligible to cover the MCR, in accordance with *Article 82 of Delegated Regulation EU 2015/35* (i.e. 20% of the MCR).

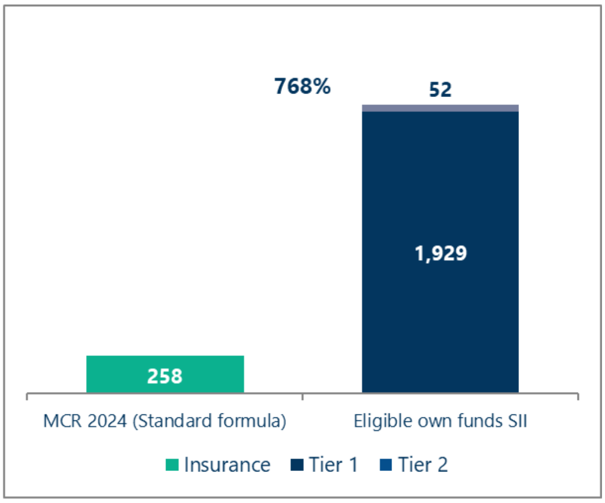
For more information on this section, please see the corresponding section in QRT 23.01 *(see Appendix F.2)*.

♦ La Compagnie

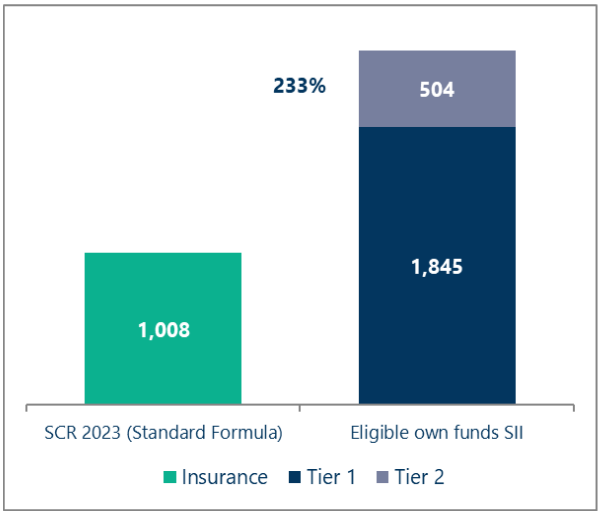
In accordance with regulations, as at December 31, 2023 and 2024, La Compagnie calculated, according to the standard formula, its available own funds necessary to meet the requirements with two levels of capital requirements: the minimum capital requirement and the solvency capital requirement, SCR *(see Chapter E.2.)*.

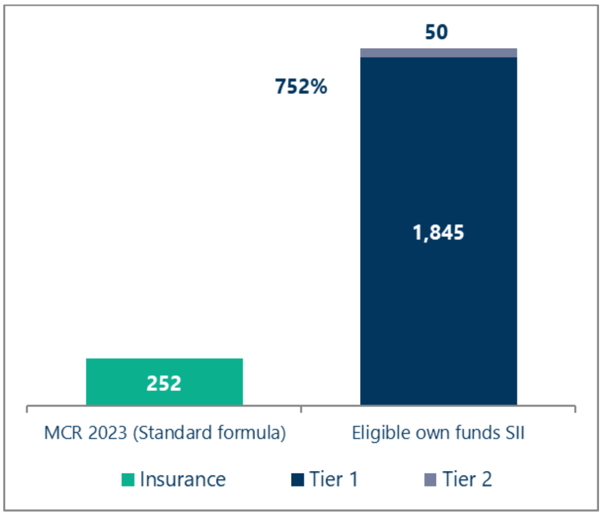
As at December 31, 2024:





As at December 31, 2023:





As at December 31, 2024, La Compagnie met the capital requirements, which amounted to €258 million for MCR and €1,031 million with respect to SCR, as represented in the above chart.

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 own funds eligible for coverage of the SCR on December 31, 2024, amounted to €2,444 million, made up as follows:

- ***Tier 1:*** €1,929 million (79% of available own funds), as indicated in the previous paragraph;
- ***Tier 2:*** €515 million (21% of available own funds), corresponding to the value of the subordinated loans eligible to cover the SCR in accordance with *Article 82 Delegated Regulation (EU) 2015/35*. La Compagnie's subordinated loans were valued at €595 million, compared with €782 million at December 31, 2023. This fall is due to the fact that a subordinated debt matured on March 27, 2024 and the repayment of the subordinated intra-group loan.
  COFACE SA carried out a fixed-rate issue of subordinated notes (6.000%) on September 22, 2022, for a nominal amount of €300 million, maturing on September 22, 2032. This issue was the subject of an intra-group subordinated loan of €268 million at an annual interest rate of 6.000%, and is valued at €283 million.
  In anticipation of the refinancing of the subordinated notes maturing on March 27, 2024, COFACE SA carried out a fixed-rate issue of subordinated notes (5.750%) on November 28, 2023, for a nominal amount of €300 million, maturing on November 28, 2033. This new issue was also the subject of an intra-group subordinated loan of €300 million at an annual interest rate of 5.750%, and is valued at €312 million;

At December 31, 2024, the own funds eligible to cover the MCR amounted to €1,980 million, broken down as follows:

- ***Tier 1:*** €1,929 million (97% 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:** €52 million (3% of available own funds). Under *Article 82 of Delegated Regulation EU 2015/35*, the amount corresponds to the portion of the subordinated loans taken out by La Compagnie eligible to cover the MCR (i.e. 20% of the MCR).

The characteristics of the subordinated loans are identical to those of the subordinated debt issued by COFACE SA *(see table above*), and are all eligible Tier 2 capital, subject to the requirements set out in *Article 82 of Delegated Regulation (EU) 2015/35 supplementing the Solvency II Directive*.

The subordinated loans are valued in accordance with the same principle as described for valuing the Group's subordinated debts.

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 December 31, 2024, COFACE SA's and La Compagnie's own funds are exclusively made up of basic own funds, pursuant to *Solvency II* standard criteria.

E.1.4 Ancillary own funds

At December 31, 2024, COFACE SA and La Compagnie do not have ancillary own funds.

E.1.5 Availability of own funds

Own funds for the Group's SCR coverage are obtained after verifying their eligibility and availability:

- For each of the Group's tax entities: Test of the potential limitation of Tier 3 items (IDA net) at 15% of the entity's SCR,
- In accordance with *Article 330 of Delegated Regulation (EU) 2015/35*, the Coface Group is also introducing a test to determine the availability, at Group level, of the eligible own funds of affiliated companies. As a first step, the test consists of 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.

Available own funds for the Group's requirements are equal to the total own funds after eliminating intra-group transactions, minus the following amounts: (i) own funds made of ineligible net deferred tax assets at the entity level, (ii) own funds that are not available for the Group's requirements as per *Article 330 of the Delegated Regulation*, and (iii) own funds potentially ineligible for the Group's requirements by applying global Tiering rules.

As at December 31, 2024, the impact of the above eligibility and availability tests presented above is as follows:

- €10 million for the net deferred tax asset eligibility test for the tax entities concerned,
- €72 million for the own funds availability test.

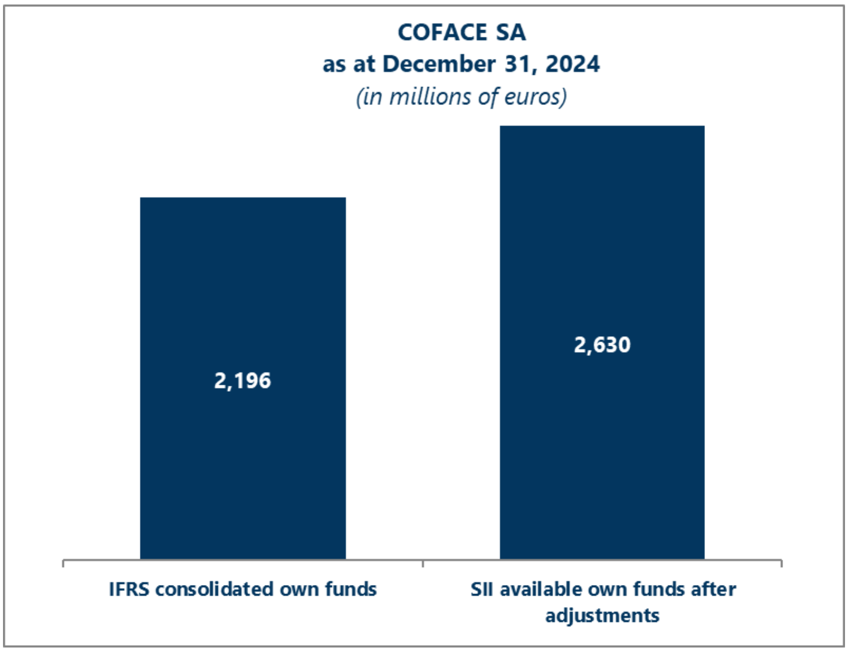
E.1.6 Absorption of losses by capital

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 December 31, 2024, 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 €2,630 million at December 31, 2024.

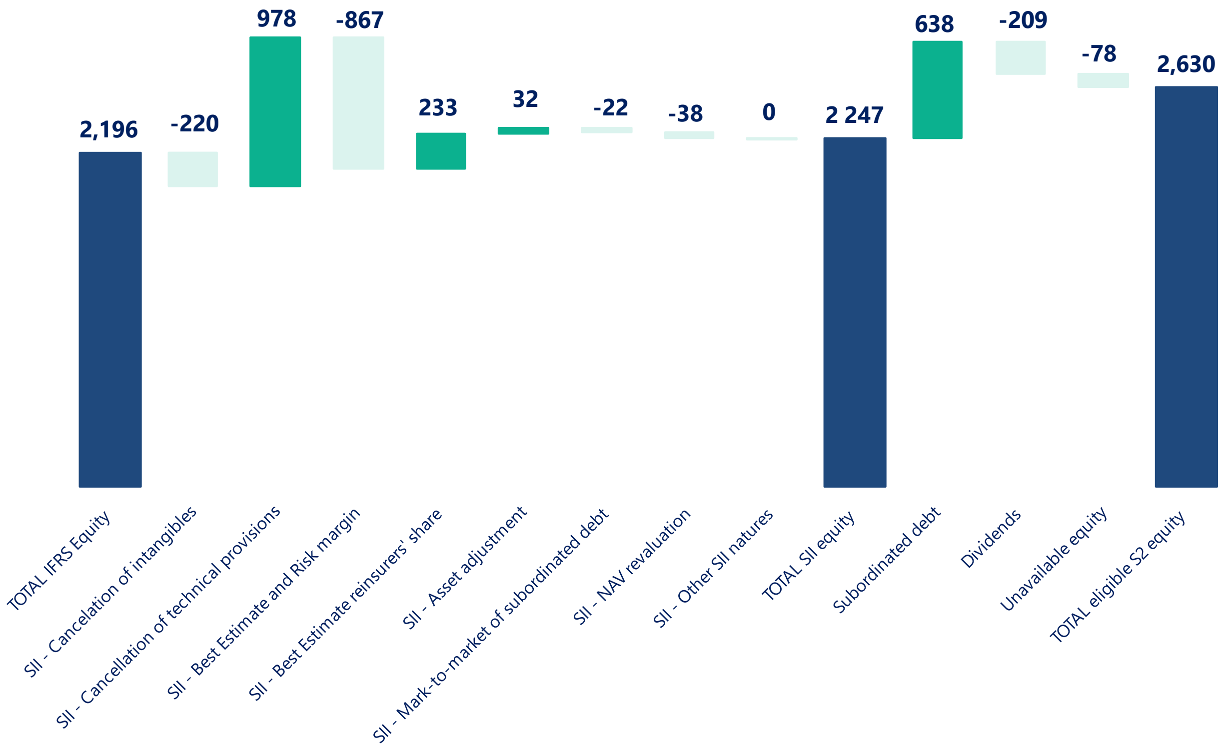
Eligible own funds at December 31, 2024, included:

- share capital of €300 million,
- issue premiums relating to share capital for €724 million,
- net deferred tax assets of €37 million,
- a reconciliation reserve[13] of €1,022 million classified as Tier 1,
- subordinated debt of €629 million in Tier 2,
- unavailable own funds of -€82 million.

[13] *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.*

Change in IFRS equity vs SII Q4 2024

Data in millions of euros



The reconciliation between IFRS capital of €2,196 million and regulatory capital of €2,630 million is mainly achieved through the reconciliation reserve, mainly between the following items:

- cancellation of intangible assets and deferred acquisition costs of -€220 million,
- the adjustment to the market value of assets and liabilities is linked to the recognition of unrealised gains and losses recognised at cost in the statutory balance sheet, for a total amount of -€28 million,
- the best estimates of adjustments of technical provisions and the risk margin of +€344 million associated with the revaluation under *Solvency II*, compared with those in local accounts,
- the inclusion of subordinated liabilities in regulatory capital: +€629 million,
- the deduction of forecast dividends from regulatory capital: -€209 million,
- the deduction of unavailable own funds: -€82 million.

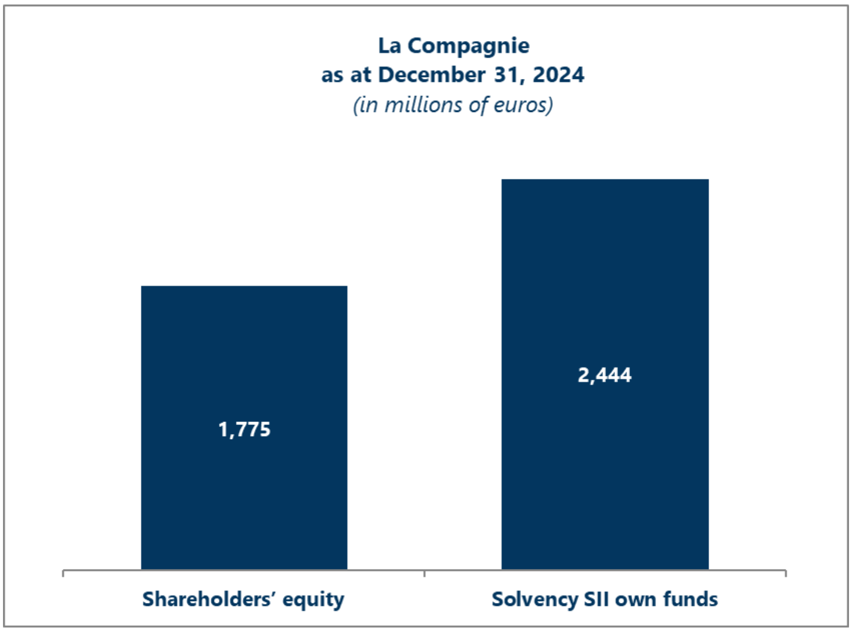
Regarding the breakdown of shareholders' equity, the analysis of the nature of original own funds has led to their classification for the most part as Tier 1.

Subordinated debts issued in September 2022 and November 2023 amounted to €317 million and €312 million respectively. €629 million of these debts are also classified as Tier 2, in accordance with *Article 82 of Delegated Regulation (EU) 2015/35.*

Lastly, unavailable own funds were assessed at €82 million at December 31, 2024.

The Board of Directors of COFACE SA plans to propose to shareholders at the Annual General Meeting of May 14, 2025, the distribution of a dividend of €1.40 per share, bringing the payout ratio to 80% of net income.

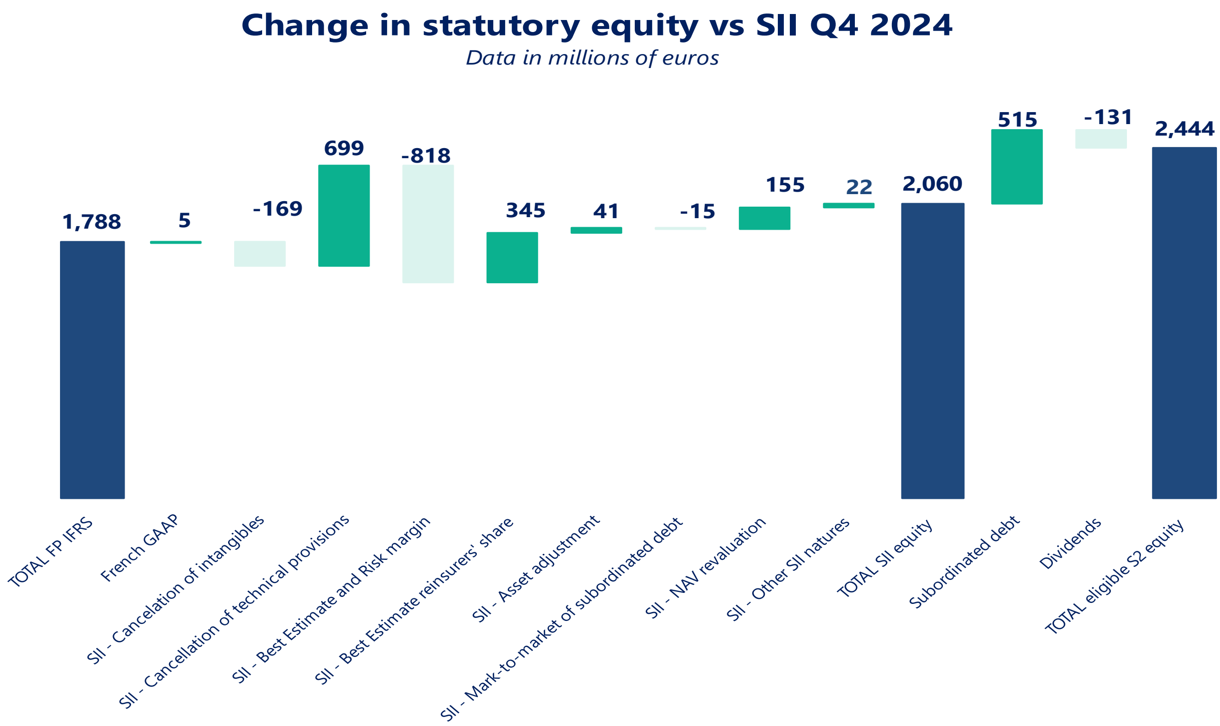
♦ La Compagnie



The amount of eligible *Solvency II* shareholders' equity was €2,444 million at December 31, 2024.

Eligible own funds at December 31, 2024 included:

- Share capital of €137 million,
- Issue premiums relating to share capital for €620 million,
- A reconciliation reserve[14] of €1,171 million classified as Tier 1,
- Subordinated debt of €515 million in Tier 2.



[14] *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 reconciliation between statutory capital of €1,788 million and regulatory capital of €2,444 million is mainly achieved through the reconciliation reserve, mainly between the following items:

- cancellation of intangible assets and deferred acquisition costs of -€169 million,
- the adjustment to the market value of assets and liabilities is linked to the recognition of unrealised gains and losses recognised at cost in the statutory balance sheet, for a total amount of +€181 million,
- the best estimates of adjustments of technical provisions and the risk margin of +€226 million associated with the revaluation under *Solvency II*, compared with those in local accounts,
- other SII reclassifications of +€29 million, which mainly relate to the results of the German subsidiaries,
- the inclusion of subordinated liabilities in regulatory capital: +€515 million,
- the deduction of forecast dividends from regulatory capital: -€131 million.

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.

In addition, the subordinated loans taken out with COFACE SA for a total of €595 million have characteristics identical to the subordinated debt issued by COFACE SA, and €515 million of those loans are classified as Tier 2 capital, in accordance with *Article 82 of Delegated Regulation EU 2015/35*.

The Board of Directors of La Compagnie planned to propose the distribution of a dividend of €3.65 per share at the Annual Shareholders' Meeting on May 7, 2025.

E.1.8 Additional ratios

Not applicable to either the Coface Group or La Compagnie.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Annual requirements

♦ Standards used

The calculations[15] were made in line with the most recent specifications in effect *(Commission Delegated Regulation (EU) 2015/35 of October 10, 2014)* in the SAS IRM software which enabled the Coface Group to generate the QRTs in XBRL format. 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 2024.

♦ SCR

The Group SCR at December 31, 2024 and 2023 breaks down as follows:

COFACE SA *(in millions of euros)*	**As at Dec. 31**	
	2024	**2023**
Overall SCR (1)	**1,340**	**1,300**
Insurance SCR	1,087	1,060
SCR financial companies	253	239
Total eligible own funds (2)	**2,630**	**2,580**
S2 consolidated ratio (3) = (2)/(1)	**196%**	**199%**

[15] *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).*

COFACE SA *(in millions of euros)*	**2024**	**2023**
Insurance SCR	**1,087**	**1,060**
Factoring SCR	**253**	**1,060**
Operational risks	**47**	**48**
DT adjustment	**-135**	**-133**
BSCR	**1,176**	**1,145**
Diversification effect	**-168**	**-156**
Market risk	**348**	**298**
Interest rate risk	89	77
Equity risk	65	52
Type 1 equity	50	40
Type 2 equity	18	15
Real estate risk	62	71
Spread risk	169	88
Concentration risk	0	0
Foreign exchange risk	134	159
Diversification	-170	-151
Default risk	**172**	**157**
Type 1	61	52
Type 2	122	114
Diversification	-10	-9
Non-life risk	**824**	**846**
Sum of market, default and non-life risks	**1,344**	**1,301**

La Compagnie’s SCR at December 31, 2024 and 2023 breaks down as follows (the amount of own funds does not take into account the adjustment for unavailable own funds):

La Compagnie *(in millions of euros)*	**As at Dec. 31**	
	2024	**2023**
Overall SCR (1)	**1,031**	**1,008**
Insurance SCR	1,031	1,008
SCR financial companies	0	0
Total eligible own funds (2)	**2,444**	**2,349**
S2 consolidated ratio (3) = (2)/(1)	**237%**	**233%**
S2 insurance ratio	237%	233%
MCR	**258**	**252**

La Compagnie *(in millions of euros)*	**2024**	**2023**
Insurance SCR	**1,031**	**1,008**
Operational risks	**42**	**44**
DT adjustment	**-94**	**-103**
BSCR	**1,083**	**1,067**
Diversification effect	**-270**	**-247**
Market risk	**362**	**289**
Interest rate risk	73	57
Equity risk	115	100
Type 1 equity	47	39
Type 2 equity	75	68
Real estate risk	53	62
Spread risk	147	67
Concentration risk	64	58
Foreign exchange risk	131	129
Diversification	-220	-184
Default risk	**140**	**168**
Type 1	45	54
Type 2	103	123
Diversification	-8	-10
Non-life risk	**850**	**857**
Premiums and reserves	620	593
Catastrophe risk	447	488
Default Cat	105	105
Recession Cat	435	477
Lapse	3	11
Diversification	-220	-235
Sum of risks	**1,353**	**1,314**

E.2.2 Calculation methods used

The calculation methods **La Compagnie** used are as follows:

- ♦ **Compagnie française pour le commerce extérieur**

- ♦ **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 October 10, 2014*.

  - **Volume of reserves**

The volume of reserves used when calculating the own funds requirement is equal to the Best Estimate for reserves calculated in the balance sheet.

  - **Volumes of premiums**

The volume measurement for La Compagnie'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 La Compagnie after the coming 12 months for existing contracts;
- Future FP represents the expected actual value of premiums to be acquired by La Compagnie 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 October 10, 2014*.

Indeed, it should be recalled that:

- La Compagnie 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 La Compagnie'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 Commission's Delegated Regulation (UE) 2015/35 of October 10, 2014.*

- **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.

- **Surrender risk**

In accordance with *Article 118 of the Commission's Delegated Regulation (EU) 2015/35 of October 10, 2014*, La Compagnie measured net winding up SCR at €3 million at the end of 2024.

- **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 October 10*, 2014, taking the various levels of correlation into account.

These calculations are also made gross of reinsurance so as to take into account the effect of mitigation of the risk relating to reinsurance in the type 1 default risk.

♦ Market SCR

- **Organisation**

For financial assets, COFACE SA and La Compagnie use the PICIM platform managed by Amundi to supply SAS IRM. The service is intended to provide COFACE SA and La Compagnie with portfolio inventories enhanced with unitary SCR characteristics and calculations per instrument at December 31, 2024. The PICIM portfolio represents 98.7% 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 La Compagnie's "CACEIS" financial assets portfolio and enriched by Amundi. Amundi supplies COFACE SA and La Compagnie with Equity, Interest (only on financial assets), Spread and Property SCRs on its scope of consolidation.

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

- **Classification of securities**

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

- **Look-through of funds**

Asset classifications and SCR calculations were carried out on a line-by-line basis for most of the investment portfolio. The ultimate look-through principle has been applied for UCITS 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 six 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 2024, as in 2023.

- **Property SCR**

The scope of consolidation on Property SCR consists of 21.5% operating property and 78.5% supports whose underlying assets are property assets.

♦ Default SCR

Default SCR is calculated to assess counterparty risk. It 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 La Compagnie, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) based on the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2024 + Operational SCR_2024) *Tax rate_2024. Entities in a net deferred tax asset position have a zero SCR adjustment.

♦ Problems and difficulties encountered

Certain risk reduction mechanisms used by La Compagnie cannot be taken into account in the standard formula even though they represent a major challenge for the Company. This involves:

- 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 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 La Compagnie.

• 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 Commission's Delegated Regulation (EU) 2015/35 of October 10, 2014*, COFACE SA measured winding-up SCR at the end of 2024 at €9 million.

• 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 La Compagnie.

♦ Default SCR

The counterparty default SCR is obtained via the standard formula, the same way as the method described for La Compagnie.

♦ Simplifications used

- **Capacity for absorption by deferred taxes**

For COFACE SA and La Compagnie, we calculated the adjustment related to the capacity to absorb shock via deferred taxes (SCR adjustment) based on the net deferred tax liability position for each entity limited to a maximum capacity assessed as (BSCR_2024 + Operational SCR_2024) *Tax rate_2024. 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:

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

Where:

(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:

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

Where:

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

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

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

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

Detailed capital requirement calculation **La Compagnie** *(in millions of euros)*		**As at Dec. 31**	
		2024	**2023**
A	Technical provisions without a risk margin for non-life insurance and reinsurance commitments after deducting recoverable amounts under reinsurance contracts	525	500
B	Written premiums net of reinsurance	693	675
C	Solvency Capital Requirement - SCR	1,031	1,008
D=0.25*C	0.25*Solvency Capital Requirement	258	252
E=0.45*C	0.45*Solvency Capital Requirement	464	453
F	Risk factor relating to technical provisions for the Credit Insurance segment α	17.7%	17.7%
G	Risk factor relating to written premiums for the Credit Insurance segment β	11.3%	11.3%
H=(A*F)+(B*G)	Minimum Non-Life Capital Requirement	**258**	**252**
I=H	Minimum Linear Capital Requirement	171	165
J	Non-Life AMCR Level (absolute floor threshold)	4	4
K	**Combined MCR=min(max(I;0.25*C);0.45*C)**	**258**	**252**
Overall MCR	MCR=max (K;J)	258	252

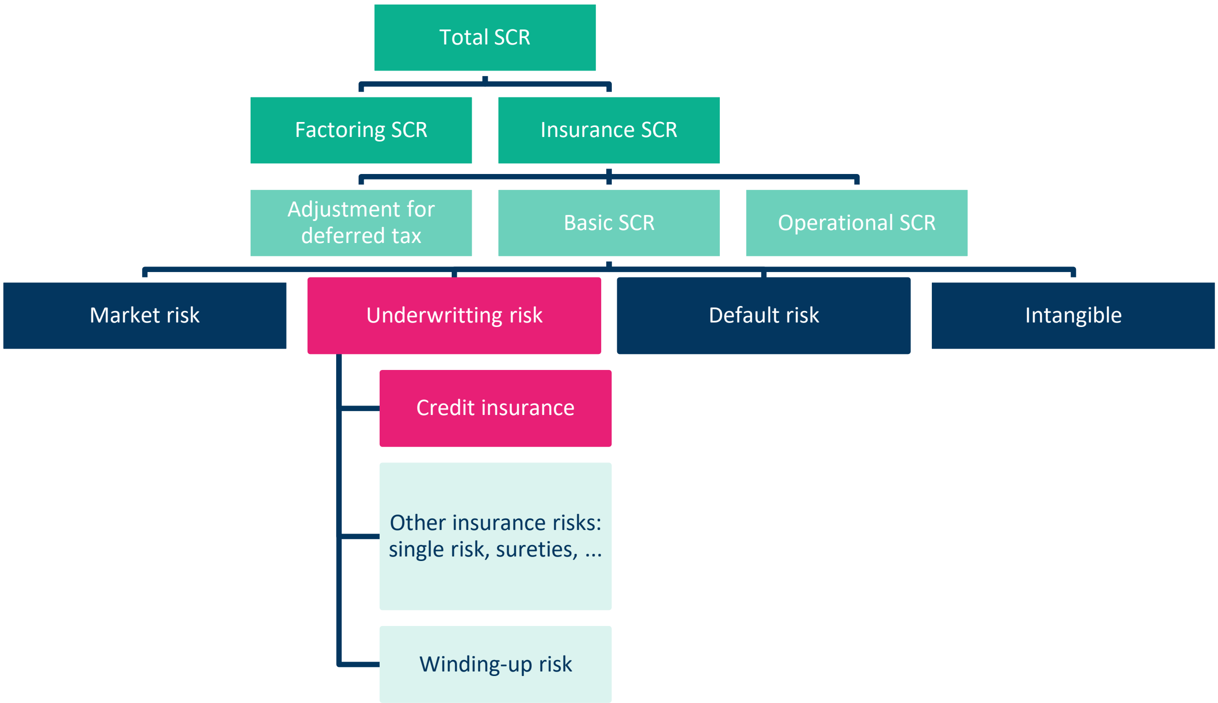
E.3 Use of the duration-based equity risk sub-module to calculate the solvency capital requirement

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

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

♦ COFACE SA

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



- **The Partial Internal Model for non-life underwriting risk**

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.

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

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:
  - 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;
  - CS Factor (Contractual Specificities), which represents the reduction of loss experience from contractual clauses: simulation of a claims ratio without further action taken and applying a determining factor to the first reserve amount;
  - simulation of a LGD (Loss Given Default) factor, which represents moving a first reserve to ultimate loss net of recourse;
- 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 judgements 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 modelling 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.

- **Aggregation of sub-modules**

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 BSCR Formula by aggregating the SCR relating to the Standard Formula scope with a correlation matrix of the standard formula,
- calculation of the total SCR by adding the two BSCR (PIM and Standard Formula scopes), adjusting 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 carried out by the data quality department:

- managed by the data quality manager, attached to the Business Technology Department,
- operated by data quality agents appointed within each of the seven regions, measured by qualitative and quantitative indicators and shared during ad hoc meetings (quarterly Data Quality Steering Committee).

- **Diversification effect**

Solvency II requires insurers to have a sufficient level of capital (Solvency Capital Requirement, or SCR) to cope with adverse affects on capital over 1 year with a probability calibrated to a 99.5% confidence level.

As an insurance company, Coface has put solutions in place to assess the technical and financial risks it faces. Coface has decided to accurately model the underwriting risk for its credit insurance business. The other sub-modules are evaluated using the standard formula.

To obtain the necessary total SCR, the aggregation steps set out above need to be carried out between the various risk modules, and between the various products.

This aggregation takes account of diversification, which is based on the idea that all risks do not materialise simultaneously in an extreme manner.

The diversification effect has a number of implications:

- a reduction in the capital requirement: the total SCR is less than the sum of the individual SCRs;
- encouraging active risk management and optimising the risk portfolio.

In its assessment of the SCR, COFACE determines the correlations and diversifications between risk factors, sub-modules and activities:

- The multi-factor Merton model takes account of the link observed between the historical default rate and various economic and geographical risk factors;
- the intra-module Aggregation Parameters are used to establish the correlation between winding-up risk and premium, natural disaster and reserve risk for all products; the market risk sub-modules and the default risk sub-modules;

- the inter-module Aggregation Parameters capture diversification between non-life underwriting risk and other market and default modules.

The profits derived from the diversification between the main SCR modules were €169 million as at December 31, 2024.

- **La Compagnie**

La Compagnie does not use any internal model to calculate its regulatory capital requirements.

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

During the 2024 financial year, neither COFACE SA nor La Compagnie failed to comply with the minimum capital requirement or the solvency capital requirement.

E.6 Other information

None.

/ F. APPENDICES

F. Appendices

F.1 Details of parent company-subsidiary relationships

Country	Entity	Consolidation Method	Percentage			
			Control DEC. 31, 2024	Interest DEC. 31, 2024	Control DEC. 31, 2023	Interest DEC. 31, 2023
Northern Europe						
Germany	Coface, Niederlassung in Deutschland (ex Coface Kreditversicherung)	-	Branch*		Branch*	
Germany	Coface Finanz GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Debitorenmanagement GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Holding GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating GMBH	Full	100.00%	100.00%	100.00%	100.00%
Germany	Kisselberg KG	Full	100.00%	100.00%	100.00%	100.00%
Germany	Fct Vega (Fonds de titrisation)	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Services	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland	-	Branch*		Branch*	
Denmark	Coface Danmark	-	Branch*		Branch*	
Denmark	Coface Norden Services (Danmark Services)	Full	100.00%	100.00%	100.00%	100.00%
Sweden	Coface Sverige	-	Branch*		Branch*	
Sweden	Coface Sverige Services AB (Sweden Services)	Full	100.00%	100.00%	100.00%	100.00%
Norway	Coface Norway - SUCC (Coface Europe)	-	Branch*		Branch*	
Western Europe						
France	COFACE SA	Parent company	100.00%	100.00%	100.00%	100.00%
France	Compagnie française d'assurance pour le commerce extérieur	Full	100.00%	100.00%	100.00%	100.00%
France	Cofinpar	Full	100.00%	100.00%	100.00%	100.00%
France	Cogeri	Full	100.00%	100.00%	100.00%	100.00%
France	Fimipar	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2 bis	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 bis	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 ter	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 quater	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 bis	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium Services	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgique	-	Branch*		Branch*	
Switzerland	Coface Suisse	-	Branch*		Branch*	
Switzerland	Coface Services Suisse	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 bis	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 3	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 3 bis	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 5	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 6	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Holdings	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Services	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK	-	Branch*		Branch*	
Ireland	Coface Ireland	-	Branch*		Branch*	
Morocco	Coface Services Maghreb	Full	100.00%	100.00%	Non consolidated	
Central Europe						
Austria	Coface Central Europe Holding AG	Full	100.00%	100.00%	100.00%	100.00%
Austria	Compagnie francaise d´assurance pour le Commerce Exterieur SA Niederlassung Austria	-	Branch*		Branch*	
Hungary	Compagnie francaise d´assurance pour le commerce extérieur Hungarian Branch Office	-	Branch*		Branch*	
Hungary	Coface Hungary Insurance services	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Insurance Services	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Factoring Sp. z o.o.	Full	100.00%	100.00%	100.00%	100.00%
Poland	Compagnie francaise d'assurance pour le commerce exterieur Spółka Akcyjna Oddział w Polsce	-	Branch*		Branch*	
Czech Republic	Compagnie francaise d'assurance pour le commerce exterieur organizační složka Česko	-	Branch*		Branch*	
Romania	Coface Romania Insurance Services	Full	100.00%	100.00%	100.00%	100.00%
Romania	Compagnie francaise d'assurance pour le commerce exterieur S.A. Bois - Colombes – 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	-	Branch*		Branch*	
Lithuania	Compagnie Francaise d'Assurance pour le Commerce Exterieur Lietuvos filialas	-	Branch*		Branch*	
Lithuania	Coface Baltics Services	Full	100.00%	100.00%	100.00%	100.00%
Bulgaria	Compagnie Francaise d´Assurance pour le Commerce Exterieur SA – Branch Bulgaria	-	Branch*		Branch*	
Russia	CJSC Coface Rus Insurance Company	Full	100.00%	100.00%	100.00%	100.00%
Croatia	Coface Adriatics	Full	100.00%	100.00%	100.00%	100.00%

Country	Entity	Consolidation Method	Percentage Control DEC. 31, 2024	Percentage Interest DEC. 31, 2024	Percentage Control DEC. 31, 2023	Percentage Interest DEC. 31, 2023
Mediterranean & Africa						
Italy	Coface Italy (Branch)	-	Branch*		Branch*	
Italy	Coface Italia	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface Israel	-	Branch*		Branch*	
Israel	Coface Holding Israel	Full	100.00%	100.00%	100.00%	100.00%
Israel	BDI – Coface (business data Israel)	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa	Full	75.00%	75.00%	75.00%	75.00%
South Africa	Coface South Africa Services	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Servicios España,	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Iberica	-	Branch*		Branch*	
Portugal	Coface Portugal	-	Branch*		Branch*	
Greece	Coface Grèce	-	Branch*		Branch*	
Greece	Coface Services Grèce	Full	100.00%	100.00%	100.00%	100.00%
Turquey	Coface Sigorta	Full	100.00%	100.00%	100.00%	100.00%
North America						
United States	Coface North America Holding Company	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface Services North America	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Insurance company	Full	100.00%	100.00%	100.00%	100.00%
Canada	Coface Canada	-	Branch*		Branch*	
Latin America						
Mexico	Coface Seguro De Credito Mexico SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Holding America Latina SA de CV	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Servicios Mexico. S.A.DE C.V.	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Coface Do Brasil Seguros de Credito	Full	100.00%	100.00%	100.00%	100.00%
Chile	Coface Chile SA	Full	100.00%	100.00%	100.00%	100.00%
Chile	Coface Chile	-	Branch*		Branch*	
Argentina	Coface Argentina	-	Branch*		Branch*	
Argentina	Coface Sevicios Argentina S.A	Full	100.00%	100.00%	100.00%	100.00%
Ecuador	Coface Ecuador	-	Branch*		Branch*	
Colombia	Coface Service Colombia Ltda.	Full	94.98%	100.00%	94.98%	100.00%
Asia-Pacific						
Australia	Coface Australia	-	Branch*		Branch*	
Hong-Kong	Coface Hong Kong	-	Branch*		Branch*	
Japan	Coface Japon	-	Branch*		Branch*	
Japan	Coface Services Japan	Full	100.00%	100.00%	100.00%	100.00%
Singapore	Coface Singapour	-	Branch*		Branch*	
New Zealand	Coface Nouvelle - Zelande SUCC	-	Branch*		Branch*	
Taiwan	Coface Taiwan	-	Branch*		Branch*	
China	Coface Services Greater China	Full	100.00%	100.00%	Non consolidated	

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

F.2 Quantitative reporting templates

Public disclosure QRTs Public Disclosure are declined in euros.

- **S.02.01.02 Balance sheet – COFACE SA (1/2)**

S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	0.00
Deferred acquisition costs	**R0020**	0.00
Intangible assets	**R0030**	0.00
Deferred tax assets	**R0040**	64,899,037.25
Pension benefit surplus	**R0050**	0.00
Property, plant & equipement held for own use	**R0060**	124,676,087.44
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	3,416,854,667.98
Property (other than for own use)	**R0080**	0.00
Participations and related undertakings	**R0090**	129,209,709.45
Equities	**R0100**	85,191,313.00
Equities - listed	**R0110**	78,783,709.00
Equities - unlisted	**R0120**	6,407,604.00
Bonds	**R0130**	2,581,739,591.99
Government Bonds	**R0140**	1,288,083,888.13
Corporate Bonds	**R0150**	1,293,655,703.86
Structured notes	**R0160**	0.00
Collateralised securities	**R0170**	0.00
Collective Investments Undertakings	**R0180**	501,200,368.07
Derivatives	**R0190**	902,862.98
Deposits other than cash equivalents	**R0200**	118,610,822.49
Other investments	**R0210**	0.00
Assets held for index-linked and unit-linked contracts	**R0220**	0.00
Loans and mortgages	**R0230**	2,640,946.17
Loans on policies	**R0240**	0.00
Loans and mortgages to individuals	**R0250**	0.00
Other loans and mortgages	**R0260**	2,640,946.17
Reinsurance recoverables from:	**R0270**	273,789,654.30
Non-life and health similar to non-life	**R0280**	273,789,654.30
Non-life excluding health	**R0290**	273,789,654.30
Health similar to non-life	**R0300**	0.00
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0.00
Health similar to life	**R0320**	0.00
Life excluding health and index-linked and unit-linked	**R0330**	0.00
Life index-linked and unit-linked	**R0340**	0.00
Deposits to cedants	**R0350**	7,989,137.00
Insurance and intermediaries receivables	**R0360**	333,736,467.35
Reinsurance receivables	**R0370**	286,481,577.17
Receivables (trade, not insurance)	**R0380**	922,384,633.15
Own shares (held directly)	**R0390**	0.00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0.00
Cash and cash equivalents	**R0410**	360,581,046.88
Any other assets, not elsewhere shown	**R0420**	0.00
Total assets	**R0500**	5,794,033,254.69

- **S.02.01.02 Balance sheet – COFACE SA (2/2)**

Liabilities		Solvency II value C0010
Technical provisions - non-life	R0510	1,138,581,184.83
Technical provisions - non-life (excluding health)	R0520	1,138,581,184.83
Technical provisions calculated as a whole	R0530	0.00
Best Estimate	R0540	1,049,149,040.27
Risk margin	R0550	89,432,144.56
Technical provisions - health (similar to non-life)	R0560	0.00
Technical provisions calculated as a whole	R0570	0.00
Best Estimate	R0580	0.00
Risk margin	R0590	0.00
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0.00
Technical provisions - health (similar to life)	R0610	0.00
Technical provisions calculated as a whole	R0620	0.00
Best Estimate	R0630	0.00
Risk margin	R0640	0.00
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	0.00
Technical provisions calculated as a whole	R0660	0.00
Best Estimate	R0670	0.00
Risk margin	R0680	0.00
Technical provisions - index-linked and unit-linked	R0690	0.00
Technical provisions calculated as a whole	R0700	0.00
Best Estimate	R0710	0.00
Risk margin	R0720	0.00
Other technical provisions	R0730	0.00
Contingent liabilities	R0740	0.00
Provisions other than technical provisions	R0750	18,556,192.48
Pension benefit obligations	R0760	49,677,150.65
Deposits from reinsurers	R0770	937,797.00
Deferred tax liabilities	R0780	230,719,261.20
Derivatives	R0790	4,284,815.00
Debts owed to credit institutions	R0800	0.85
Financial liabilities other than debts owed to credit institutions	R0810	585,605,375.00
Insurance & intermediaries payables	R0820	121,035,025.46
Reinsurance payables	R0830	273,841,767.73
Payables (trade, not insurance)	R0840	450,363,614.08
Subordinated liabilities	R0850	628,595,420.00
Subordinated liabilities not in BOF	R0860	0.00
Subordinated liabilities in BOF	R0870	628,595,420.00
Any other liabilities, not elsewhere shown	R0880	171,841.57
Total liabilities	R0900	3,502,369,445.85
Excess of assets over liabilities	R1000	2,291,663,808.84

- ## S.02.01.02 Balance sheet – La Compagnie (1/2)

S.02.01.02
Balance sheet

Assets		Solvency II value
		C0010
Goodwill	R0010	0.00
Deferred acquisition costs	R0020	0.00
Intangible assets	R0030	0.08
Deferred tax assets	R0040	37,684,328.08
Pension benefit surplus	R0050	
Property, plant & equipement held for own use	R0060	106,991,634.25
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,903,981,983.98
Property (other than for own use)	R0080	
Participations and related undertakings	R0090	374,235,448.29
Equities	R0100	85,191,313.00
Equities - listed	R0110	78,783,709.00
Equities - unlisted	R0120	6,407,604.00
Bonds	R0130	1,971,374,414.47
Government Bonds	R0140	921,719,134.51
Corporate Bonds	R0150	1,049,655,279.96
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	417,126,644.91
Derivatives	R0190	902,862.98
Deposits other than cash equivalents	R0200	55,151,300.33
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	31,163,929.17
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	31,163,929.17
Reinsurance recoverables from:	R0270	453,378,442.60
Non-life and health similar to non-life	R0280	453,378,442.60
Non-life excluding health	R0290	453,378,442.60
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	821,316.00
Insurance and intermediaries receivables	R0360	249,253,926.54
Reinsurance receivables	R0370	283,983,022.29
Receivables (trade, not insurance)	R0380	381,490,203.23
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	241,807,595.30
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	4,690,556,381.52

• S.02.01.02 Balance sheet – La Compagnie (2/2)

Liabilities		Solvency II value C0010
Technical provisions - non-life	R0510	1,069,954,048.19
Technical provisions - non-life (excluding health)	R0520	1,069,954,048.19
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	978,100,011.53
Risk margin	R0550	91,854,036.66
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	0.00
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	14,461,439.21
Pension benefit obligations	R0760	47,848,024.98
Deposits from reinsurers	R0770	20,422,019.78
Deferred tax liabilities	R0780	158,784,098.65
Derivatives	R0790	2,856,547.00
Debts owed to credit institutions	R0800	-137,105.33
Financial liabilities other than debts owed to credit institutions	R0810	-4.00
Insurance & intermediaries payables	R0820	110,400,733.85
Reinsurance payables	R0830	248,849,452.45
Payables (trade, not insurance)	R0840	362,500,816.63
Subordinated liabilities	R0850	594,777,389.00
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	515,432,968.00
Any other liabilities, not elsewhere shown	R0880	61,788.63
Total liabilities	R0900	2,630,779,249.04
Excess of assets over liabilities	R1000	2,059,777,132.48

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

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110									1,429,077,772.63								1,429,077,772.63
Gross - Proportional reinsurance accepted	R0120									126,577,610.83								126,577,610.83
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140									423,684,864.56								423,684,864.56
Net	R0200									1,131,970,518.87								1,131,970,518.87
Premiums earned																		
Gross - Direct Business	R0210									1,429,295,714.72								1,429,295,714.72
Gross - Proportional reinsurance accepted	R0220									125,631,137.34								125,631,137.34
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240									417,176,343.43								417,176,343.43
Net	R0300									1,137,750,508.61								1,137,750,508.61
Claims incurred																		
Gross - Direct Business	R0310									414,661,467.36								414,661,467.36
Gross - Proportional reinsurance accepted	R0320									24,895,497.75								24,895,497.75
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340									112,305,556.65								112,305,556.65
Net	R0400									327,251,408.46								327,251,408.46
Expenses incurred	R0550									579,579,300.35								579,579,300.35
Balance - other technical expenses/income	R1210																	
Total technical expenses	R1300									580,006,820.20								580,006,820.20

• S.05.01.02 Premiums, claims and expenses by line of business – La Compagnie

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	**R0110**									1,190,952,947.57								1,190,952,947.57
Gross - Proportional reinsurance accepted	**R0120**									184,648,859.93								184,648,859.93
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**									691,326,607.70								691,326,607.70
Net	**R0200**									684,275,199.83								684,275,199.83
Premiums earned																		
Gross - Direct Business	**R0210**									1,200,526,607.37								1,200,526,607.37
Gross - Proportional reinsurance accepted	**R0220**									190,703,276.28								190,703,276.28
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**									696,884,862.95								696,884,862.95
Net	**R0300**									694,345,020.73								694,345,020.73
Claims incurred																		
Gross - Direct Business	**R0310**									368,470,117.33								368,470,117.33
Gross - Proportional reinsurance accepted	**R0320**									9,530,793.30								9,530,793.30
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**									161,554,946.81								161,554,946.81
Net	**R0400**									216,445,963.82								216,445,963.82
Expenses incurred	**R0550**									332,292,571.62								332,292,571.62
Balance - other technical expenses/income	**R1210**																	
Total technical expenses	**R1300**									332,685,896.30								332,685,896.30

- ## S.05.02.04 Premiums, claims and expenses by country – COFACE SA

S.05.02.04
Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Total Top 5 and home country
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
	R0010		DE	ES	IT	NL	US	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	208,294,148.00	162,177,254.00	112,263,671.00	247,345,402.00	58,461,277.00	117,654,546.36	906,196,298.36
Gross - Proportional reinsurance accepted	R0120	12,582,941.00	0.00	0.00	0.00	0.00	61,320,099.79	73,903,040.79
Gross - Non-proportional reinsurance accepted	R0130	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinsurers' share	R0140	11,618,887.00	105,909.00	3.00	280,286.00	2,209,010.00	619,572.13	14,833,667.13
Net	R0200	209,258,202.00	162,071,345.00	112,263,668.00	247,065,116.00	56,252,267.00	178,355,074.02	965,265,672.02
Premiums earned								
Gross - Direct Business	R0210	209,816,398.00	165,159,343.00	114,344,167.00	244,952,276.00	58,621,654.00	118,655,506.62	911,549,344.62
Gross - Proportional reinsurance accepted	R0220	14,901,884.00	0.00	0.00	0.00	0.00	60,834,107.89	75,735,991.89
Gross - Non-proportional reinsurance accepted	R0230	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinsurers' share	R0240	11,814,284.00	105,909.00	3.00	366,246.00	2,209,010.00	509,198.27	15,004,650.27
Net	R0300	212,903,998.00	165,053,434.00	114,344,164.00	244,586,030.00	56,412,644.00	178,980,416.24	972,280,686.24
Claims incurred								
Gross - Direct Business	R0310	62,147,879.00	69,197,783.00	52,049,403.00	68,416,894.00	14,197,856.00	28,566,115.97	294,575,930.97
Gross - Proportional reinsurance accepted	R0320	15,916,270.00	0.00	0.00	0.00	0.00	10,065,950.80	25,982,220.80
Gross - Non-proportional reinsurance accepted	R0330	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinsurers' share	R0340	-4,218,615.00	358,741.00	-1.00	-2,710,230.00	421,449.00	-5,005.37	-6,153,661.37
Net	R0400	82,282,764.00	68,839,042.00	52,049,404.00	71,127,124.00	13,776,407.00	38,637,072.14	326,711,813.14
Expenses incurred	R0550	130,903,437.00	92,692,210.00	52,192,557.00	137,897,113.00	38,126,297.00	95,200,083.09	547,011,697.09
Balance - other technical expenses/income	R1210	0.00	0.00	0.00	0.00	0.00	0.00	
Total technical expenses	R1300	0.00	0.00	0.00	0.00	0.00	0.00	547,013,263.00

S.04.05.21 Premiums, claims and expenses by country – La Compagnie

S.04.05.21

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020
	R0010		IT	DE	ES	NL	GB
Premiums written (gross)							
Gross Written Premium (direct)	R0020	208,294,148.00	247,345,402.00	162,177,254.00	112,263,671.00	58,461,277.00	53,970,144.24
Gross Written Premium (proportional reinsurance)	R0021	12,582,941.00					
Gross Written Premium (non-proportional reinsurance)	R0022	0.00					
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030	209,816,398.00	244,952,276.00	165,159,343.00	114,344,167.00	58,621,654.00	55,268,658.05
Gross Earned Premium (proportional reinsurance)	R0031	14,901,884.00					
Gross Earned Premium (non-proportional reinsurance)	R0032	0.00					
Claims incurred (gross)							
Claims incurred (direct)	R0040	62,147,879.00	68,416,894.00	69,197,783.00	52,049,403.00	14,197,856.00	15,456,337.21
Claims incurred (proportional reinsurance)	R0041	15,916,270.00					
Claims incurred (non-proportional reinsurance)	R0042	0.00					
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050	94,425,982.00	108,002,942.52	68,558,570.50	38,726,534.51	25,122,110.58	23,252,814.83
Gross Expenses Incurred (proportional reinsurance)	R0051	5,156,739.00					
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0.00					

• S.17.01.02 Non-life Technical Provisions – La Compagnie (1/2)

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060									105,741,454.68			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									38,360,880.68			
Net Best Estimate of Premium Provisions	R0150									67,380,574.00			
Claims provisions													
Gross	R0160									872,358,559.05			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									415,017,560.59			
Net Best Estimate of Claims Provisions	R0250									457,340,998.47			
Total Best estimate - gross	R0260									978,100,013.74			
Total Best estimate - net	R0270									524,721,572.47			
Risk margin	R0280									91,854,036.66			
Amount of the transitional on Technical Provisions										0.00			
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320									1,069,954,050.40			
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330									453,378,441.27			
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340									616,575,609.13			

• S.17.01.02 Non-life Technical Provisions – La Compagnie (2/2)

S.17.01.02
Non-life Technical Provisions

		Accepted non-proportional reinsurance				Total Non-Life obligation
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					105,741,454.68
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					38,360,880.68
Net Best Estimate of Premium Provisions	R0150					67,380,574.00
Claims provisions						
Gross	R0160					872,358,559.05
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					415,017,560.59
Net Best Estimate of Claims Provisions	R0250					457,340,998.47
Total Best estimate - gross	R0260					978,100,013.74
Total Best estimate - net	R0270					524,721,572.47
Risk margin	R0280					91,854,036.66
Amount of the transitional on Technical Provisions						0.00
Technical Provisions calculated as a whole	R0290					
Best estimate	R0300					
Risk margin	R0310					
Technical provisions - total						
Technical provisions - total	R0320					1,069,954,050.40
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330					453,378,441.27
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340					616,575,609.13

- ## 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**	**Underwriting year [UWY]**

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

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**											-6,089,920.74
N-9	**R0160**	57,086,550.00	278,507,420.00	84,677,620.00	9,481,730.00	-11,127,730.00	-2,635,020.00	5,051,370.00	25,620,460.00	-3,152,113.68	-1,063,744.45	
N-8	**R0170**	70,148,560.00	243,641,670.00	92,697,170.00	28,782,780.00	2,361,030.00	2,499,080.00	31,682,830.00	-1,893,226.09	-1,557,318.87		
N-7	**R0180**	52,477,910.00	233,067,180.00	87,371,870.00	22,069,480.00	2,254,120.00	-4,104,700.00	13,968,849.48	-3,221,771.28			
N-6	**R0190**	63,861,550.00	248,768,890.00	86,113,300.00	16,546,260.00	-1,717,720.00	-1,352,957.56	-1,169,978.27				
N-5	**R0200**	62,300,520.00	288,478,460.00	86,844,840.00	-3,463,740.00	-2,193,445.51	1,040,243.98					
N-4	**R0210**	62,842,250.00	123,886,680.00	27,112,770.00	-1,882,095.56	1,699,622.92						
N-3	**R0220**	19,721,360.00	160,350,430.00	61,254,174.43	9,254,899.36							
N-2	**R0230**	41,935,420.00	256,647,493.34	72,932,391.42								
N-1	**R0240**	54,401,628.57	263,447,044.87									
N	**R0250**	64,902,673.42										

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

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	-6,089,920.74	-6,089,920.74
	R0160	-1,063,744.45	442,446,541.87
	R0170	-1,557,318.87	468,362,575.04
	R0180	-3,221,771.28	403,882,938.20
	R0190	-1,169,978.27	411,049,344.17
	R0200	1,040,243.98	433,006,878.47
	R0210	1,699,622.92	213,659,227.36
	R0220	9,254,899.36	250,580,863.79
	R0230	72,932,391.42	371,515,304.75
	R0240	263,447,044.87	317,848,673.44
	R0250	64,902,673.42	64,902,673.42
Total	R0260	400,174,142.36	3,377,255,020.52

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

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

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											45,734,235.51
N-9	R0160									12,545,110.26	11,580,773.32	
N-8	R0170								7,994,408.84	5,748,257.57		
N-7	R0180							9,996,862.50	9,541,184.67			
N-6	R0190						15,462,471.08	10,485,669.79				
N-5	R0200					37,350,885.69	27,403,078.61					
N-4	R0210				48,842,851.28	49,988,707.26						
N-3	R0220			40,019,754.06	24,037,334.51							
N-2	R0230		222,882,559.91	47,353,515.56								
N-1	R0240	414,449,159.80	193,400,308.64									
N	R0250	479,161,380.32										

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

		Year end (discounted data)
		C0360
	R0100	45,734,235.51
	R0160	11,353,280.30
	R0170	5,617,288.16
	R0180	9,309,071.50
	R0190	10,137,681.52
	R0200	26,869,893.86
	R0210	49,380,363.57
	R0220	22,401,960.45
	R0230	44,241,971.74
	R0240	186,128,383.08
	R0250	462,200,461.37
Total	R0260	873,374,591.05

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						
Ordinary share capital (gross of own shares)	R0010	300,359,590.10	300,359,590.10			
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020					
Share premium account related to ordinary share capital	R0030	723,517,173.40	723,517,173.40			
Initial 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 to be deducted at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds to be deducted at group level	R0080					
Preference shares	R0090					
Non-available preference shares to be dedcuted 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					
Reconciliation reserve	R0130	1,022,026,241.37	1,022,026,241.37			
Subordinated liabilities	R0140	628,595,420.00			628,595,420.00	
Non-available subordinated liabilities to be deducted at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	36,907,370.97				36,907,370.97
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170	9,690,999.45				9,690,999.45
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests	R0200					
Non-available minority interests to be deducted at group level	R0210					
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 other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	253,200,491.00	253,200,491.00			
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 via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260					
Total of non-available own fund items to be deducted	R0270	81,840,496.45	72,149,497.01			9,690,999.45
Total deductions	R0280	335,040,987.45	325,349,988.01			9,690,999.45

- ## 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	2,376,364,808.39	1,720,553,016.86		628,595,420.00	27,216,371.52
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
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 to be dedcuted 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 undertakings carrying out financial activities	R0430	253,200,491.00	253,200,491.00			
Total own funds of other financial sectors	R0440	253,200,491.00	253,200,491.00			
Own funds when using the D&A, exclusively or in combination with 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					
undertakings included via D&A)	R0520	2,376,364,808.39	1,720,553,016.86		628,595,420.00	27,216,371.52
Total available own funds to meet the minimum consolidated group SCR	R0530	2,349,148,436.86	1,720,553,016.86		628,595,420.00	
undertakings included via D&A)	R0560	2,376,364,808.39	1,720,553,016.86		628,595,420.00	27,216,371.52
Total eligible own funds to meet the minimum consolidated group SCR	R0570	1,787,571,120.99	1,720,553,016.86		67,018,104.12	
Minimum consolidated Group SCR	R0610	335,090,520.62				

• 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**	5.33				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	2,629,565,299.39	1,973,753,507.86		628,595,420.00	27,216,371.52
Total Group SCR	**R0680**	1,340,362,082.48				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	**R0690**	1.96				

		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	2,291,663,808.84
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	208,853,433.00
Other basic own fund items	**R0730**	1,060,784,134.47
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Other non available own funds	**R0750**	
Reconciliation reserve	**R0760**	1,022,026,241.37
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
Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	137,052,423.74	137,052,423.74			
Share premium account related to ordinary share capital	R0030	620,149,416.01	620,149,416.00			
undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	1,171,198,830.74	1,171,198,830.74			
Subordinated liabilities	R0140	515,432,968.00			515,432,968.00	
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	2,443,833,638.48	1,928,400,670.48		515,432,968.00	
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
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	2,443,833,638.48	1,928,400,670.48		515,432,968.00	
Total available own funds to meet the MCR	R0510	2,443,833,638.48	1,928,400,670.48		515,432,968.00	
Total eligible own funds to meet the SCR	R0540	2,440,430,683.15	1,928,400,670.48	0.00	512,030,012.67	0.00
Total eligible own funds to meet the MCR	R0550	1,979,603,671.75	1,928,400,670.48	0.00	51,203,001.27	
SCR	R0580	1,024,060,025.33				
MCR	R0600	256,015,006.33				
Ratio of Eligible own funds to SCR	R0620	2.38				
Ratio of Eligible own funds to MCR	R0640	7.73				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	2,059,777,132.48
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	131,376,462.00
Other basic own fund items	R0730	757,201,839.74
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0.00
Reconciliation reserve	R0760	1,171,198,830.74
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0.00
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	8,742,985.03
Total Expected profits included in future premiums (EPIFP)	R0790	8,742,985.00

S.25.01.22 SCR - for groups using the standard formula – COFACE SA

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

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	349,415,380.75	
Counterparty default risk	R0020	173,920,897.28	
Life underwriting risk	R0030		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050	1,283,220,475.89	
Diversification	R0060	-297,667,415.03	
Intangible asset risk	R0070	0.00	
Basic Solvency Capital Requirement	R0100	1,508,889,338.88	

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	46,647,805.56
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	-142,024,774.70
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	1,413,512,369.74
Capital add-ons already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Consolidated Group SCR	R0220	1,666,712,860.74
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	416,678,215.18
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	253,200,491.00
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 undertakings carrying out financial activities	R0530	253,200,491.00
Capital requirement for non-controlled participation	R0540	
Capital requirement for residual undertakings	R0550	
Capital requirement for collective investment undertakings or investments packaged as funds	R0555	
Overall SCR		
SCR for undertakings included via D&A method	R0560	
Total group solvency capital requirement	R0570	1,666,712,860.74

- **S.25.05.22 SCR - for groups using the partial internal model – COFACE SA (1/2)**

S.25.05.22
Solvency Capital Requirement - for groups using an internal model (partial or full)

Component - specific information

		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Risk type					
Total diversification	R0020				
Total diversified risk before tax	R0030				
Total diversified risk after tax	R0040				
Total market & credit risk	R0070	519 868 097,32	0,00		
Market & Credit risk - diversified	R0080	-180 698 464,81	0,00		
Credit event risk not covered in market & credit risk	R0190				
Credit event risk not covered in market & credit risk - diversified	R0200				
Total Business risk	R0270				
Total Business risk - diversified	R0280				
Total Net Non-life underwriting risk	R0310	824 269 267,27	747 721 224,97		
Total Net Non-life underwriting risk - diversified	R0320	-9 049 977,11	0,00		
Total Life & Health underwriting risk	R0400				
Total Life & Health underwriting risk - diversified	R0410				
Total Operational risk	R0480	46 647 805,56	0,00		
Total Operational risk - diversified	R0490				
Other risk	R0500				

S.25.05.22 SCR - for groups using the partial internal model – COFACE SA (2/2)

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	1 255 350 737,64
Diversification	R0060	-168 189 146,17
Adjustment due to RFF/MAP nSCR aggregation	R0120	0,00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,00
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35,	R0200	1 087 161 591,48
Capital add-ons already set	R0210	0,00
of which, Capital add-ons already set - Article 37 (1) Type a	R0211	0,00
of which, Capital add-ons already set - Article 37 (1) Type b	R0212	0,00
of which, Capital add-ons already set - Article 37 (1) Type c	R0213	0,00
of which, Capital add-ons already set - Article 37 (1) Type d	R0214	0,00
Consolidated Group SCR	R0220	1 340 362 082,48
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	0,00
Amount/estimate of the loss absorbing capacity for deferred taxes	R0310	-135 434 432,51
Capital requirement for duration-based equity risk sub-module	R0400	0,00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
Total amount of Notional Solvency Capital Requirements 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
Minimum consolidated group solvency capital requirement	R0470	335 090 520,62
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	253 200 491,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions,	R0510	0,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0,00
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement	R0530	253 200 491,00
Capital requirement for non-controlled participation	R0540	0,00
Capital requirement for residual undertakings	R0550	0,00
Capital requirement for collective investment undertakings or investments packaged as funds	R0555	0,00
Overall SCR		0,00
SCR for undertakings included via D&A method	R0560	0,00
Total group solvency capital requirement	R0570	1 340 362 082,48

• S.25.01.21 SCR - for undertakings on Standard Formula – La Compagnie (1/2)

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	362 013 880,75	
Counterparty default risk	R0020	140 393 988,12	
Life underwriting risk	R0030	0,00	
Health underwriting risk	R0040	0,00	
Non-life underwriting risk	R0050	850 264 096,61	
Diversification	R0060	-269 897 052,54	
Intangible asset risk	R0070	0,06	
Basic Solvency Capital Requirement	R0100	1 082 774 913,00	

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	41 736 896,51
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	-100 451 784,18
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,00
Solvency Capital Requirement excluding capital add-on	R0200	1 024 060 025,33
Capital add-on already set	R0210	0,00
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0,00
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0,00
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0,00
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0,00
Solvency capital requirement	R0220	1 024 060 025,33
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0,00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
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.25.01.21 SCR - for undertakings on Standard Formula – La Compagnie (2/2)**

Approach to tax rate		C0109
Approach based on average tax rate	R0590	Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
LAC DT	R0640	-100 451 784,18
LAC DT justified by reversion of deferred tax liabilities	R0650	-100 451 784,18
LAC DT justified by reference to probable future taxable economic profit	R0660	0,00
LAC DT justified by carry back, current year	R0670	0,00
LAC DT justified by carry back, future years	R0680	0,00
Maximum LAC DT	R0690	0,00

- **S.28.01.01 MCR - Only life or only non-life insurance or reinsurance activity – La Compagnie (1/2)**

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
MCRNL Result	**R0010**	171 218 978,32

		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**	524 721 572,47	693 303 185,77
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**	-	-

- **S.28.01.01 MCR - Only life or only non-life insurance or reinsurance activity – La Compagnie (2/2)**

Overall MCR calculation		C0070
Linear MCR	R0300	171 218 978,32
SCR	R0310	1 024 060 025,33
MCR cap	R0320	460 827 011,40
MCR floor	R0330	256 015 006,33
Combined MCR	R0340	256 015 006,33
Absolute floor of the MCR	R0350	4 000 000,00
Minimum Capital Requirement	R0400	256 015 006,33

- ## S.32.01.22 Undertakings in the scope of the group – COFACE SA (1/3)

S.32.01.22
Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	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	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800HKUQBHEN7LHG17	GB	Coface UK Holdings Limited	Mixed financial holding company as defined in Art. 212§1 [h] of Directive 2009/138/EC	Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800LK258I58TRLP18	GB	Coface UK Services Ltd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800VWFVJ3PDANBK42	IL	Coface Holding Israel	Mixed financial holding company as defined in Art. 212§1 [h] of Directive 2009/138/EC	Limited company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/213800W324V1DP573Y92	IL	Business Data Information	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	ILITA The Israeli Law Information and Techology Authority. Ministry of	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/253400TQL1PRQT3MR535	RU	Coface RUS Insurance Company	Non-Life undertakings	Ltd	Non-mutual	Central Bank of Russian Federation	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/259400ZFRKNWZW6V1196	PL	Coface Poland Factoring	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	Non-mutual	KNF - Komisja Nadzoru Finansowego	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/5299006D8U9HJM9FY889	DE	Coface Debitoren (ex-ADGC)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900F0GY4C443UEI96	DE	Coface Finanz (ex-AKCF)	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	BaFin / Deutsche Bundesbank	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900HMUTQF2EKYEN39	DE	cofacerating.de GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900OUQBJGH5QC4B66	AT	Coface Central Europe Holding	Mixed financial holding company as defined in Art. 212§1 [h] of Directive 2009/138/EC	Private Limited Company	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900UYKF95GQF4OK48	DE	Cofacerating-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation
LEI/529900VLW25U8Q4MI292	ZA	Coface South Africa Services (ex-CUAL)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LIMITED	Non-mutual	Prudential Authority-370 Helen Joseph Street, Pretoria, 0002	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation

- ## S.32.01.22 Undertakings in the scope of the group – COFACE SA (2/3)

LEI/529900ZEEQUB7KU8UA23	ZA	Coface South Africa	Non-Life undertakings	LIMITED	Non-mutual	FSCA-41 Matroosberg Rd, Ashlea Gardens, Pretoria, 0002	74,99%	74,99%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/5493000AP6VMDH674E08	US	Coface North America Holding Company	Mixed-activity insurance holding company as defined in Art. 212§1 [g] of Directive 2009/138/EC	Corporation	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/5493007N150J79H7D539	CL	Coface Chile S.A. (Insurance)	Non-Life undertakings	S.A.	Non-mutual	Comisión para el Mercado Financiero (CMF)	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300AE9J7SZR49FT70	BE	Coface Belgium Services Holding (ex-RBB)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300AH1830FZ5MTX33	US	Coface Services North America Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300HBAICZQX96YF53	US	Coface North America Insurance Company	Non-Life undertakings	Corporation	Non-mutual	Office of Consumer Affairs and Business Regulation (OCABR)	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300L2E9PESIFA5849	CH	Coface RE SA	Reinsurance undertakings	SA	Non-mutual	FINMA Laupenstrasse 27 CH – 3003 Berne	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300R49CJGOAHFN339	BR	Coface Do brasil Seguros de Credito	Non-Life undertakings	S.A.	Non-mutual	Superintendência de Seguros Privados (SUSEP)	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300U436DACQWABG42	MX	Coface Holding America Latina S.A	Mixed-activity insurance holding company as defined in Art. 212§1 [g] of Directive 2009/138/EC	S.A. de C.V.	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/549300VKNSGSISZ5SJ15	MX	Coface Seguro de Credito Mexico	Non-Life undertakings	S.A. de C.V.	Non-mutual	Comisión Nacional de Seguros y Fianzas (CNSF)	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/724500ONKFNDI2RBKA16	NL	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		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/789000TSX8QMK0QATY75	TR	Coface Sigorta	Non-Life undertakings	Credit Insurance	Non-mutual	Turkish Prime Ministry Undersecretariat of Treasury ("Undersecretariat of	100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/815600C3B3BA64DC7A18	IT	Coface Italia	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Società a responsabilità limitata	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/95980046WUPXWLF53K62	ES	Coface Servicios Espana SL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SLU	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/9695000CSKX9IHH4M509	FR	Cofinpar	Mixed-activity insurance holding company as defined in Art. 212§1 [g] of Directive 2009/138/EC	SA	Non-mutual		100,00%	100,00%	100,00%	Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation

• S.32.01.22 Undertakings in the scope of the group – COFACE SA (3/3)

LEI/969500161CXOCK0NIW24	FR	Fimipar	Credit institutions, investment firms and financial institutions	SA	Non-mutual	ACPR - 4 place de Budapest, 75009 Paris Cedex 9	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/96950025N07LTJYFSN57	FR	COFACE SA	Mixed-activity insurance holding company as defined in Art. 212§1 [g] of Directive 2009/138/EC	SA	Non-mutual	Autorité des Marchés Financiers - 17, place de la Bourse - 75082 Paris Cedex	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/9695007AC8Q2X70BLL23	FR	Coface Europe (ex-Coface SA)	Non-Life undertakings	SA	Non-mutual	ACPR - 4 place de Budapest, 75009 Paris Cedex 9	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
LEI/969500IBHXHF6T3PBH48	FR	Cogeri	Other	SASU	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/AR2	AR	Coface Servicios Argentina S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/CH3	CH	Coface Services Suisse	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/CO1	CO	Coface Services Colombia Ltda.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual		94,98%	94,98%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/DK2	DK	Coface Norden Services AS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Danish A/S	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/GR3	GR	Coface Services Greece	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/HK2	HK	Coface Greater China Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual	Companies Registry, 14th Floor, High Block, Queensway Government Office, 66 Queensway, Hong Kong	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/HR1	HR	Coface Adriatic	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	DOO	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/HU3	HU	Coface Hungary Insurance Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	ltd	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/JP3	JP	Coface Services Japan	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Stock Corporation	Non-mutual	Legal Affairs Bureau, 1-1-15 Kudan-minami, Chiyoda-ku, Tokyo 102-8225, Japan	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/LT2	LT	Coface Baltics Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Private Limitated Liability	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/MA1	MA	Coface Services Maghreb	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SARL à associé unique	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation

SC/MX3	MX	Coface Servicios Mexico S.A. DE C.V.	Non-Life undertakings	S.A. de C.V.	Non-mutual	Comisión Nacional de Seguros y Fianzas (CNSF)	100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/PL2	PL	Coface Poland Insurance Service	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Subsidiary	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/RO3	RO	Coface Romania Insurance Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation
SC/SE3	SE	Coface Services Sweden (Ex. Sverige Services AB)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Swedish AB	Non-mutual		100,00%	100,00%	100,00%		Dominant	100,00%	Included into scope of group supervision	Method 1: Full consolidation

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 Requirement (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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SA (Société Anonyme)
With a capital of €300,359,584
RCS Nanterre n° 432 413 599