

OVERVIEW OF COFACE

UNIVERSAL REGISTRATION DOCUMENT 2022

INCLUDING THE ANNUAL FINANCIAL REPORT



This Document is a reproduction of the official version of the Universal Registration Document including the 2022 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on the websites of the Company and the AMF.

The Universal Registration Document was filed with the AMF on 6 April 2023. AMF is the competent authority in respect of Regulation (EU) 2017/1129, and the Document was filed without prior approval, in accordance with Article 9 of said regulation. The Universal Registration Document may be used for a public offer of securities or for the admission of securities to trading on a regulated market if it is supplemented by an offer notice and if applicable, a summary and all amendments made to the Universal Registration Document. The ensuing set of documents is approved by the AMF in accordance with (EU) 2017/1129.

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

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Message from

Xavier Durand

Chief Executive Officer of Coface

“The relevance and the resilience of our strategy have been proven through successive economic cycles. While the environment looks set to become more volatile, we are moving into the new year with confidence thanks to our solid balance sheet, committed teams and close relationships with our clients.”

Our ambition:

further strengthen Coface’s resilience while delivering profitable growth, and become the reference in credit insurance.

At Coface, we believe in trade as a positive force for the world.

Our mission:

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

Can you tell us about Coface’s performance in 2022?

The dominant aspect in 2022 was the singular economic environment. We had to cope with unforeseen events, starting with the war in Ukraine and its effects on commodities and energy prices. The return of high inflation also weighed on the economy. Monetary policies were quickly tightened and growth forecasts revised downwards around the world. The return of company defaults to a normal level was also slower than expected.

In this uncertain environment, we reported excellent financial results, with some quarters ranking as the bests in Coface’s history! This shows that we have successfully and effectively adapted and demonstrated rigour in the management of our exposures and costs, while at the same time remaining extremely close to our clients in an ever more competitive market.

This solid performance was recognised by the market, as reflected in Moody’s decision to attribute a positive outlook to the Group, even amid an increasingly uncertain macroeconomic outlook.

Where does Coface stand on the execution of its strategic plan?

In 2022, we rigorously stuck to our roadmap and succeeded in overcoming obstacles to remain focused on our medium-term objectives. Our turnover increased substantially, with credit insurance premiums increasing thanks both to the business activity of our clients and an excellent retention rate. This shows that our unflinching efforts to stay close to our clients have paid off! We also stepped up the development of our information services, which are showing promising growth. We are continuing to expand our factoring and surety bond businesses on a selective and targeted basis.

Regarding our transformation, we continued to invest in a reasoned manner to ensure Coface’s future. We made strong headway on our 40 strategic projects, serving to support the roll-out of our new offers, digitalise our processes, simplify our operational model and comply with regulatory changes (IFRS 17/9). Many of these projects also contribute to improving our service quality.

Lastly, we pursued our strategy on corporate social responsibility (CSR) by implementing a system to measure our carbon footprint. Our goal is to determine an emissions reduction target and set objectives on shrinking our footprint.

We also launched an initiative to double by 2025 our support for CSR projects as part of our Single Risk insurance solutions (renewable energies, energy efficiency, transport, water treatment, health, education and micro-finance). As a responsible employer, our initiatives helped the entire Group to make progress on gender equality and continue building an inclusive work environment. These efforts are largely acknowledged by our employees, as expressed in engagement surveys conducted at the Group.

In the coming environment, what role will be played by credit insurance and, more specifically, Coface?

The situation will continue to be complex in the near future and our environment will remain extremely volatile. New risks may emerge in 2023 and a host of questions have yet to be answered. When will claim levels return

to their pre-COVID level? At what level will inflation stabilise? What will be the balance of power between the world's main economies? What kind of form is globalisation currently assuming? The disruption in our environment is reflected in numerous indicators and the horizon is darkening in macroeconomic terms.

We are entering a new environment of stagflation in developed economies marked by a stagnation in economic activity and high inflation. Our business as a credit insurer consists in supporting our clients in these turbulent and highly volatile periods. In this respect, our record retention rates and the success of our business information offer demonstrate that our clients trust our abilities. This is a time in which they absolutely need support from a reliable partner, an expert in risk management who will help them in the development of their business activities.

Despite today's economic environment, Coface will steadfastly pursue its strategic priorities and objectives for 2023 while remaining cautious and disciplined in risk management. We will continue to invest in transforming and developing our business lines adjacent to credit insurance, and notably our information services. We are firmly convinced that these business lines can drive supplementary growth and diversification, forging a differentiated offering on the market.

So 2023 will no doubt be just as intense as 2022, but Coface is robustly equipped to take on the troubles to come. We are moving into the new year with confidence thanks to our solid balance sheet, committed teams and close relationships with our clients.

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

The year 2022 was once again an exceptional year during which Coface demonstrated the relevance of its business model for companies all over the world and performed remarkably well in operational terms.

The economic environment was particularly unusual. Overall, economic actors benefited from the post-pandemic rebound, the reopening of economies and the normalisation of production chains, publishing very good earnings. Additionally, we operated in a unique economic environment with companies whose cash flows widely benefited from government recovery measures set up during the crisis. This helped them buffer the shocks linked to sustained inflation, high energy prices and rising interest rates.

Consequently, even though Coface's outlook deteriorated over the months and we are clearly walking into an economic slowdown in 2023, hardship was largely avoided in 2022. The rise in loss experiences was very gradual, especially in the last quarter.

The Group managed to take advantage of this paradoxical situation. In this way, Coface demonstrated its capacity to adapt, to manage its exposure with an expert hand and to seize market opportunities creating long-term value.

For several years now, Coface has been committed to making its systems more robust, improving its operational efficiency and its responsiveness to weather any storms that may arise. I am pleased to say that this endeavour paid off in 2022 and is still being pursued at all the Group's organisational levels.

Lastly, in order to expand its information services, the company continues to rely on a strong culture of expertise which has proven to be relevant and unparalleled in the credit insurance industry for over 75 years. The fast development of this business line illustrates the extent to which our clients trust our analyses and that the data we provide them with constitutes a powerful decision-making tool to manage their business risks. With these solid fundamentals and its capacity to generate value by capitalising on historical expertise, the Group is very well-positioned to continue serving its corporate purpose of assisting companies and supporting global business.



2022 key figures

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

FINANCIAL AND NON-FINANCIAL PERFORMANCE⁽³⁾



€1,812M
TURNOVER



4,721
EMPLOYEES
IN 58 COUNTRIES



64.9%
NET ANNUAL COMBINED RATIO



54%
OF WOMEN IN THE GROUP AS A WHOLE



€283.1M
NET INCOME
(GROUP SHARE)



34%
OF WOMEN
IN THE MANAGER POPULATION



15.6%
ANNUALISED ROATE ⁽¹⁾



**Completed a full
carbon footprint
ASSESSMENT (BASE YEAR: 2019)**



201%
SOLVENCY RATIO ⁽²⁾



**Investments: GH
emission reduction**
REDUCTION TARGET OF 30% BY 2025
(VS 2020) SCOPE 1 & 2 EQUITIES AND
CORPORATE BONDS

RATING AGENCY

FitchRatings

AA- stable
outlook

MSCI
ESG RATINGS **AAA**

AAA Leader

MOODY'S
INVESTORS SERVICE

A2 positive
outlook

Moody's | ESG Solutions

57/100 Robust

AM
BEST
A Excellent

A stable
outlook

Corporate ESG
Performance
RATED BY
ISS ESG Prime

C
EN 2022 Prime status

(1) Return on average tangible equity.

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

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

Shareholders' Corner ⁽¹⁾

SHARE FACT SHEET

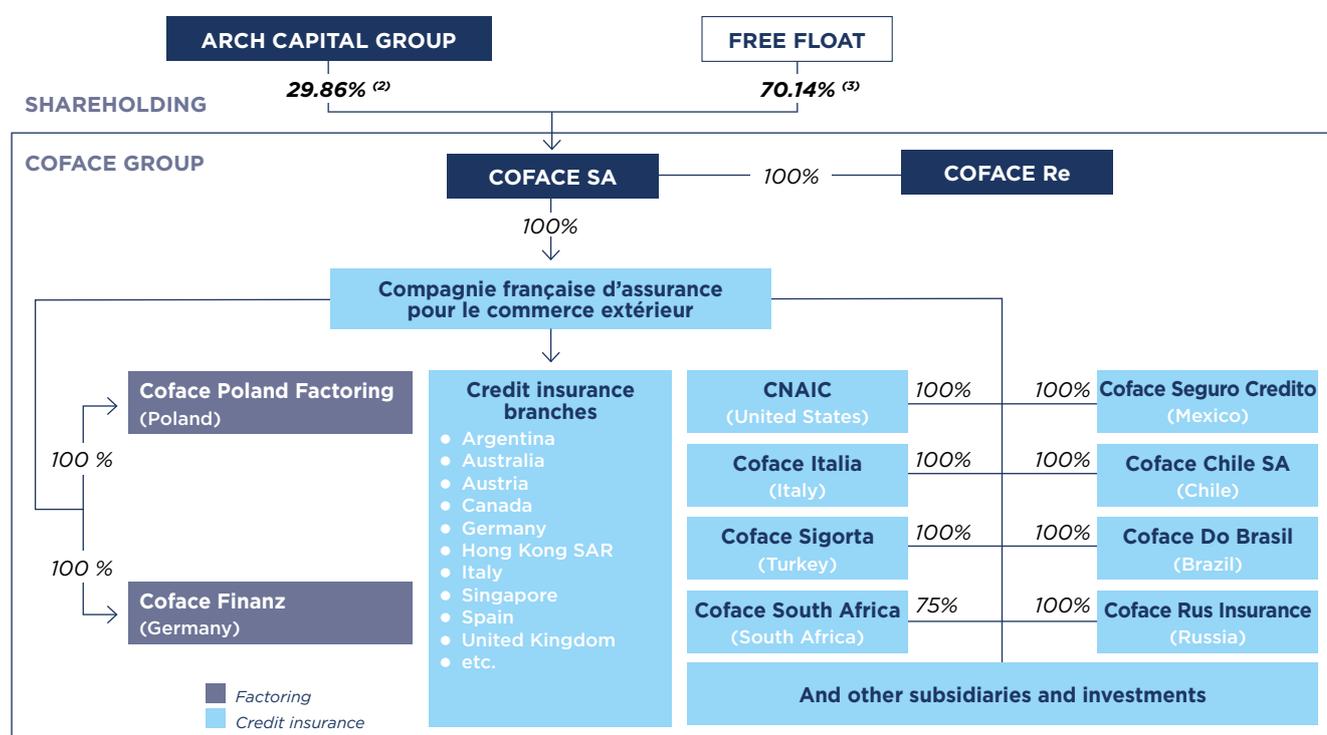
TRADING	Euronext Paris (Compartment A), eligible for deferred settlement service (SRD)
ISIN CODE	FR0010667147
REUTERS CODE	COFA.PA
BLOOMBERG CODE	COFA FP
STOCK MARKET INDICES	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC MID 60, Next 150
NUMBER OF SHARES	150,179,792
MARKET CAPITALISATION	€1,823,182,675 *

* Share price at 31 December 2022: €12,14

FINANCIAL CALENDAR

16 February 2023	after market close	FY-2022 results
16 May 2023		2022 Annual General Shareholders' Meeting
22 May 2023		Ex-dividend date
24 May 2023		Payment of dividend
25 May 2023	after market close	Q1-2023 results
10 August 2023	after market close	H1-2023 results
14 November 2023	after market close	9M-2023 results

SIMPLIFIED ORGANISATION CHART



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

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

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

Locations

Global reach, local proximity

Coface is present **directly**, or through its **partners**, in **100 countries**, providing support to its clients in nearly **200 countries**.

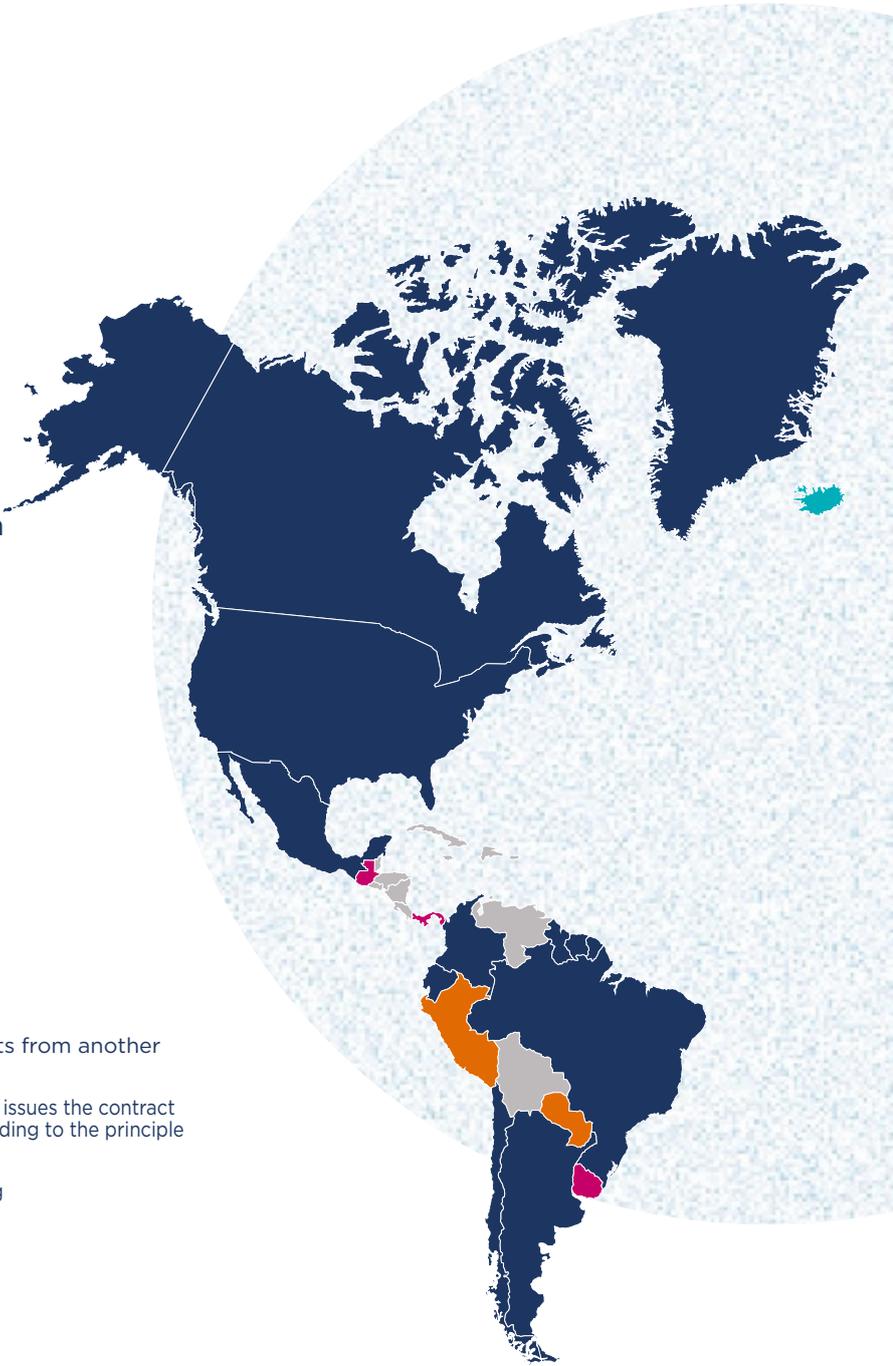
The Group uses its **own international network**, which is complemented by its "**Coface Partners**" network.

DIRECTLY:

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

INDIRECTLY, THE GROUP USES:

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



A LEADING INTERNATIONAL NETWORK

NORTH AMERICA

- Canada
- U.S.A.

LATINE AMERICA

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

WESTERN EUROPE

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

NORTHERN EUROPE

- Denmark
- Finland
- Germany
- Netherlands(The)
- Norway
- Sweden

CENTRAL EUROPE

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

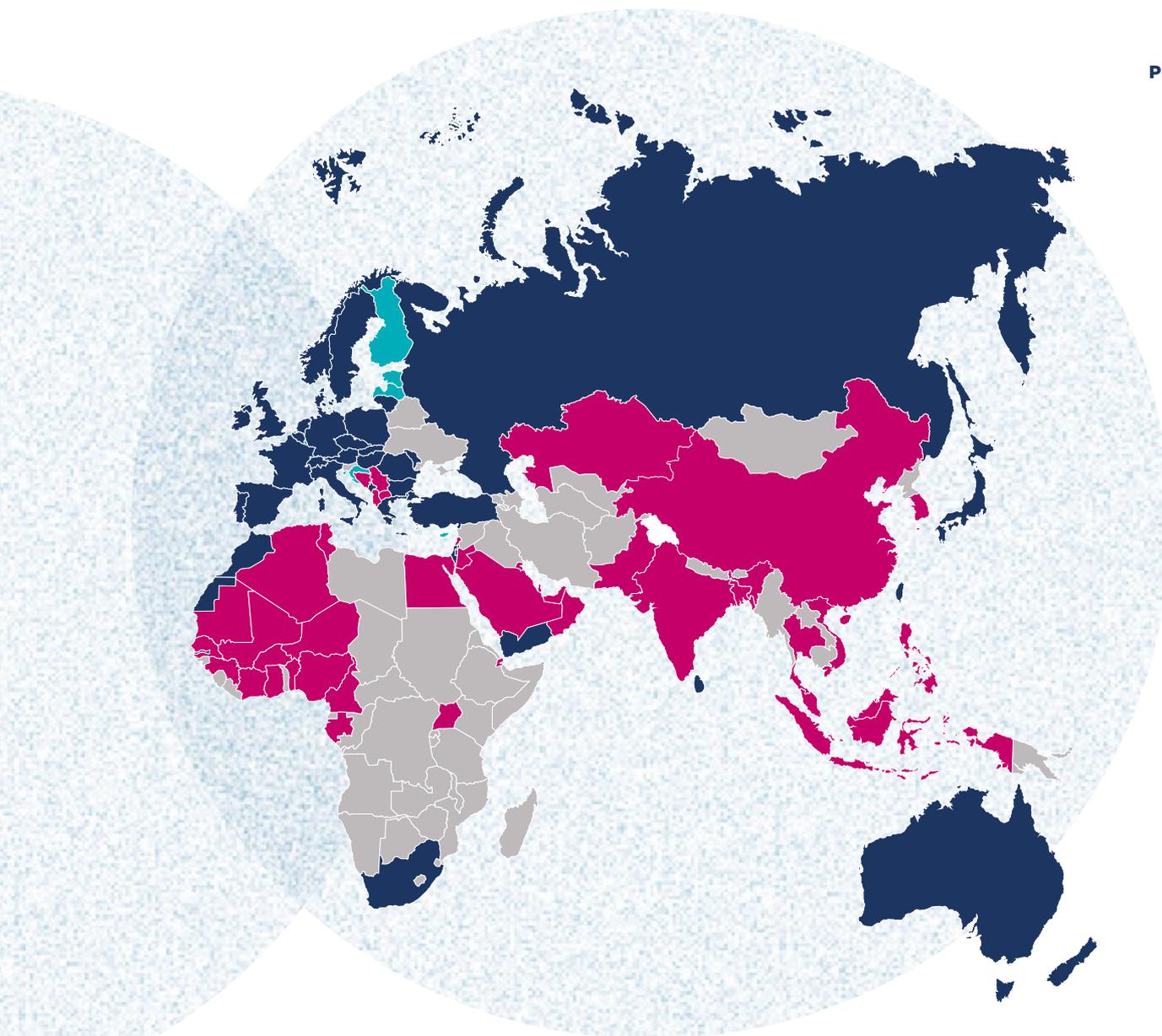
MEDITERRANEAN & AFRICA

- Albania
- Algeria
- Bahrain
- Benin
- Burkina Faso
- Cameroun
- Cyprus
- Djibouti
- Egypt
- Gabon
- Gambia
- Ghana
- Greece
- Guinea
- Israël
- Italy
- Ivory Coast
- Jordan
- Kuwait
- Lebanon
- Mali
- Malta

- Mauritania
- Mauritius
- Morocco
- Niger
- Nigeria
- Oman
- Portugal
- Qatar
- Saudi Arabia
- Senegal
- South Africa
- Spain
- Tunisia
- Turkey
- U.A.E.
- Uganda

ASIA-PACIFIC

- Australia
- Bangladesh
- Brunei
- China
- Hong Kong SAR
- India
- Indonesia
- Japan
- Malaysia
- New-Zealand
- Pakistan
- Philippines
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam



NORTH AMERICA



€168.0M
i.e. 9% of total turnover*
224 employees

LATIN AMERICA



€101.6M
i.e. 6% of total turnover*
452 employees

NORTHERN EUROPE



€372.2M
i.e. 21% of total turnover*
699 employees

CENTRAL EUROPE



€178.5M
i.e. 10% of total turnover*
995 employees

WESTERN EUROPE



€359.6M
i.e. 20% of total turnover*
1,013 employees**

MEDITERRANEAN & AFRICA



€480.6M
i.e. 27% of total turnover*
867 employees

ASIA-PACIFIC



€151.3M
i.e. 8% of total turnover*
471 employees

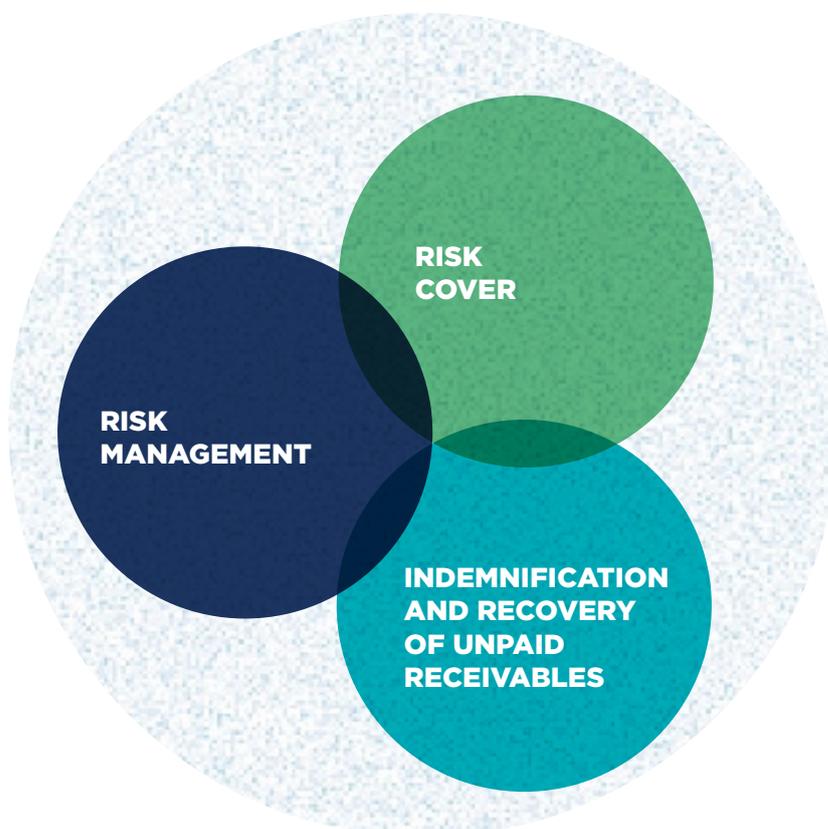
* Year ended December 31, 2022.

One mission: to support companies in their commercial exchanges

MULTIPLE EXPERTISES, ONE PURPOSE: FOR TRADE

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

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



~€670 bn
TRADE CREDIT
INSURANCE
EXPOSURE

331
UNDERWRITERS
LOCATED IN
46 COUNTRIES

10,000
DAILY RISK
DECISIONS

158
STAFF SPECIALISED
IN DEBT
COLLECTION

174
STAFF IN CHARGE
OF YOUR
INDEMNIFICATION

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

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

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

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

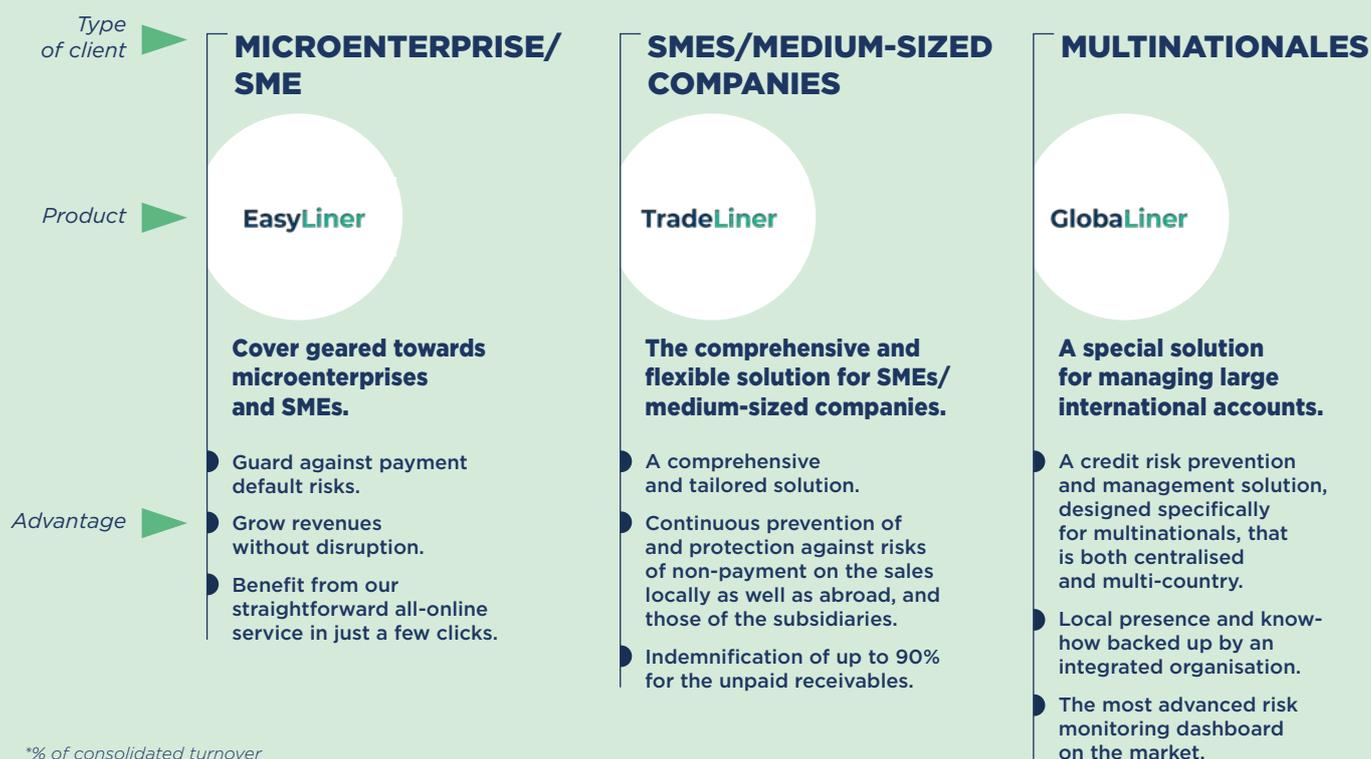
Coface offers its clients solutions tailored to their needs:



... AT THE CLOSEST TO OUR CLIENTS.

3 types of clients

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



*% of consolidated turnover

Our purpose

Coface *For Trade* : a deep commitment to trade



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



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

A COMPANY DRIVEN BY 4 ESSENTIAL VALUES:



Client Focus

- **Client satisfaction** first. Offers, quality of services
- **Connected to the market** macro-eco, competition moves
- **Strong, durable relationships** with clients, brokers & partners



Expertise

- **Functional** Underwriting, risk, sales, systems, processes
- **Industry** Geographies, industry sectors
- **Leadership** People management



Collaboration

- **Cross-functional**
- **Cross-markets**
- **In full transparency**



Courage & accountability

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

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

BUILD TO LEAD

Be more profitable
and resilient over the long-term

01 BUILD TRADE CREDIT INSURANCE LEADERSHIP

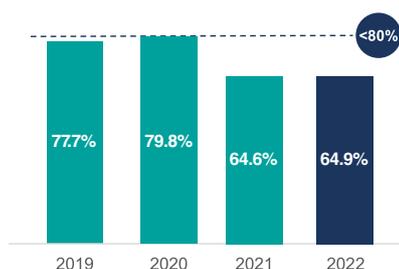


02 GROW SELECT SPECIALTIES

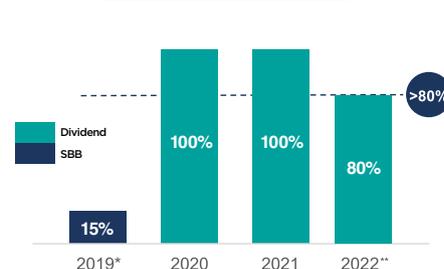


**FINANCIAL OBJECTIVES THROUGH THE CYCLE
UPDATE AS OF DECEMBER 31, 2022**

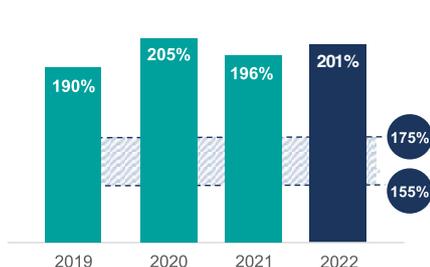
COMBINED RATIO



PAY-OUT RATIO



SOLVENCY RATIO



ROATE***



* In view of the scale of the health crisis and following the vote at the Combined General Shareholders' Meeting of May 14, 2020, it was decided not to pay a dividend for the fiscal year ended December 31, 2019.
 ** The proposed distribution is subject to approval by the general shareholders meeting on 16 May 2023.
 *** RoATE = Average return on equity

CSR: embedding strategy and



**RESPONSIBLE
INSURER**



**RESPONSIBLE
EMPLOYER**

**ACTIONS
TAKEN**

- Decreased GH emissions of investment portfolio, excluded G-rated assets and limited F (0.61% in 2022)
- Built and tested internal tool to assess environmental impact of debtor portfolio
- Integrated 3 ESG indicators into Risk Appetite Statement
- Integrated climate in our risk monitoring (ORSA)

Initiative to double our exposure on ESG projects in Single Risk by 2025

- Diversity & Inclusion:
 - ✓ 88/100 in the Group Gender Index (+4 pts vs 2021)
 - ✓ Formal D&I policy approved by the board
- Increased employee engagement (+24 pts between 2017 and 2020, still improving since Nov 21)
- Drove employee development (mentoring, international mobility: +100% over last 4 years)
- Launched Operational academies

**NEXT
STEPS**

- Further decrease GH emissions of investment portfolio and join NZAOA & UN PRI
- Further reflect on potential other ESG initiatives in our commercial policy
- Upgrade procurement policy
- Follow up on Single risk initiative by 2025

- Strengthening digital academies (Business Information, Human resources)
- Pursuing efforts on gender equality and career development
- Promoting equal opportunities in the regions, on the model of French Potter foundation

TARGET

 30%** reduction of investment portfolio emissions by 2025 (vs 2020)

 40% women in top 200 manager by 2030

* New / update in 2022

** Limited to equities & corporate bonds (scope 1 & 2)

setting targets*



RESPONSIBLE ENTERPRISE

- Completed a carbon footprint assessment and developed a reduction plan & trajectory towards Net zero in 2050
- Started to reduce Coface carbon footprint:
 - ✓ Introduction of hybrid and electric cars in the car fleet
 - ✓ Travel policy
 - ✓ Flex office, etc.
- Roll out emissions reduction plans
- Put in place a tool dedicated to collection/monitoring of CSR data



DRIVING THE CULTURE

- Upgraded from AA to AAA by MSCI / rated Low risk by Sustainalytics
- Strengthened awareness of CSR across the Group (CSR champions and D&I champions, CSR committee including EXEC team)
- Supported grass root employee-driven initiative Green to Lead
- Built and deployed first customized Group CSR eLearning
- Answering more extra-financial rating agencies (e.g EcoVadis following customer requests)
- Driving all quantified commitments through quarterly CSR committees
- Publishing a leaflet detailing the CSR strategy for external Communication



Reduction target by 2025:
- 11% for operations emissions
(-28% at constant scope)



Launch 2 further e-trainings in 2023: unconscious biases and environment

Our 2022 value creation model*

OUR RESOURCES AND ASSETS

SOCIAL, ENVIRONMENTAL AND GOVERNANCE, CAPITAL

- 4,721 employees
- 80 nationalities represented in the group
- 54% of women in the Group
- CSR strategy including 3 pillars:
 - A responsible insurer
 - A responsible employer
 - A responsible enterprise



A condition for success: driving the culture

GOVERNANCE

- A balanced Board of Directors: 10 directors of whom 50% are women
- An independence rate of 60% and an attendance rate of 95% for board members
- Implemented CSR governance



ORGANISATION

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



FINANCIAL RESOURCES

- Credit ratings: AA- with Fitch and A with AM Best - stable outlook; A2 with Moody's - positive outlook
- €1,960.5m of equity
- A solid and robust financial structure
- More than 20 reinsurers with an average rating of A+ to AA-



OUR DNA AND PERFORMANCE DRIVERS

OUR PURPOSE

Coface For Trade :
a deep commitment to trade

- OUR VISION AND AMBITION:** contributing to exchanges, international cooperation, prosperity and peace. We believe in trade as a positive force for the world
- OUR MISSION:** to protect companies against unpaid bills / contribute to the smooth running and development of businesses all over the world

OUR STRATEGY

BUILD TO LEAD (2020-2023)

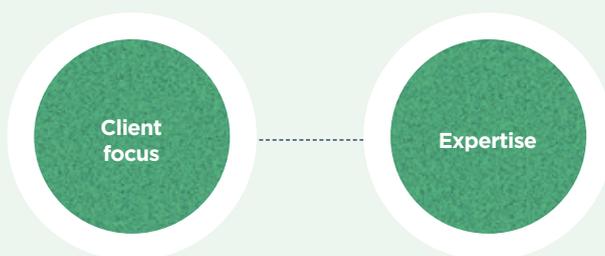
a strategic plan based on 2 pillars:

- Build trade credit insurance leadership
- Grow select speciality businesses

Financial objectives through the cycle

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

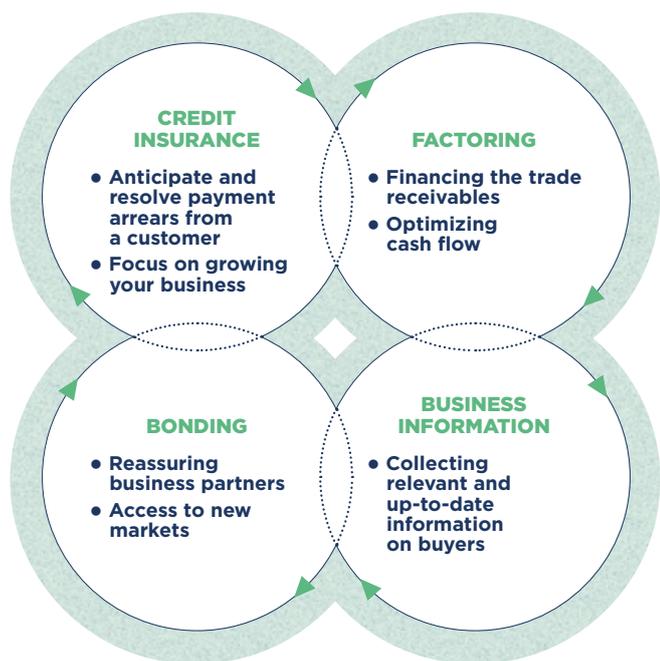
OUR VALUE



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

** The distribution proposal will be submitted to the Annual General Shareholders' Meeting to be held on 16 May 2023

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



OUR KNOW-HOW IS BASED ON 4 PILLARS



A SHARED VALUE CREATION



FOR THE ENVIRONMENT AND SOCIETY

- GH emission reduction target for:
 - Investment portfolio: 30% by 2025 (vs 2020) scope 1 & 2, equities & corporate bonds including joining the Net Zero Asset Owner Alliance (NZAOA) in 2023
 - Claims: 7% in 2025 (vs 2019)
 - Operations: 11% in 2025 (vs 2019) scope 1, 2 & 3
 - €200m exposure on ESG Single Risk projects mid 2022 and ambition to at least double by 2025.
- Upgrade from MSCI from AA to AAA
- Mandatory CSR e-learning for all employees worldwide



FOR OUR EMPLOYEES

- 34% of women in the manager population and an objective of 40% women in top 200 manager by 2030 (34% in 2021)
- Group Gender Index: 88/100 (vs. 84/100 in 2021 and 81/100 in 2020)
- 95 employees in international mobility in 2022



FOR OUR CLIENTS

- €477m of gross claims expenses
- Average of 11.4% of customers responding to monthly satisfaction surveys
- €667bn of TCI exposure on 2.5 million companies (+14% vs 2021)



FOR OUR SHAREHOLDERS

- €1,812m in turnover
- €283.1m net income (group share)
- 64.9% combined ratio
- 15.6% RoATE (Average return on equity)
- Payout ratio of 80%** of net income (a cash dividend of €1.52 per share)
- 201%*** Solvency ratio

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

Solid governance for an agile group

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2022

CHAIRMAN (independent)



Bernardo SANCHEZ INCERA



INDEPENDENT DIRECTORS



Isabelle LAFORGUE



Laetitia LEONARD-REUTER



Nathalie LOMON



Sharon MACBEATH



Laurent MUSY



NON INDEPENDENT DIRECTORS*



Janice ENGESBE



David GANSBERG



Chris HOVEY



Nicolas PAPADOPOULOU



* Representing Arch Capital Group Ltd.



Audit and Accounts Committee



Risk Committee



Appointments and Compensation Committee



Chairman

Board committees in 2022



Audit and Accounts Committee

3 members

2 independent including the Chairman

5 Meetings

88 % attendance rate*



Risk Committee

4 members

3 independent including the Chairman

5 Meetings

100 % attendance rate



Nominations and Compensation Committee

3 members

2 independent including the Chairman

5 Meetings

100 % attendance rate

* This participation rate includes a 50% participation rate for Eric Hémar. The other directors each had a 100% participation rate.

**COMPOSITION OF THE GROUP MANAGEMENT BOARD (GMB) ⁽¹⁾
(AS AT 31 DECEMBER 2022)**

Xavier Durand
Chief Executive Officer



GENERAL MANAGEMENT

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

OTHER COMMITTEES CHAIRED BY GENERAL MANAGEMENT

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

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

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

Our risk management

AN ORGANISATION FOR EFFECTIVE RISK MANAGEMENT

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

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



SUMMARIES OF THE MAIN RISKS

The risk map covers **the six main categories of risk** to which Coface is exposed and covers all internal and external risk factors, including financial and non-financial issues. It was drawn up on the basis of an annual review of these risks by Coface's management. It is based on a qualitative risk analysis designed to assess the probability of occurrence and residual impact of each risk factor. Only the major risk factors are listed in the table below. A pro-forma 2021 risk assessment was performed according to this methodology to enable comparison.

RISK CATEGORIES	MAIN RISK FACTORS	PROBABILITY OF OCCURRENCE	RESIDUAL IMPACT	CHANGE IN THESE RISKS BETWEEN 2021 AND 2022*
Credit risk	Risk related to the management of the Group's exposure in its insurance business	High	Significant	➔
	Risk of debtor insolvency	Significant	Medium	➔
	Risk related to technical provisions	Significant	Medium	➔
Financial risk	Interest rate risk	Significant	Medium	⬆
	Equity risk	Medium	Low	⬇
	Real estate risk	Significant	Medium	➔
	Liquidity risk	Significant	Medium	➔
	Foreign exchange risk	Medium	Medium	➔
Strategic risk	Risks related to market and geopolitical conditions	High	High	➔
	Risks related to changes in the regulations governing the Group's activities	Medium	Low	➔
	Risk of deviating from the strategic plan	Significant	Medium	➔
	Reputational risk	Medium	Low	➔
Reinsurance risk	Residual reinsurance risk	Significant	Medium	➔
Operational and compliance risk	Risks related to information systems and cybersecurity (non-financial performance disclosures)	High	Significant	➔
	Modelling risk	Significant	Medium	➔
	Compliance risk	Significant	Medium	⬇
	Outsourcing risk	Significant	Medium	Not assessed in 2021
Climate change risks	Climate change risks	Low	Low	Not assessed in 2021

* Change based on 2021 pro-forma assessment

