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## **COFACE SA: Partial Internal Model approved - Solvency ratio at 187%\* as of 31 December 2018**

COFACE SA announces that it has received authorisation from the French Prudential Supervision and Resolution Authority (ACPR) to use the group's Partial Internal Model for calculating its regulatory capital requirement under the Solvency II Directive as soon as at 31 December 2019.

The second pillar of our Fit to Win strategic plan aims to improve the capital efficiency of Coface's business model. The Partial Internal Model is a key tool to attain this objective. The validation of the model is therefore a critical milestone towards the achievement of all the targets of the plan.

Coface's Partial Internal Model has been the subject of extensive discussion and review by the group's supervisory authorities since the launch of the pre-application phase in 2016. This model covers the insurance underwriting risk module. The other modules (market risk, underwriting risk, operational risk) use the parameters of the standard formula.

Coface has already started to use the Partial Internal Model in some key processes (strategic planning, capital management) and will soon extend its usage to other key functions, such as pricing and underwriting.

Coface' solvency ratio, as defined by the Partial Internal Model, is 187%\* at 31 December 2018, an 18 point improvement versus the standard formula.

In parallel, Coface is actively working to improve the calculation of its factoring business capital requirement. The usage of a CRD IV compliant methodology could bring an additional improvement of around 5 points for the group's global solvency ratio.

### **Carine Pichon, Coface's Chief Finance & Risk Officer, commented:**

*"We are very pleased that the ACPR has approved our Partial Internal Model. This achievement is the result of a major strategic project for numerous teams within Coface, and will allow us to better align our regulatory capital requirements with our risk portfolio. We have already begun to implement this capital model in Coface's key processes. It also marks a significant milestone in our target to improve the capital efficiency of our business model."*

\* The estimated solvency ratio is not audited.

## CONTACTS

### MEDIA RELATIONS

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### FINANCIAL CALENDAR 2020 (subject to change)

FY-2019 results: 5 February 2020 (after market close)  
Q1-2020 results: 23 April 2020 (after market close)  
Annual General Shareholders' Meeting 2019: 14 May 2020  
H1-2020 results: 29 July 2020 (after market close)  
9M-2020 results: 29 October 2020 (after market close)

### FINANCIAL INFORMATION

This press release, as well as COFACE SA's integral regulatory information, can be found on the Group's website:

<http://www.coface.com/Investors>

For regulated information on Alternative Performance Measures (APM),  
please refer to our Interim Financial Report for S1-2019 and our 2018 Registration Document.

#### **Coface: for trade - Building business together**

70 years of experience and the most finely meshed international network have made Coface a reference in credit insurance, risk management and the global economy. With the ambition to become the most agile, global trade credit insurance partner in the industry, Coface's experts work to the beat of the world economy, supporting 50,000 clients in building successful, growing and dynamic businesses. The Group's services and solutions protect and help companies take credit decisions to improve their ability to sell on both their domestic and export markets. In 2018, Coface employed ~4,100 people and registered turnover of €1.4 billion.

[www.coface.com](http://www.coface.com)

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