Interim consolidated financial statements

As at September 30th, 2023

CONTENTS

BASIS OF PREPARATION

These IFRS condensed interim financial statements of the Coface Group as at Septembre 30th, 2023 are established in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

The interim financial statements include:

- the balance sheet;
- the income statement;
- the consolidated statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows;
- the notes to the financial statements.

The balance sheet items are presented with comparative financial information as at December 31st, 2022 and the income statement items are presented with comparative financial information as at Septembre 30th, 2022. The 2022 comparative financial information are restated with the new IFRS 17 standard, Insurance contracts.

The accounting principles and policies used for the interim financial statements as at Septembre 30th, 2023 are the same as the ones used for the year ended December 31st, 2022. They are prepared in accordance with the International Financial Reporting Standards (IFRS) as published by IASB and adopted by the European Union[1].

These condensed consolidated financial statements were reviewed by Coface Group's Board of Directors on 14th Novembre 2023 and previously reviewed by the Audit Committee on 13th Novembre 2023.

[1] The standards adopted by the European Union can be consulted on the website of the European Commission at: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm

Significant events

Acquisition of North America data analytics boutique Rel8ed

On January 30, 2023, Coface announced the acquisition of North American data analytics boutique Rel8ed. The acquisition brings new, rich data sets and analytics capabilities, which will benefit Coface trade credit insurance as well as the company's business information customers and teams.

Financial and non-financial rating agency

AM Best affirms Coface's main operating subsidiaries rating at A (Excellent) with a stable outlook

On May 19, 2023, the rating agency AM Best affirmed the A (Excellent) Insurer Financial Strength – IFS rating 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 remain "stable".

Moody's upgrades Coface's main operating company to A1 IFSR, stable outlook

The rating agency Moody's, on 28th September 2023, has upgraded the financial strength rating (Insurance Financial Strength Rating – IFSR) for Coface to A1 from A2. The agency has also changed the outlook for Coface to stable from positive.

Launch of ALYX, a new all-in-one credit management platform

On June 6, 2023, Coface announced the launch of a new digital trade credit risk management platform for its policyholders. Named Alyx, it allows Coface's customers to automate and centralize their credit risk management from lead to cash.

The platform was built and is proposed in partnership with CreditDevice, a Dutch software company specialized in commercial credit risk management. At first, Alyx will be proposed primarily to mid-market clients in France, Germany, Denmark, and in Norway.

Consolidated balance sheet

Assets

(in thousands euros)	30/09/2023	31/12/2022	01/01/2022*
Intangible assets	**233,244**	**238,835**	**229,951**
Goodwill	155,473	155,960	155,529
Other intangible assets	77,771	82,876	74,423
Financial assets	**3,022,664**	**3,015,136**	**3,213,422**
Real estate investments	288	288	288
Investments at amortized cost	94,597	102,088	87,507
Investments at FV/OCI	2,363,206	2,902,405	3,115,154
Investments at FV P&L	562,037	26	15
Derivatives and separate embedded derivatives	2,536	10,330	10,458
Receivables from bank and other activities	**3,039,361**	**2,906,639**	**2,690,125**
Assets - Ceded insurance contracts	**361,165**	**356,217**	**288,647**
Other assets	**563,719**	**515,650**	**484,238**
Operating building and other tangible assets	89,089	94,613	105,809
Deferred tax assets	95,093	90,693	64,078
Net clients	38,140	50,062	59,489
Current tax receivable	110,370	66,612	75,682
Other receivables	231,027	213,670	179,180
Cash and equivalents	**538,705**	**553,786**	**362,441**
Total Assets	**7,758,857**	**7,586,265**	**7,268,824**

(*) IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative columns December 31, 2022 and January 1, 2022 are reclassifications without IFRS 9 application.

Equity and liabilities

(in thousands euros)	Notes	30/09/2023	31/12/2022*	01/01/2022*
Capital and reserves - group share		**1,983,710**	**2,018,606**	**2,229,547**
Capital and assimilated	6	300,360	300,360	300,360
Share capital premiums		723,501	723,501	810,420
Retained earnings		893,709	835,265	738,244
Other comprehensive income		(123,571)	(80,968)	156,708
Net income - Group share		189,708	240,446	223,817
Capital - minority interests excluding unrealized and deferred gains or losses		**2,057**	**2,266**	**362**
Total equity		**1,985,767**	**2,020,871**	**2,229,909**
Contingency reserve	**7**	**71,172**	**68,662**	**85,748**
Financial debts	**8**	**527,776**	**534,280**	**390,553**
Lease liabLities - Leasing	**9**	**70,746**	**74,622**	**81,930**
Liabilities - Issued insurance contracts	**10**	**1,489,497**	**1,432,580**	**1,250,493**
Ressources des activités du secteur bancaire	**11**	**3,047,950**	**2,927,389**	**2,698,525**
Amounts due to banking sector companies		949,583	743,230	822,950
Amounts due to customers ok banking sector companies		450,878	389,300	376,800
Debt securities		1,647,488	1,794,858	1,498,775
Other liabilities		**565,949**	**527,861**	**531,666**
Deferred tax liabLity		133,609	125,441	153,422
Current tax liabLity		89,515	61,681	80,712
Derivatives and related payables		2,692	222	3,480
Other payables		340,133	340,516	294,052
Total Liabilities		**7,758,857**	**7,586,265**	**7,268,824**

(*) IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative columns December 31, 2022 and January 1, 2022 are reclassifications without IFRS 9 application.

Consolidated income statement

(in thousands euros)	Notes	30/09/2023	30/09/2022*
Gross written premiums		1,331,458	1,297,061
Premium refunds		(101,253)	(105,142)
Net change in unearned premium provisions		(42,394)	(55,298)
Insurance Revenue	**12**	**1,187,811**	**1,136,622**
Claims expenses	13	(461,884)	(405,814)
Attribuable costs	14	(412,753)	(387,194)
Loss component & reversal of loss component		1,019	2,576
Insurance Service Expenses		**(873,617)**	**(790,432)**
Insurance Service Revenue, before reinsurance		**314,194**	**346,190**
Income and expenses from ceded reinsurance	15	(70,461)	(100,065)
Insurance Service Revenue		**243,733**	**246,125**
Fee and commission income		129,712	118,447
Net income from banking activites		55,035	52,804
Income from services activites		45,226	39,167
Other revenue	**12**	**229,973**	**210,417**
Non attribuable expenses from insurance activity	14	(72,166)	(74,549)
G&A - Investigation expenses - Services	14	(18,528)	(18,067)
G&A – Overheads Services	14	(92,799)	(87,090)
Operating expenses		**(183,493)**	**(179,706)**
Risk cost		**(208)**	**(179)**
Income after reinsurance, other revenues and cost of risk		**290,004**	**276,657**
Investment income, net of management expenses		14,464	36,332
Insurance finance income or expenses		(36,604)	(7,757)
Insurance finance income or expenses from ceded reinsurance		6,523	(24,690)
Net Financial income	**16**	**(15,617)**	**3,885**
Current operating income		**274,387**	**280,542**
Other operating income and expenses		(949)	(4,995)
Operating income		**273,438**	**275,547**
Financial costs		(24,374)	(21,370)
Income tax expenses		(59,395)	(68,167)
Consolidation net income before non-controlling interests		**189,669**	**186,011**
Net income - minority interests		38	(182)
Net income for the year		**189,708**	**185,829**

(*) IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative column September 30, 2022 are reclassifications without IFRS 9 application.

Consolidated statement of comprehensive income

(in thousands of euros)	September 30, 2023	June 30, 2022 (*)
Net income of the period	**189,708**	**185,829**
Non-controlling interests	(38)	182
Other comprehensive income		
Currency translation differences reclassifiable to income	**(16,137)**	**35,552**
Reclassified to income		
Recognised in equity	(16,137)	35,552
Fair value adjustments on financial assets through OCI - Recycling	**5,255**	**(240,545)**
Recognised in equity – reclassifiable to income – gross	13,715	(304,261)
Recognised in equity – reclassifiable to income – tax effect	(7,626)	59,669
Reclassified to income – gross	(2,126)	3,395
Reclassified to income – tax effect	1,292	652
Fair value adjustments on financial assets through OCI - Not Recycling	**7,101**	
Recognised in equity – not reclassifiable to income – gross	*9,068*	*(0)*
Recognised in equity – not reclassifiable to income – tax effect	*(1,967)*	*(0)*
Insurance finance expenses through OCI - Recycling	**(1,380)**	**16,674**
Recognised in equity – reclassifiable to income – gross	(3,867)	21,229
Recognised in equity – reclassifiable to income – tax effect	*2,486*	*(4,555)*
Fair value adjustments on employee benefit obligations	**(125)**	**5,357**
Recognised in equity – not reclassifiable to income – gross	(175)	7,583
Recognised in equity – not reclassifiable to income – tax effect	49	(2,226)
Other comprehensive income of the period, net of tax	**(5,287)**	**(182,963)**
Total comprehensive income of the period	**184,383**	**3,048**
- attributable to owners of the parent	184,596	3,038
- attributable to non-controlling interests	(213)	10

(*) IFRS 17 restated, without IFRS 9 application. The wording changes in the comparative column September 30, 2022 are reclassifications without IFRS 9 application.

Statement of changes in equity

(in thousands of euros)	Share capital	Premiums	Consolidated reserves	Treasury shares	Other comprehensive income: Foreign currency translation reserve	Other comprehensive income: Recyclables revaluation reserves	Other comprehensive income: Not recyclables revaluation reserves	Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity as at December 31, 2022 restated IFRS17	300,360	723,501	854,414	(19,149)	(27,987)	(39,798)	(13,183)	240,448	2,018,606	2,266	2,020,872
Financial instruments first application of impact IFRS 9			37,662			(56,379)	18,879		161	(2)	159
IFRS 17 Equity as at January 1st, 2023 restated IFRS 17 & IFRS 9	300,360	723,501	892,076	(19,149)	(27,987)	(96,177)	5,696	240,448	2,018,767	2,264	2,021,031
2022 net income to be appropriated			240,448					(240,448)			
Payment of 2022 dividends in 2023			(226,953)						(226,953)	(6)	(226,959)
Total transactions with owners	**(0)**	**(0)**	**13,495**	**(0)**	**(0)**	**(0)**	**(0)**	**(240,448)**	**(226,953)**	**(6)**	**(226,959)**
September 30, 2023 net income								189,708	189,708	(38)	189,670
Fair value adjustments on financial assets recognized in equity						6,089	7,101		13,190	0	13,190
Fair value adjustments on financial assets reclassified to income statement						(834)			(834)		(834)
Insurance financial result in equity according to IFRS 17						(1,404)			(1,404)	23	(1,381)
Change in actuarial gains and losses (IAS 19R)							(125)		(125)		(125)
Currency translation differences					(15,939)				(15,939)	(198)	(16,137)
Coface SA cancellation shares											
Treasury shares elimination				(5,650)					(5,650)		(5,650)
Free share plans expenses			1,622						1,622		1,622
Hyperinflation impacts			11,503						11,503		11,503
Transactions with shareholders and others			(174)						(174)	15	(159)
Equity as at September 30, 2023	**300,360**	**723,501**	**918,508**	**(24,799)**	**(43,926)**	**(92,316)**	**12,671**	**189,708**	**1,983,711**	**2,057**	**1,985,767**

Consolidated statement of cash flows

(in thousands of euros)	September 30, 2023	September 30, 2022*
Net income for the period	**189,708**	**185,829**
Non-controlling interests	(38)	182
Income tax expense	59,395	68,167
Finance costs	24,374	21,370
Operating income (A)	**273,438**	**275,547**
+/- Depreciation, amortization and impairment losses	29,452	26,628
+/- Net additions to / reversals from technical provisions	66,358	212,830
+/- Unrealized foreign exchange income / loss	22,102	90,631
+/- Non-cash items	(25,975)	5,341
Total non-cash items (B)	***111,294***	***335,216***
Gross cash flows from operations (C) = (A) + (B)	***384,732***	***610,763***
Change in operating receivables and payables	7,911	(77,267)
Net taxes paid	(77,242)	(70,117)
Net cash related to operating activities (D)	***(69,331)***	***(147,384)***
Increase (decrease) in receivables arising from factoring operations	(128,312)	(272,819)
Increase (decrease) in payables arising from factoring operations	(85,792)	294,128
Increase (decrease) in factoring liabilities	202,108	1,027
Net cash generated from banking and factoring operations (E)	***(11,996)***	***22,335***
Net cash generated from operating activities (F) = (C+D+E)	**303,405**	**485,714**
Acquisitions of investments	(198,230)	(2,130,115)
Disposals of investments	198,531	2,218,610
Net cash used in movements in investments (G)	***302***	***88,496***
Acquisitions of consolidated subsidiaries, net of cash acquired	796	5,328
Disposals of consolidated companies, net of cash transferred	(0)	(0)
Net cash used in changes in scope of consolidation (H)	***796***	***5,328***
Acquisitions of property, plant and equipment and intangible assets	(12,452)	(24,286)
Disposals of property, plant and equipment and intangible assets	0	659
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)	***(12,452)***	***(23,627)***
Net cash used in investing activities (J) = (G+H+I)	**(11,354)**	**70,197**
Proceeds from the issue of equity instruments	(0)	(0)
Treasury share transactions	(5,650)	(2,647)
Dividends paid to owners of the parent	(226,953)	(224,029)
Dividends paid to non-controlling interests	(6)	(15)
Cash flows related to transactions with owners	***(232,609)***	***(226,690)***
Proceeds from the issue of debt instruments	(0)	297,012
Cash used in the redemption of debt instruments	(0)	(162,164)
Lease liabilities variations	(14,059)	(13,513)
Interests paid	(36,954)	(31,297)
Cash flows related to the financing of Group operations	***(51,013)***	***90,039***
Net cash generated from (used in) financing activities (K)	**(283,621)**	**(136,652)**
Impact of changes in exchange rates on cash and cash equivalents (L)	**(23,513)**	**(63,808)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)	**(15,083)**	**355,451**
Net cash generated from operating activities (F)	303,405	485,714
Net cash used in investing activities (J)	(11,354)	70,197
Net cash generated from (used in) financing activities (K)	(283,621)	(136,652)
Impact of changes in exchange rates on cash and cash equivalents (L)	(23,513)	(63,808)
Cash and cash equivalents at beginning of period	**553,786**	**362,441**
Cash and cash equivalents at end of period	**538,705**	**717,892**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(15,082)**	**355,451**

(*) IFRS 17 restated, without IFRS 9 application.

Accounting principles

1. Applicable accounting standards

Pursuant to European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of Coface as of September 30, 2023 are prepared in accordance with IAS / IFRS and IFRIC interpretations as adopted in the European Union and applicable at that date.

Standards applied since January 1, 2023

The amendments related to IAS 1 “Disclosure of Material Accounting Policy Information” and IAS 8 “Definition of Accounting Estimates”, published on March 3, 2022, are applicable from January 1, 2023 with possible early application. Those amendments had no impact on Coface’s accounts.

The amendment related to IAS 12 “'Deferred Tax related to Assets and Liabilities arising from a Single Transaction”, published on August 12, 2022, is applicable from January 1, 2023 with possible early application. This amendment is already applied in Coface’s accounts.

The group applies the IFRS 17 and 9 standards for the first time on January 1, 2023.

2. IFRS 17 Insurance Contracts

IFRS 17, published on May 18, 2017, and amended on June 25, 2020, replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted.

2.1. General principles

2.1.1. Identifying contracts in the scope of IFRS 17

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts and investment contracts with discretionary participating features, provided insurance contracts are also issued.

The Group covers the risks provided for in the following insurance policies: credit insurance (short-term), *Single-Risk* (medium-term) and bonding (medium-term). The bonding does not constitute a credit insurance product because it represents a different nature of risk (in terms of the underlying and duration of the risk) but it complies with the definitions of insurance contracts given by IFRS 17.

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether goods and services components have to be separated and accounted for under another standard. The analysis of all Coface’s insurance contracts shows that they fall under IFRS 17 for income related to insurance premiums.

2.1.2. Level of aggregation

The standard requires a more detailed level of granularity in the calculations since it requires estimates by group of contracts, without classifying contracts issued more than one year apart in the same group – annual cohorts.

The optional “carve-out” introduced by the European Commission and allowing the annual cohort requirement to be waived for life-insurance, does not apply to the Group as no business is eligible.

Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Coface has defined 3 portfolios: the Trade Credit- Insurance business line, the *Single Risk* business line and the Bonding business line.

Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into two groups:

- a group of contracts that are onerous on initial recognition (for which a loss component, if any, will be immediately recognized through profit and loss);
- a group of contracts that at initial recognition have a possibility of becoming onerous subsequently;

Furthermore, IFRS 17 specifies that an entity is permitted to subdivide the groups in order to assess the profitability. Coface has defined 15 group of contracts on Trade Credit-Insurance, based principally on geographical areas, 1 group of contracts on *Single Risk* and 1 group of contracts on Bonding.

Reinsurance contract held granularity relies on the reinsurance treaties.

When a contract is recognised, this specific contract is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

2.1.3.Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the scope of each contract in the group. The period covered by the premiums within the contract boundary is the 'coverage period'.

The Group considers that the requirements related to the contracts boundaries of insurance contracts are linked to the practical ability to reassess the risks of the policyholders at individual contract and those related to reinsurance contracts are linked to the practical ability for the reinsurer to terminate the reinsurance coverage. According to those requirements, IFRS 17 does not impact the nature of the Group's cash flows to be included in the measurement of existing recognised contracts.

Onerous contracts are recorded as soon as the Group is committed on the valuation date, even if the premiums have not been collected.

2.1.4. Coverage period

The coverage period is defined as the period during which the entity provides coverage for insured events. IFRS 17 defines the insured event as "an uncertain future event covered by an insurance contract that creates insurance risk." The Group has defined the coverage period of the Trade Credit-Insurance business line as the period from the beginning of the insurance policy until the potential default due date by the debtor towards the policyholder. In that case, the potential default due date has been defined as the maximum credit term indicated in the contract.

2.1.5. Measurement model

IFRS 17 requires measurement model at current value, where the GMM general model measurement (or BBA Building block approach) is based on the following "building block" including:

■ the fulfilment cash flows (FCF), which comprise:

- probability-weighted estimates of future cash flows,
- an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows,
- and a risk adjustment for non-financial risk (cf. § 2.2.3 Risk adjustment for non-financial risk);

■ the Contractual Service Margin (CSM). The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future.

At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

■ the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date; and

■ the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

In addition, a simplified measurement model called Premium Allocation Approach (PAA) is permitted for the measurement of the liability for remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less.

The Group applies the PAA to all the insurance and reinsurance portfolios, of which Trade Credit-Insurance representing the major part of its business as the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the general model and due to the fact that the *Single Risk* and the bonding are not material compared with Trade Credit-Insurance.

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With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less acquisition costs and amounts already recognized in profit and loss at the closing date. Also, in PAA, the liability for remaining coverage does not include the Contractual Service Margin (CSM). In addition, as permitted by the standard, premiums received were approximated as written premiums with deduction of insurance and reinsurance debts and receivables related to premiums.

The Group amortizes cash flows related to attributable insurance acquisition costs. These fees include acquisition fees paid to intermediaries (brokers, agents, ceding insurers) and other acquisition costs attributable to contracts and are spread over the coverage period according to the same rule as the unearned premiums reserves.

As required by IFRS 17, the part of deferred acquisition costs is now recorded on the liabilities side of the balance sheet in the "liability for remaining coverage" item included in the "liabilities related to insurance contracts issued". The change in deferred acquisition costs for the period is included in the acquisition costs attributable, in the income statement.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. If at any time before and during the coverage period, a group of contracts is or becomes onerous, then the Group will recognize a loss in profit or loss and increase the liability for remaining coverage.

The general model remains applicable for the measurement of incurred claims. The future cash flows are discounted (at current rates).

The underlying hypothesis to evaluate the best estimate on reinsurance treaties ceded are consistent with the one to evaluate the best estimate of group of direct insurance contracts. The Best estime must also include the non-execution risk from the reinsurance treatee issuer that Coface estimates as non-significant.

2.2 Significant judgements and estimates

2.2.1 Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

Estimates of future cash flow are calculated based primarily on the granularity of the contract group but the reserving segment can be more accurate if necessary. The usual actuarial methodologies are used. Estimates of future cash flows by entity are calculated through an allocation process.

The estimates of future cash flows will reflect the Group’s view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group will take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over its amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

The overheads are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

2.2.2 Discount rates

The Group uses the "bottom-up" methodology to determine the discount curves. This approach involves determining discount rates by adjusting a liquid risk-free yield curve to reflect differences in the liquidity characteristics of financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance.

The group uses the Eiopa[2] risk-free yield curve:

Maturity	1 year		2 years		5 years		10 years	
Period	2023.06	2022.12	2023.06	2022.12	2023.06	2022.12	2023.06	2022.12
EUR	3.739%	2.704%	3.400%	2.712%	2.91%	2.556%	2.842%	2.503%
USD	5.052%	5.073%	4.287%	4.605%	3.506%	3.708%	3.353%	3.491%
HKD	4.574%	5.269%	4.142%	4.865%	3.7%	4.129%	3.587%	3.887%
GBP	5.253%	4.37%	5.032%	4.368%	4.434%	3.826%	4.044%	3.329%

2.2.3 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion.

The risk adjustment for non-financial risk is determined using the confidence level technique. The Group applies this technique to the gross and calculate the amount of risk being transferred to the reinsurer by applying the reinsurance treaties conditions.

By applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years.

The risk adjustment for non-financial risk is based on a confidence level approach with a probability between 87.5% and 92.5%.

[2] Eiopa : European Insurance and Occupational Pensions Authority

2.3 Presentation

IFRS 17 significantly changes how insurance contracts and reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts are presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans are no longer be presented separately. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are also presented in the same line item as the related portfolios of contracts.

In terms of presentation, the income and expenses of insurance and reinsurance contracts are broken down in the profit and loss into:

- an insurance service result, comprising insurance revenue (corresponding to the insurance service provided over the period) and insurance service expenses (i.e. incurred claims and other incurred insurance service expense); Amounts from reinsurance contracts will be presented separately. and
- insurance and reinsurance finance income or expenses.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 (cf. §3 Application of IFRS 9 Financial instruments) provides added transparency about the sources of profits and quality of earnings.

2.3.1 Insurance service result

The insurance service result consists of insurance income and insurance expenses.

Insurance income:

Insurance income replaces the previously presented gross insurance premium indicator.

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the passage of time. It consists of gross written premiums, net of premium rebates, and changes in provisions for unearned premiums.

- *Gross written premiums:*

Gross written premiums correspond to invoiced premiums excluding taxes, net of cancellations. They include an estimate of the premiums to be issued for the portion earned during the fiscal year and an estimate of the premiums to be cancelled after the closing. This estimate of premiums to be issued includes premiums negotiated but not yet invoiced and premium adjustments corresponding to the difference between the minimum of premium and the final premiums. It also includes the future economic risks related to year-end premium issues.

Premiums are primarily based on policyholders' turnover or trade receivables balances which vary according to changes in turnover. Premium income therefore depends directly on the volume of sales made in the countries where the Group is present.

In accordance with the requirements of IFRS17, commissions paid to ceding partners (external partners) are treated as negative premiums and therefore now deducted from the insurance revenue. They are deferred and recognised in the income statement on the same basis as unearned premiums reserves.

When these commissions vary depending on the level of claims accepted, they are estimated at each closing and are treated as claims flows and therefore remain presented as claim expenses as under the previous standard.

- *Premium refunds*

Premium refunds include policyholders' bonuses and rebates, gains and no claims bonus, mechanisms designed to return a part of the premium to a policyholder according to contract profitability. They also include the penalties, taking the form of an additional premium invoiced to policyholders with the loss attributed to the policy.

The "premium refunds" item includes provisions established through an estimation of rebates to be paid.

- *Reserves for unearned premiums*

Reserves for unearned premiums are calculated separately for each policy, on an accruals basis. The amount charged to the provision corresponds to the fraction of written premiums relating to the period between the year-end and the end of the coverage period of the premium.

The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice based on the contract duration.

Other published information: The consolidated turnover

Although not required by IFRS17, the Group's consolidated turnover indicator including insurance, service and factoring revenues is maintained in the Group's consolidated financial statements.

The consolidated turnover now consists of:

- Insurance income (cf. § see above *"Insurance income"*),
- Income from other activities, including :
    - revenue from services related to credit insurance contracts ("fee and commission income"), corresponding to debtors' information services, credit limit monitoring, management and debt recovery.
    - revenue from services which consist of providing customer access to credit and marketing information and debt collection services to clients without credit insurance contracts.
    - net income from banking activities are revenues from factoring entities. They consist mainly of factoring fees (collected for the management of factored receivables) and net financing fees (financing margin, corresponding to the amount of financial interest received from factoring customers, less interest paid on refinancing of the factoring debt). Premiums paid by factoring companies to insurance companies (in respect of debtor and ceding risk) are deducted from net banking income.

Consolidated revenue is analysed by country of invoicing (in the case of direct business, the country of invoicing is that in which the issuer of the invoice is located and for inward reinsurance, the country of invoicing is that in which the ceding insurer is located).

Insurance expenses:

Expenses that relate directly to the fulfilment of contracts are recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts are presented outside the insurance service result.

The insurance expenses include the insurance claims expenditure, the costs attributable to the insurance contracts (acquisition attributable costs) and the loss component provision.

Insurance claims expenditure:

The insurance claims expenditure include claims paid, estimates of future cash flows, and adjustment for non-financial risk.

Paid claims: The paid claims correspond to insurance settlements net of recoveries, and including the claims handling expenses.

Estimates of future cash flows: cf. §. 2.2. Significant judgements and estimates.
Adjustment for non-financial risk: cf. §. 2.2. Significant judgements and estimates.

Acquisition attributable costs:

Attributable acquisition costs include acquisition commissions and other attributable overhead costs obtained through the allocation of costs per activity (cf. §. 2.2. Significant judgements and estimates).

Reserves for loss component:

The change into the reserves for loss component include the new allowance, the amortisation and the release related to the period (cf. §. 2.2. Significant judgements and estimates).

2.2.1 Reinsurance result

All of the Group's inward and ceded reinsurance operations involve transfers of risks.

Ceded reinsurance is accounted for in accordance with the terms and conditions of the related treaties. Reinsurers' share of technical provisions is determined on the basis of technical provisions recorded under liabilities.

As requested by IFRS 17, the funds received from reinsurers are reported now under assets, within "assets linked to reinsurance contracts held".

Commissions received from reinsurers are calculated by reference to written premiums. They are deferred and recognised in the income statement on the same basis as ceded reserves for unearned premiums (which are unearned premiums multiplied by reinsurance rate)

2.2.2 Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses.

The Group intends to apply the option offered by IFRS 17 to disaggregate the insurance or reinsurance financial expenses between Income Statement and OCI (Other Comprehensive Income). The application of this option leads to the unwinding of discount in the Income Statement based on locked-in discount rates and foreign exchange rate differences related, while the difference between the valuation at current rates and locked-in rates due to changes in discount rates is presented in the OCI. This option allows also the reclassification in OCI of a part of the differences in FCF estimates due to variation of the financial hypothesis.

If the Group derecognises a contract as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract will be reclassified to profit or loss.

2.3 Transition impact

2.3.1 Transition methodologies

As required by the Standard, the transition date to IFRS17 is January 1, 2022 and the comparative information when adopting IFRS 17 is restated.

The Group is not concerned by the transition approaches from IFRS 4 to IFRS 17 as described by the standard because they do not apply to the Groups in PAA.

2.3.2 Impacts as at January 1, 2022

The total adjustment (after tax) to the Group's equity is an increase of €91 million at January 1, 2022, as summarised below:

In millions of euros	**January 1, 2022**
Adjustments due to adoption of IFRS 17	119
Deferred tax impacts	(28)
Impact of adoption of IFRS 17 after tax	91

3. IFRS 9 Financial instruments

3.1. General principles

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. However, the Group has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023. Consequently, the Group applies IFRS 9 for the first time on January 1, 2023 with no proforma on prior periods in line with option given by the standard.

From 2018, IFRS 9 is already applied for the entities in the factoring business.

3.1.1 Classification

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 includes three principal measurement categories for financial assets – measured at amortised cost, FVOCI[3] and FVTPL[4]– and eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the

[3] FVOCI: Fair value through OCI (Other comprehensive income) / FVOCI R Fair value through OCI recycling through income
[4] FVTPL or FVR: Fair value through P&L./ FVRO : Fair value through P&L option method

requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Nevertheless, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument basis.

3.1.2 Impairment

Measurement of ECL (Expected Credit Loss)

Under IFRS 9, the depreciations represent the expected credit losses (ECL). Because of the credit risk inherent in each receivable, the ECL is valued and discounted based on a probability of default.

The key inputs into the measurement of ECL are the term structures of the PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure At Default). ECL for financial assets for which credit risk has not significantly increased are calculated by multiplying the 12-month PD by the respective LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by the respective LGD and EAD.

To determine lifetime and 12-month PDs, the Group uses the PD tables derived from Coface's credit score (DRA).
LGD (Loss Given Default) is the magnitude of the likely loss if there is a default.

The Group estimates LGD parameters based on historical indemnities and recovery rates of claims against defaulted counterparties.

In case of the absence of robust statistical calibration results for a given segment (ratings / sector / geographical area), following an insufficient number of occurrences of defects observed, the Group systematically assigns to this segment the worst LGD rate among those of the other segments.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount at the time of default.

3.2. Transition impact

3.2.1 Impacts as at January 1, 2023

IFRS 9 affects the classification and measurement of financial assets held by the group at January 1, 2023 as follows:

- **Derivative assets and liabilities,** which are classified as held-for-trading and measured at FVTPL under IAS 39, are also measured at FVTPL under IFRS 9.
- **Debt investments** that are classified as available-for-sale under IAS 39 may, under IFRS 9, be measured at FVOCI or FVTPL, depending on the particular circumstances.
- **Equity investments** that are classified as available-for-sale under IAS 39 will be measured at FVTPL under IFRS 9. However, the current portfolio of equity investments is held for long- term strategic purposes and is designated as at FVOCI on January 1, 2023; consequently, all fair value gains and losses are reported in OCI, no impairment losses are recognised in profit or loss, and no gains or losses are reclassified to profit or loss on disposal of these investments.
- **Held-to-maturity investments** measured at amortised cost under IAS 39 are measured at FVOCI or amortised cost under IFRS 9.
- **Loans and receivables** measured at amortised cost under IAS 39 are measured at amortised cost under IFRS 9.

As a majority of the Group's financial assets are measured at fair value both before and after transition to IFRS 9, the new classification requirements are not expected to have a material impact on the Group's total equity at January 1, 2023. Therefore, the Group's total equity is impacted only to the extent of any reclassifications between the amortised cost and fair value measurement categories.

The application of the IFRS 9 impairment requirements at January 1, 2023 will result in additional loss allowances, mainly on debt investments measured at FVOCI. Nevertheless this has no impact on the Group's total equity as the recognised loss is offset by a change in fair value reevaluation; as the matter of fact, the recognition of provisions for losses does not reduce the book value of these investments, which remains at fair value.

3.2.2 Detailed impacts as at January 1, 2023

Summary of reclassifications by category

The following tables summarize the reclassifications between IAS 39 and IFRS 9 by instrument category.

Net of provisioning:

	(in thousands of euros)	IFRS 9 balance sheet value	Transfer to FVR	Transfer to assets at FV OCI recyclable	Transfer to assets at FV OCI no recyclable	Transfer to assets at amortized cost	Transfer to derivatives	Cancellation of IAS39 revaluation by OCI reserves	OCI revaluation under IFRS9	Carrying amount restatement under IFRS9 via the FTA reserve	IFRS 9 balance sheet value
IAS 39	Assets to FVR	26	(26)								
	AFS	2,902,405	(499,766)	(2,236,992)	(162,592)	(3,054)					
	Loans and receivables	100,246				(100,246)					
	HTM	1,842		(1,842)							
	Derivatives	10,108					(10,108)				
	Total IAS 39 at 31/12/2022	3,014,627									
IFRS 9	FVR - Debt instruments - no SPPI		23,079					3,388		(3,388)	23,079
	FVR - Equity instrument		476,714					(11,727)		11,727	476,714
	FV OCI R -Debt instruments			2,238,834				154,830	(154,193)	(422)	2,239,050
	FV OCI NR - Equity instrument				162,592			(63,055)	30,460	32,596	162,592
	Amortized cost- Debt instruments					3,054					3,054
	Amortized cost - Loans and receivables					100,246					100,246
	Derivatives						10,108				10,108
	Total IFRS 9 at 01/01/2023										3,014,842

The difference between IAS 39 and IFRS 9 of €216k corresponds to bonds that were previously (under IAS 39) classified as HTM and which are, under IFRS 9, classified and therefore revalued as FV OCI.

Gross of provisioning:

(in thousands of euros)	IFRS 9 balance sheet value	Transfer to FVR	Transfer to assets at FV OCI recyclable	Transfer to assets at FV OCI no recyclable	Transfer to assets at amortized cost	Transfer to derivatives	Cancellation of IAS39 revaluation by OCI reserves	OCI revaluation under IFRS9	Carrying amount restatement under IFRS9 via the FTA reserve	IFRS 9 balance sheet value
Assets to FVR	**26**	(26)								
AFS	**2,940,981**	(505,747)	(2,236,992)	(195,188)	(3,054)					
Loans and receivables	**100,246**				(100,246)					
HTM	**1,842**		(1,842)							
Derivatives	**10,108**					-10 108				
Total IAS 39 at 31/12/2022	**3,053,203**									
FVR - Debt instruments - no SPPI		23,079					3,388		(3,388)	**23,079**
FVR - Equity instrument		482,695					(11,727)		5,746	**476,714**
FV OCI R -Debt instruments			2,238,834				154,830	(154,193)		**2,239,471**
FV OCI NR - Equity instrument				195,188			(63,055)	30,460		**162,592**
Amortized cost- Debt instruments					3,054					**3,054**
Amortized cost - Loans and receivables					100,246					**100,246**
Derivatives						10,108				**10,108**
Total IFRS 9 at 01/01/2023										**3,015,264**

Reconciliation between impairment provisions IAS 39 and IAS 37 and the expected credit loss in IFRS 9

This table presents details of the effects of the change in the application of the expected credit loss implemented under IFRS 9.

	(in thousands of euros)	IFRS 9 balance sheet value	Transfer to FVR	Transfer to assets at FV OCI recyclable	Transfer to assets at FV OCI non recyclable	Transfer to assets at amortized cost	Transfer to assets at amortized cost	Impairment restatement under IFRS 9	IFRS 9 balance sheet value
IAS 39	**AFS**	**(38,576)**	5,981		32,596				
	Loans and receivables	**(0)**							
	HTM	**(0)**							
	Total IAS 39 au 31/12/2022	**(38,576)**							
IFRS 9	**FVR - Debt instruments - no SPPI**								**(0)**
	FVR - Equity instrument		(5,981)					5,981	**(0)**
	FVRO - Debt instruments								**(0)**
	FV OCI R -Debt instruments							(422)	**(422)**
	FV OCI NR - Equity instrument				(32,596)			32,596	**(0)**
	Amortized cost- Debt instruments								**(0)**
	Amortized cost - Loans and receivables								**(0)**
	Consolidated equity shares impairment								**(0)**
	Total IFRS 9 at 01/01/2023								**(422)**

Financial instruments at fair value through equity in IAS 39 reclassified at amortized cost in IFRS 9

The Group has not reclassified financial instruments held at fair value through equity under IAS 39 to instruments held at amortised cost under IFRS 9 and is therefore not affected by this appendix.

Classification of financial instruments and impairment provisions by Bucket

In order to distinguish the securities concerned by either ECL calculation methodology, IFRS 9 defines three different Buckets:

- the Bucket 1 which corresponds to the so-called healthy assets, and for which the 12-month ECL method is followed
- the Bucket 2 which corresponds to the so-called deteriorated assets that have suffered a significant deterioration in risk, for which the lifetime ECL calculation is applied
- the Bucket 3 for so-called doubtful assets to which we apply an ECL equal to the amortised cost of securities.

An asset is considered doubtful if an objective evidence of issuer failure is detected. For example, the group considers the non-payment of the interest on one of the issuer's bond as objective evidence.

The Bucket is not fixed in time, so a financial asset can change of Bucket according to its sensitivity and its evolution to credit risk. The change of Bucket can thus be achieved for any significant improvement or deterioration of credit risk.

(in thousands of euros) Gross of provision	IFRS 9 balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	2,239,471	2,200,687	38,784	(0)
Amortized cost - Debt instruments	3,054	3,054	(0)	(0)
Amortized cost - Loans and receivables	100,246	100,246	(0)	(0)
Total at 01/01/23	**2,342,771**	**2,303,987**	**38,784**	**(0)**

(in thousands of euros) Provision	IFRS 9 balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	(422)	(318)	(103)	(0)
Amortized cost - Debt instruments	(0)	(0)	(0)	(0)
Amortized cost - Loans and receivables	(0)	(0)	(0)	(0)
Total at 01/01/23	**(422)**	**(318)**	**(103)**	**(0)**

(in thousands of euros) Net of provision	IFRS 9 balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	2,239,050	2,200,369	38,681	(0)
Amortized cost - Debt instruments	3,054	3,054	(0)	(0)
Amortized cost - Loans and receivables	100,246	100,246	(0)	(0)
Total at 01/01/23	**2,342,349**	**2,303,669**	**38,681**	**(0)**

4. Standards and amendments published but not yet effective

New standards are in effect for annual periods beginning after January 1, 2023 and early application is permitted. However, the Group did not adopt the new standards early in the preparation of its consolidated financial statements.

Note 1. Goodwill

The value of goodwill decreased by €487 thousand since the beginning of the year.; this change is mainly due to changes in exchange rates.

In accordance with IAS 36, goodwill is not amortized but is systematically tested for impairment at end of each semester or whenever there is an impairment indicator.

Breakdown of goodwill by region:

(in thousands of euros)	September 30, 2023	Dec. 31, 2022
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,923	8,913
Mediterranean & Africa	22,310	22,868
North America & Latin America	6,570	6,508
TOTAL	**155,473**	**155,960**

Note 2. Other Intangible assets

The change in other intangible assets decreased by €5,104 thousand as of September 30, 2023. This change is mainly explained by an increase in the book value of €8,151thousand offsets by an allowance for amortization of €13,255 thousand.

Note 3. Financial investments

At September 30, 2023, the carrying amount of Fair value through OCI (FVOCI) securities amounted to € 2 363 thousand, securities Amortized cost securities (excluding loans and receivables) came to € 3 thousand and Fair value through Profit or loss (FVTPL) securities was € 562 thousand.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments.
The distribution of the bonds portfolio by rating at September 30, 2023 is as follows:

- Bonds rated “AAA”: 13%
- Bonds rated “AA” and “A”: 50%
- Bonds rated “BBB”: 32%
- Bonds rated “BB” and lower: 5%.

3.1 Analysis by category

(in thousands of euros)	September 30, 2023						December 31, 2022					
	Amortized cost	Impairment	Revaluation	Net value	Fair value	Unrealized gains and losses	Amortized cost	Depreciation	Revaluation	Net value	Fair value	Unrealized gains and losses
Fair Value OCI (*)	**2,466,454**	**(406)**	**(102,842)**	**2,363,206**	**2,363,206**	**(0)**	**3,024,417**	**(38,576)**	**(83,436)**	**2,902,405**	**2,902,405**	**(0)**
Bonds and government securities	2,350,901	(406)	(142,493)	2,208,002	2,208,002		2,974,201	(38,576)	(151,105)	2,784,520	2,784,520	
Equities and other variable-income securities	51,217		35,584	86,801	86,801		50,216		67,669	117,885	117,885	
Equities at FV OCI not recyclable	64,336		4,066	68,402	68,402							
Shares in non-trading property companies												
Amortized cost	**94,597**	**(0)**	**(0)**	**94,597**	**94,608**	**11**	**102,088**	**(0)**	**(0)**	**102,088**	**102,088**	**(0)**
Bonds and government securities	3,043			3,043	3,054	11	1,842			1,842	1,842	
Loans and receivables	91,554			91,554	91,554		100,246			100,246	100,246	
Faire Value Profit or Loss	**581,592**	**(0)**	**(19,555)**	**562,037**	**562,037**	**(0)**	**26**	**(0)**	**(0)**	**26**	**26**	**(0)**
Debt	23,266		(3,101)	20,165	20,165							
Equities and other variable-income securities	5,858		(7)	5,851	5,851							
Shares in non-trading property companies	209,602		(23,664)	185,938	185,938							
UCIT	342,867		7,216	350,082	350,082		26			26	26	
Loans and receivables												
Derivatives	**(0)**		**2,536**	**2,536**	**2,536**		**(0)**		**10,330**	**10,330**	**10,330**	**(0)**
Derivatives positive fair value			2,536	2,536	2,536				10 330	10 330	10 330	
Investment property	**695**	**(0)**	**(407)**	**288**	**288**	**(0)**	**695**	**(0)**	**(407)**	**288**	**288**	**(0)**
TOTAL	**3,143,338**	**(406)**	**(120,268)**	**3,022,664**	**3,022,675**	**11**	**3,127,227**	**(38,576)**	**(73,514)**	**3,015,136**	**3,015,136**	**(0)**

(in thousands of euros)	N	N-1
Derivatives positive fair value (Assets)	2,536	10,330
Derivatives negatif fair value (Liabilities)	2,692	222
Inventaire des placements	(156)	10,108

3.2 Analysis by Flows

(in thousands of euros)	December 31, 2022		September 30, 2023						
	Carrying amount closing	Impacts related to the first IFRS9 application	Carrying amount opening	Increases	Decreases	Revaluation	Impairment	Other movements	Carrying amount closing
Fair Value OCI	**2,902,405**	**(500,763)**	**2,401,642**	**147,559**	**(204,493)**	**20,267**	**14**	**(1,783)**	**2,363,206**
Bonds and government securities	2,784,520	(545,470)	2,239,050	146,365	(181,870)	11,587	14	(7,143)	2,208,002
Equities and other variable-income securities	117,885	(32,596)	85,289	1,194	(5,042)			5,360	86,801
Equities at FV OCI not recyclable		77,303	77,303		(17,581)	8,680			68,402
Shares in non-trading property companies									
Amortized cost	**102,088**	**1,212**	**103,300**	**74,962**	**(83,724)**	**(0)**	**(0)**	**60**	**94,597**
Bonds and government securities	1,842	1,212	3,054		(11)				3,043
Loans and receivables	100,246		100,246	74,962	(83,713)			60	91,554
Fair Value Profit Loss	**26**	**499,766**	**499,793**	**118,575**	**(31,091)**	**(19,357)**	**(0)**	**(5,883)**	**562,037**
Bonds and government securities		23,079	23,079	714	(4,069)	287		154	20,165
Equities and other variable-income securities		5,851	5,851						5,851
Shares in non-trading property companies		219,742	219,742		(5,706)	(25,879)		(2,219)	185,938
UCIT	26	251,095	251,121	117,861	(21,316)	6,234		(3,818)	350,082
Loans and receivables									
Derivatives (positive fair value)	**10,330**	**(0)**	**10,330**	**(0)**	**(7,706)**	**(0)**		**(88)**	**2,536**
Derivatives positive fair value	10,330		10,330		(7,706)			(88)	2,536
Investment property	**288**	**(0)**	**288**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**288**
TOTAL	**3,015,136**	**216**	**3,015,352**	**341,096**	**(327,013)**	**910**	**14**	**(7,694)**	**3,022,664**

The not recyclable shares at fair value by OCI in the Fonds Lausanne 6 portfolio were totally sold in January 2023. These shares were valued at the fair value by OCI non-recyclable because were not hold for a short term performance but for a long term holding period.

These are 26 shares valued for €16.8 million at the time of the sale and acquired for €16.1 million. A capital gain of €680k was realized. This fund was placed into dormancy because it was paying administrative and management fees that were too high to ensure the profitability of the envelope.This sell remains exceptional, the other shares within the funds are still hold in long term intention.

In addition, a security that no longer respected the investment rules of the Colombes 6 Fund was sold in August 2023 for 1.2M€.
These disposals remain exceptional, the other shares in the funds continue to be held for a long-term intention.

3.3 Financial investments and ECL by buckets

The table below shows the assets concerned by the buckets classification.

(in thousands of euros) Gross of provision	Balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	2,208,408	2,176,866	31,542	(0)
Amortized cost - Debt instruments	3,043	3,043	(0)	(0)
Amortized cost - Loans and receivables	91,554	91,554	(0)	(0)
Total as at September 30, 2023	**2,303,006**	**2,271,464**	**31,542**	**(0)**

(in thousands of euros) Provision	Balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	(406)	(329)	(76)	(0)
Amortized cost - Debt instruments	(0)	(0)	(0)	(0)
Amortized cost - Loans and receivables	(0)	(0)	(0)	(0)
Total as at September 30, 2023	**(406)**	**(329)**	**(76)**	**(0)**

(in thousands of euros) Net of provision	Balance sheet value	Bucket 1	Bucket 2	Bucket 3
FV OCI R - Debt instruments	2,208,002	2,176,537	31,465	(0)
Amortized cost - Debt instruments	3,043	3,043	(0)	(0)
Amortized cost - Loans and receivables	91,554	91,554	(0)	(0)
Total as at September 30, 2023	**2,302,600**	**2,271,134**	**31,465**	**(0)**

Transfer of buckets (Stock)

Bucket 1	Carrying amount Y-1	Securities acquired during the period	Transfer towards B2	Transfer towards B3	Securities sold / redeemed during the year	Revaluation	Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**2,200,687**	**133,334**	**2,979**	**(0)**	**(170,834)**	**10,216**	**484**	**2,176,866**
- Bonds and government securities	2,200,687	133,334	2,979	(0)	(170,834)	10,216	484	2,176,866
Debt instruments at amortized cost	**103,300**	**74,962**	**(0)**	**(0)**	**(83,724)**	**(0)**	**60**	**94,597**
- Bonds and government securities	3,054	(0)	(0)	(0)	(11)	(0)	(0)	3,043
- Loans and receivables	100,246	74,962	(0)	(0)	(83,713)	(0)	60	91,554

Bucket 2	Carrying amount Y-1	Securities acquired during the period	Transfer towards B1	Transfer towards B3	Securities sold / redeemed during the year	Revaluation	Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**38,784**	**13,031**	**(2,979)**	**(0)**	**(11,036)**	**1,371**	**(7,629)**	**31,542**
- Bonds and government securities	38,784	13,031	(2,979)	(0)	(11,036)	1,371	(7,629)	31,542
Debt instruments at amortized cost	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
- Loans and receivables	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Bucket 3	Carrying amount Y-1	Securities acquired during the period	Transfer towards B1	Transfer towards B2	Securities sold / redeemed during the year	Revaluation	Other variations	Carrying amount Y
Debt instruments at fair value by OCI R	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Debt instruments at amortized cost	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
- Loans and receivables	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Transfer of buckets (ECL)

Bucket 1	ECL Y-1	Securities acquired during the period	Transfer towards B2	Transfer towards B3	Securities sold / redeemed during the year	Other variations	ECL Y
Debt instruments at fair value by OCI R	**(318)**	**(321)**	**3**	**(0)**	**308**	**3**	**(329)**
- Bonds and government securities	(318)	(321)	3	(0)	308	3	(329)
Debt instruments at amortized cost	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)
- Loans and receivables	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Bucket 2	ECL Y-1	Securities acquired during the period	Transfer towards B1	Transfer towards B3	Securities sold / redeemed during the year	Other variations	ECL Y
Debt instruments at fair value by OCI R	**(103)**	**(79)**	**(3)**	**(0)**	**106**	**(1)**	**(76)**
- Bonds and government securities	(103)	(79)	(3)	(0)	106	(1)	(76)
Debt instruments at amortized cost	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)
- Loans and receivables	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Bucket 3	ECL Y-1	Securities acquired during the period	Transfer towards B1	Transfer towards B2	Securities sold / redeemed during the year	Other variations	ECL Y
Debt instruments at fair value by OCI R	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Debt instruments at amortized cost	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
- Bonds and government securities	(0)	(0)	(0)	(0)	(0)	(0)	(0)
- Loans and receivables	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Derivatives

The structural use of derivatives is strictly limited to hedging. The notional amounts of the hedges therefore do not exceed the amounts of the underlying assets in the portfolio.

In the first 9 months of 2023, the majority of the derivative transactions carried out by the Group concerned the systematic hedging of currency risk via swaps or currency futures for primarily USD-denominated bonds held in the investment portfolio.

Regarding the bond portfolio, one-off interest rate hedges were put in place by certain managers in order to hedge risk.

None of these transactions qualified for hedge accounting under IFRS, as they were mainly currency transactions and partial market hedges.

3.4 Financial instruments recognised at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorises the inputs used to measure fair value into three levels as follows:

Level 1: Quoted prices in active markets for an identical financial instrument.

Level 1 securities represent 91.4% of the Group's portfolio. They correspond to :

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis;
- government bonds and bonds indexed to variable interest rates;
- French units in money-market funds, SICAV.

Level 2: Use of inputs, other than quoted prices for an identical instrument that are directly or indirectly observable in the market (inputs corroborated by the market such as yield curves, swap rates, multiples method, etc.).

Level 2 securities represent 5.7% of the Group's portfolio. This level is used for the following instruments:
- unlisted equities;
- Loans and receivables due from banks or clients and whose fair value is determined using the historical cost method.

Level 3: Valuation techniques based on unobservable inputs such as projections or internal data.

Level 3 securities represent 2,9% of the Group's portfolio. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as at September 30, 2023 by level in the fair value hierarchy

(in thousands of euros)	Carrying amount	Fair value	Level 1 Fair value determined based on quoted prices in active markets	Level 2 Fair value determined based on valuation techniques that use observable inputs	Level 3 Fair value determined based on valuation techniques that use unobservable inputs
Fair Value OCI	**2,363,206**	**2,363,206**	**2,199,717**	**76,687**	**86,801**
Bonds and government securities	2,208,002	2,208,002	2,131,315	76,687	
Equities and other variable-income securities	86,801	86,801			86,801
Equities at FV OCI not recyclable	68,402	68,402	68,402		
Shares in non-trading property companies					
Amortized cost	**94,597**	**94,608**	**3,054**	**91,554**	**(0)**
Bonds and government securities	3,043	3,054	3,054		
Loans and receivables	91,554	91,554		91,554	
Faire Value Profit Loss	**562,037**	**562,037**	**560,013**	**2,024**	**(0)**
Bonds and government securities	20,165	20,165	20,165		
Equities and other variable-income securities	5,851	5,851	5,851		
Shares in non-trading property companies	185,938	185,938	185,938		
UCIT	350,082	350,082	348,059	2,024	
Loans and receivables					
Derivatives (positive fair value)	**2,536**	**2,536**	**152**	**2,384**	**(0)**
Derivatives positive fair value	2,536	2,536	152	2,384	
Investment property	**288**	**288**	**(0)**	**(0)**	**288**
TOTAL	**3,022,664**	**3,022,675**	**2,762,936**	**172,649**	**87,089**

Movements in Level 3 securities as at September 30, 2023

(in thousands of euros)	December 31, 2022 Fair value	December 31, 2022 Impacts related to the first IFRS9 application	January 1, 2023	Gains and losses recognized in the period In income	Gains and losses recognized in the period Directly in equity	Transactions for the period Purchases/ Issues	Transactions for the period Sales/ Redemptions	Other movements	Changes in scope of consolidation	Exchange rate effects	September 30, 2023
Fair Value OCI	**117,885**	**(32,596)**	**85,289**	**(0)**	**(0)**	**(3,848)**	**(0)**	**(0)**	**4,468**	**892**	**86,801**
Equities and other variable-income securities	117,885	(32,596)	85,289			(3,848)			4,468	892	86,801
Investment property	**288**	**(0)**	**288**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**288**
TOTAL	**118,173**	**(0)**	**(0)**	**(0)**	**(0)**	**(3,848)**	**(0)**	**(0)**	**4,468**	**892**	**87,089**

Note 4. Receivables arising from banking sector

Breakdown by nature

(in thousands of euros)	Sept 30, 2023	Dec. 31, 2022
Receivables arising from banking sector	3,039,361	2,906,639
Non-performing receivables arising from banking sector	10,438	28,189
Allowances for receivables arising from banking sector	(10,438)	(28,189)
TOTAL	**3,039,361**	**2,906,639**

Receivables arising from the banking sector represent receivables acquired within the scope of factoring agreements.

They are recognised at cost within assets in the balance sheet and they are classified as level 1. Factoring receivables include both receivables whose future recovery is guaranteed by Coface and receivables for which the risk of future recovery is borne by the customer.

Where applicable, the Group recognises a valuation allowance against receivables to take account of any potential difficulties in their future recovery.These receivables are also covered by a credit insurance agreement. Accordingly, the related risks are covered by claims provisions.

Note 5. Cash and cash equivalents

(in thousands of euros)	Sept 30, 2023	Dec. 31, 2022
Cash at bank and available	508,855	519,434
Cash equivalents	29,850	34,353
TOTAL	**538,705**	**553,786**

At September 30, 2023, operating cash flow is down €15 million compared with December 31, 2022. All cash and cash equivalents are available; no amounts are held in escrow accounts.

Note 6. Share capital

Ordinary shares	Number of shares	Per value	Share capital (in €)
At December 31, 2022	150,179,792	2	300,359,584
Cancellation of shares	(0)	2	(0)
At September 30, 2023	**150,179,792**	**2**	**300,359,584**
Treasury shares deducted	(1,256,668)	2	(2,513,336)
At September 30, 2023 (excluding treasury shares)	**148,923,124**	**2**	**297,846,248**

	September 30, 2023		Dec. 31, 2022	
Shareholders	Number of shares	%	Number of shares	%
Arch Capital Group Ltd	44,849,425	30,12%	44,849,425	30,09%
Public	104,073,699	69,88%	104,214,249	69,91%
Total excluding treasury shares	**148,923,124**	**100%**	**149,063,674**	**100%**

Note 7. Provisions for liabilities and charges

(in thousands of euros)	Sept 30, 2023	Dec 31, 2022
Provisions for disputes	1,572	1,982
Provisions for pension and other post-employment benefit	45,757	46,223
Other provisions for liabilities and charges	23,846	20,457
Total	**71,172**	**68,662**

(in thousands of euros)	Dec 31, 2022	Scope entry	Additions	Reversals (utilised)	Reversals (surplus)	Reclassi-fications	Changes in OCI	Currency translation variation	Sept 30, 2023
Provisions for employee	1,970	24	54	(0)	(444)			(20)	1,584
Provisions for other disputes	12	(0)	(0)	(0)	(0)	(0)		(0)	12
Provisions for disputes	**1,982**	**(0)**	**54**	**(0)**	**(444)**	**(0)**	**(0)**	**(20)**	**1,572**
Provisions for pension and other post-employment	**46,222**	**24**	**2,448**	**(2,616)**	**(500)**	**(1)**	**175**	**3**	**45,755**
Provisions for liabilities on subsidiaries	9,815	(0)	(0)	(0)	(0)	(0)	(0)	(0)	9,815
Provisions for restructuring	7,247	(0)	398	(3,049)	(135)			(0)	4,461
Provisions for for free share allocation plan	0	(0)	(1)	(0)	(0)			1	0
Provisions for taxes (excl. income taxes)	652	(0)		(0)		5,292		(34)	5,767
Other provisions for liabilities	2,742	(0)	1,058	(0)	51			(51)	3,800
Other provisions for liabilities and charges	**20,457**	**(0)**	**1,313**	**(3,049)**	**(84)**	**5,292**	**(0)**	**(84)**	**23,845**
Total	**68,659**	**24**	**3,815**	**(5,665)**	**(1,028)**	**5,290**	**175**	**(101)**	**71,170**

Provisions for liabilities and charges mainly include provisions for pensions and similar obligations.

The Social Security Financing Act for 2023 (French law no. 2023-270), incorporating the pension reform, was published in the Official Journal of the French Republic on 15 April 2023 and has consequences for French insured persons by raising the legal age (eligibility age) of retirement from 62 to 64, except for employees covered by specific schemes.
Given the previous assumptions used by the Group to establish its provisions, the estimated impacts of those amendments are not material for the Group.

The other provisions for liabilities and charges mainly include provisions for negative net equities of non consolidated subsidiaries (€9.8 million) and provisions for restructuring (€4.5 million).

The net change in the quarter mainly related to the restructuring provision and to a reclassification of fiscal risk provision in Germany (previously classified in tax provision liability).

Note 8. Financing liabilities

(in thousands of euros)	Sept 30, 2023	Dec. 31, 2022
Due within one year		
- Interest	5,183	12,170
- Amortization of expenses	(947)	(647)
- Nominal	(0)	
Total	**4,236**	**11,523**
Due between one and five years		
- Amortization of expenses	(1,482)	(1,386)
- Nominal	226,600	226,600
Total	**225,118**	**225,214**
Due beyond five years		
- Amortization of expenses	(1,578)	(2,457)
- Nominal	300,000	300,000
Total	**298,422**	**297,543**
TOTAL	**527,776**	**534,280**

As at September 30th the Group's financing liabilities, totaling €527.8 million, correspond to:

A fixed rate subordinated note 4.125% issued on March 27, 2014 by COFACE SA for a nominal amount of €380 million and maturing on March 27, 2024.

The per-unit bond issue price was €99,493.80, and the net amount received by COFACE SA was €376.7 million, net of placement fees and directly-attributable transaction costs.
The securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Group's main operating entity.

Coface SA has also announced a tender offer on September 21, 2022 to repurchase its guaranteed subordinated notes due on 27 March 2024, for an amount of €153 million, at a fixed purchase price of 103,625 per cent.
The nominal amount after the tender offer is now €227 million, still maturing on March 27, 2024.

A new issuance on 22 September 2022 of €300 million subordinated notes bearing a fixed interest rate of 6.000 %, due on September 22, 2032.

Note 9. Lease liabilities

(in thousands of euros)	Sept 30, 2023	Dec 31, 2022
Lease liabilities - Real estate	61,289	65,449
Lease liabilities - Equipment	9,458	9,173
Lease liabilities	**70,746**	**74,622**

Note 10. Liabilities relating to insurance contracts

(in thousands of euros)	September 30, 2023	Dec. 31, 2022
LRC - Liabilities for remaining coverage - gross	98,244	100,282
LIC - Liabilities for incurred claims - gross	1,391,254	1,332,298
Liabilities relating to insurance contracts	**1,489,497**	**1,432,580**
LRC - Liabilities for remaining coverage - ceded	(65,401)	51,291
LIC - Liabilities for incurred claims - ceded	426,566	304,926
Reinsurers' share of insurance liabilities	**361,165**	**356,217**
Net technical provisions	**1,128,331**	**1 076 364**

Note 11. Payables arising from banking sector activities

(in thousands of euros)	Sept 30, 2023	Dec. 31, 2022
Amounts due to banking sector companies	949,583	743,230
Amounts due to customers of banking sector companies	450,878	389,300
Debt securities	1,647,488	1,794,858
TOTAL	**3,047,950**	**2,927,389**

The lines "Amounts due to banking sector companies" and "Debt securities" correspond to sources of refinancing for the Group's factoring entities – Coface Finanz (Germany) and Coface Factoring Poland.

Note 12. Consolidated turnover

Breakdown of consolidated revenue

(in thousands of euros)	Septembre 30, 2023	Septembre 30, 2022
Premiums – direct business	*1,245,176*	*1,210,502*
Premiums – inward reinsurance	*86,282*	*86,560*
Gross written premiums	**1,331,458**	**1,297,062**
Premium refunds	**(101,253)**	**(105,142)**
Change of provisions for unearned premiums	**(42,394)**	**(55,298)**
Insurance revenue	**1,187,811**	**1,136,622**
Fees and commission income	**129,712**	**118,447**
Net income from banking activities	**55,035**	**52,804**
Income from service activities	**45,226**	**39,165**
Revenue or income from other activities	**229,973**	**210,416**
CONSOLIDATED REVENUE	**1,417,784**	**1,347,039**

Consolidated revenue by country of invoicing

(in thousands of euros)	Septembre 30, 2023	Septembre 30, 2022
Northern Europe	291,333	280,125
Western Europe	289,752	270,686
Central Europe	132,071	138,028
Mediterranean & Africa	398,729	359,694
North America	128,362	123,433
Latin America	76,513	76,687
Asia-Pacific	101,024	98,385
CONSOLIDATED REVENUE	**1,417,784**	**1,347,039**

Note 13. Claims expenses

(in thousands of euros)	September 30, 2023	September 30, 2022
Paid claims, net of recoveries	(434,548)	(234,144)
Change in claims reserves	(27,336)	(171,670)
Total	**(461,884)**	**(405,814)**

Note 14. Overheads by destination

(in thousands of euros)	September 30, 2023	September 30, 2022
Claims handling expenses *	**(32,056)**	**(26,571)**
Policy acquisition costs	(152,074)	(127,078)
Administrative costs	(260,679)	(240,851)
Overhead costs attributable to contract activity	**(412,753)**	**(367,929)**
Other insurance activity expenses	(72,166)	(74,525)
Expenses from banking activities, excluding risk cost	(18,528)	(18,067)
Other operating expenses	(92,799)	(87,090)
Other activities expenses	**(183,493)**	**(179,683)**
Investment management expenses**	**(7,734)**	**(6,200)**
TOTAL	**(636,036)**	**(580,383)**
of which employee profit-sharing	*(3,993)*	*(8,487)*

(*) Included in claims expenses in the consolidated income statement
(**) Included in the item investment income, net of management expenses in the consolidated income statement

The total overheads of Coface Group includes general expenses attributable to insurance activity (by destination), as well as expenses from other activities. It stands at €636,036 thousand as of September 30, 2023 versus €580,383 thousand as of September 30, 2022.

Note 15. Reinsurance result

(in thousands of euros)	September 30, 2023	September 30, 2022
Ceded claims	97,313	66,117
Change in claims provisions net of recoveries	15,972	13,957
Commissions paid by reinsurers	11,707	26,469
Income from ceded reinsurance	**124,992**	**106,543**
Ceded premiums	(198,613)	(191,307)
Change in unearned premiums provisions	3,160	(15,301)
Expenses from ceded reinsurance	**(195,453)**	**(206,608)**
Total	**(70,461)**	**(100,065)**

Note 16. Net investment result

In thousand of euros	September 30, 2023	September 30, 2022 (*)
Investment income		
Amounts recognised in the profit or loss		
Investment income	52,501	29,629
Change in financial instruments at fair value though profit or loss	(19,618)	25
Net gains on disposals	10,147	7,656
Net impairment losses on financial assets	(39)	603
Net foreign exchange differences	(17,836)	7,220
Investment management expenses	(10,691)	(8,801)
Total amounts recognised in the profit or loss	**14,464**	**36,332**
Amounts recognised in OCI (**)	**20,656**	**(300,824)**
Total investment income	**35,120**	**(264,492)**

(*) IFRS 17 restated, without IFRS 9 application.

The wording changes in the comparative column 30.09.2022 are reclassifications without IFRS 9 application.

(**) Other Comprehensive Income

In thousand of euros	September 30, 2023	September 30, 2022 (*)
Net finance expenses from insurance contracts		
Interest accreted	(43,167)	(8,456)
Effect of changes in interest rates and other financial assumptions	11,506	1,744
Net foreign exchange differences related to technical provisions	(4,943)	(1,046)
Total amounts recognised in the profit or loss	**(36,604)**	**(7,757)**
Amounts recognised in OCI (**)	**(2,541)**	**28,431**
Total net finance expenses from insurance contracts	**(39,145)**	**20,674**
Net finance expenses from reinsurance contracts held		
Interest accreted	8,687	(344)
Effect of changes in interest rates and other financial assumptions	(2,324)	(636)
Net foreign exchange differences related to technical provisions	160	(23,710)
Total amounts recognised in the profit or loss	**6,523**	**(24,690)**
Amounts recognised in OCI (**)	**(1,283)**	**(7,212)**
Total net finance expenses from reinsurance contracts held	**5,241**	**(31,902)**
Total amounts recognised in the profit or loss	**(30,081)**	**(32,447)**
Amounts recognised in OCI (**)	**(3,823)**	**21,219**
Total insurance finance expenses	**(33,904)**	**(11,228)**
Total amounts recognised in the profit or loss	**(15,617)**	**3,885**
Amounts recognised in OCI (**)	**16,833**	**(279,604)**
Total net investment result	**1,216**	**(275,720)**

(*) IFRS 17 restated, without IFRS 9 application.

The wording changes in the comparative column 30.09.2022 are reclassifications without IFRS 9 application.

(**) Other Comprehensive Income

Note 17. Breakdown of net income by segment

Q3 2023 (in thousand of euros)	Nothern Europe	Western Europe	Central Europe	Mediterranean - Africa	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**207,152**	**273,690**	**100,998**	**323,165**	**117,181**	**67,808**	**97,818**	**1,187,811**
Claims expenses	(58,035)	(107,276)	(30,443)	(128,202)	(34,274)	(68,865)	(34,789)	(461,884)
Attributable costs from insurance activity	(62,636)	(131,167)	(28,481)	(93,477)	(44,283)	(23,514)	(29,194)	(412,753)
Loss component & reversal of loss component	6	717	173	(0)	(0)	123	(0)	1,019
Insurance Service Expenses	**(120,666)**	**(237,726)**	**(58,751)**	**(221,679)**	**(78,557)**	**(92,257)**	**(63,983)**	**(873,617)**
INSURANCE RESULT BEFORE REINSURANCE	**86,486**	**35,964**	**42,247**	**101,486**	**38,624**	**(24,448)**	**33,835**	**314,194**
Income and Expenses from ceded reinsurance	(36,285)	17,860	(17,190)	(28,523)	(18,484)	28,311	(16,150)	(70,461)
INSURANCE RESULT AFTER REINSURANCE	**50,200**	**53,824**	**25,057**	**72,964**	**20,141**	**3,863**	**17,684**	**243,733**
Other revenue	99,364	19,211	29,429	62,868	11,181	4,713	3,207	229,973
Other expenses	(59,322)	17,089	(31,471)	(64,258)	(19,814)	(11,205)	(14,512)	(183,493)
Risk cost	(211)	(0)	3	(0)	(0)	(0)	(0)	(208)
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	**90,031**	**90,124**	**23,019**	**71,573**	**11,508**	**(2,629)**	**6,379**	**290,004**
Net income from investments	**(20,187)**	**12,326**	**3,298**	**(14,159)**	**1,307**	**4,279**	**1,206**	**(11,930)**
Other operational income and expenses	(65)	(76)	590	(305)	(722)	20	(392)	(949)
Finance costs	(166)	(22,695)	(345)	(354)	(536)	(150)	(128)	(24,374)
OPERATIONAL RESULT	**69,779**	**102,374**	**26,906**	**57,110**	**12,093**	**1,670**	**7,194**	**277,125**
Income tax expense	-17 128	-15 101	-4 564	-19 366	-2 223	-2 330	280	-60 431
CONSOLIDATED NET RESULT	**52,486**	**64,578**	**21,997**	**37,389**	**9,334**	**(810)**	**7,346**	**192,321**
Non-controlling interests	-3	-1	-1	31	0	12	0	38
NET INCOME OF THE PERIOD	**52,484**	**64,577**	**21,996**	**37,421**	**9,334**	**(798)**	**7,345**	**192,359**
Other key indicators *(accounting view)*								
Total Turnover	**306,515**	**292,901**	**130,427**	**386,033**	**128,362**	**72,521**	**101,024**	**1,417,784**
Total Claims expenses (inc. loss component)	**(58,030)**	**(106,559)**	**(30,270)**	**(128,202)**	**(34,274)**	**(68,742)**	**(34,789)**	**(460,865)**
Total Overheads (inc. commissions)	**(121,992)**	**(121,426)**	**(59,952)**	**(157,766)**	**(64,358)**	**(34,719)**	**(43,766)**	**(603,979)**
Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**306,515**	**292,901**	**130,427**	**386,033**	**128,362**	**72,521**	**101,024**	**1,417,784**
Reallocation of inward business	**(0)**	**(18,332)**	**1,644**	**12,696**	**(0)**	**3,991**	**(0)**	**(0)**
Reallocation of net income banking activities	**(15,182)**	**15,182**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Claims expenses (inc. loss component) - accounting view	**(58,030)**	**(106,559)**	**(30,270)**	**(128,202)**	**(34,274)**	**(68,742)**	**(34,789)**	**(460,865)**
Reallocation of inward business	**(0)**	**13,308**	**(1,169)**	**(6,126)**	**(0)**	**(6,013)**	**(0)**	**0**
Total Claims expenses (inc. loss component) - managing view	**(58,030)**	**(93,251)**	**(31,439)**	**(134,328)**	**(34,274)**	**(74,755)**	**(34,789)**	**(460,865)**
Loss ratio - accounting view	24.2%	37.4%	26.0%	33.2%	31.8%	184.1%	29.2%	40.7%
Reallocation of inward business	1.5%	3.0%	0.5%	(4.1)%	0.0%	(3.4)%	0.0%	0.0%
Loss ratio - managing view	28,0%	36,5%	30,6%	40,0%	29,2%	104,1%	35,6%	38,8%

Q3 2022 (in thousand of euros)	Nothern Europe	Western Europe	Central Europe	Mediterranean -	North America	Latin America	Asia Pacifica	TOTAL
Insurance revenue	**201,534**	**256,260**	**108,816**	**292,629**	**113,092**	**69,214**	**95,077**	**1,136,622**
Claims expenses	(94,060)	(85,361)	(46,461)	(113,165)	(29,615)	(9,972)	(27,180)	(405,814)
Attributable costs from insurance activity	(60,513)	(121,796)	(27,867)	(82,516)	(40,845)	(22,416)	(31,241)	(387,194)
Loss component & reversal of loss component	1,069	719	122	89	352	172	52	2,576
Insurance Service Expenses	**(153,503)**	**(206,437)**	**(74,206)**	**(195,593)**	**(70,108)**	**(32,216)**	**(58,369)**	**(790,432)**
INSURANCE RESULT BEFORE REINSURANCE	**48,031**	**49,823**	**34,610**	**97,036**	**42,983**	**36,998**	**36,708**	**346,190**
Income and Expenses from ceded reinsurance	(20,302)	13,005	(6,879)	(35,430)	(23,945)	(12,024)	(14,491)	(100,065)
INSURANCE RESULT AFTER REINSURANCE	**27,729**	**62,828**	**27,731**	**61,606**	**19,038**	**24,974**	**22,217**	**246,125**
Other revenue	79,803	30,100	27,898	56,307	10,341	3,225	2,743	210,417
Other expenses	(53,604)	(767)	(28,771)	(55,949)	(17,013)	(9,519)	(14,059)	(179,683)
Risk cost	(156)	(0)	(23)	(0)	(0)	(0)	(0)	(179)
RESULT INCLUDING OTHER ACTIVITIES AND RISK COST	**53,772**	**92,161**	**26,835**	**61,964**	**12,366**	**18,681**	**10,901**	**276,681**
Net income from investments	**(68)**	**(8,391)**	**6,123**	**3,390**	**(1,783)**	**(1,450)**	**6,064**	**3,885**
Other operational income and expenses	(577)	(3,845)	279	(1,229)	(343)	935	(238)	(5,018)
Finance costs	(110)	(19,788)	(178)	(374)	(640)	(141)	(138)	(21,370)
OPERATIONAL RESULT	**53,128**	**79,925**	**33,237**	**64,125**	**10,241**	**18,165**	**16,727**	**275,547**
Income tax expense	-4 812	-14 689	-11 432	-23 768	-2 034	-6 965	-4 467	-68 167
CONSOLIDATED NET RESULT	**48,206**	**45,448**	**21,627**	**39,982**	**7,567**	**11,060**	**12,122**	**186,011**
Non-controlling interests	-2	-1	-1	-176	0	-1	-1	-182
NET INCOME OF THE PERIOD	**48,203**	**45,446**	**21,626**	**39,806**	**7,567**	**11,059**	**12,121**	**185,829**
Total Turnover	**281,337**	**286,360**	**136,714**	**348,936**	**123,433**	**72,440**	**97,820**	**1,347,039**
Total Claims expenses (inc. loss component)	**(92,990)**	**(84,641)**	**(46,339)**	**(113,076)**	**(29,263)**	**(9,800)**	**(27,128)**	**(403,238)**
Total Overheads (inc. commissions)	**(114,150)**	**(129,911)**	**(56,638)**	**(138,495)**	**(58,119)**	**(31,936)**	**(45,360)**	**(574,610)**
Reconciliation between the note and the financial communication								
Total Turnover - accounting view	**281,337**	**286,360**	**136,714**	**348,936**	**123,433**	**72,440**	**97,820**	**1,347,039**
Reallocation of inward business	**(0)**	**(16,886)**	**1,314**	**10,758**	**(0)**	**4,248**	**565**	**(0)**
Reallocation of net banking activities	**(1,212)**	**1,212**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Turnover - managing view	**280,125**	**270,686**	**138,028**	**359,694**	**123,433**	**76,688**	**98,385**	**1,347,039**
Total Claims expenses (inc. loss component) - accounting view	**(92,990)**	**(84,641)**	**(46,339)**	**(113,076)**	**(29,263)**	**(9,800)**	**(27,128)**	**(403,238)**
Reallocation of inward business	**(0)**	**15,320**	**(2,402)**	**(12,540)**	**(0)**	**(862)**	**485**	**(0)**
Total Claims expenses (inc. loss component) - managing view	**(92,990)**	**(69,321)**	**(48,742)**	**(125,617)**	**(29,263)**	**(10,662)**	**(26,643)**	**(403,238)**
Loss ratio - accounting view	46,1%	33,0%	42,6%	38,6%	25,9%	14,2%	28,5%	35,5%
Reallocation of inward business	0,0%	-4,1%	1,7%	2,8%	0,0%	0,4%	-0,7%	0,0%
Loss ratio - managing view	46,1%	29,0%	44,3%	41,4%	25,9%	14,5%	27,9%	35,5%

Note 18. Earnings per share

	September 30, 2023		
	Average number of shares	Net income for the period *(in €k)*	Earnings per share *(in €)*
Basic earnings per share	148,993,399	189,708	1.27
Dilutive instruments	(0)		
DILUTED EARNINGS PER SHARE	**148,993,399**	**189,708**	**1.27**

	September 30, 2022		
	Average number of shares	Net income for the period (in €k)	Earnings per share (in €)
Basic earnings per share	149,070,057	185,829	1.25
Dilutive instruments	(0)		
DILUTED EARNINGS PER SHARE	**149,070,057**	**185,829**	**1.25**

Note 19. Off-balance sheet commitments

	September 30, 2023		
(in thousands of euros)	TOTAL	Related to financing	Related to activity
Commitments given	**1,420,426**	**1,358,626**	**61,800**
Endorsements and letters of credit	1,358,626	1,358,626	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity	58,300	0	58,300
Commitments received	**1,684,365**	**1,079,730**	**604,635**
Endorsements and letters of credit	146,873	0	146,873
Guarantees	457,762	0	457,762
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	379,730	379,730	0
Financial commitments in respect of equity			
Guarantees received	**461,848**	**0**	**461,848**
Securities lodged as collateral by reinsurers	461,848	0	461,848
Financial market transactions	**79,134**	**0**	**79,134**

Endorsements and letters of credit correspond mainly to:

- Joint guarantee for €226 million given by Compagnie française d'assurance pour le commerce extérieur to the benefit of investors in the subordinated debt issued by COFACE SA (maturity 10 years)
- Joint guarantees for €1 042 million given by COFACE SA to banks (Natixis, BNPP, Santander, HSBC, Société Générale) financing bilateral lines of Coface Finanz and Coface Factoring Poland.

Securities lodged as collateral by reinsurers concern Coface RE for €443,6 million and Coface Europe for €18,2 million.

(in thousands of euros)	Dec. 31, 2022		
	TOTAL	Related to financing	Related to activity
Commitments given	**1,447,127**	**1,360,427**	**86,700**
Endorsements and letters of credit	1,360,427	1,360,427	0
Property guarantees	3,500	0	3,500
Financial commitments in respect of equity interests	83,200	0	83,200
Commitments received	**1,890,984**	**1,295,563**	**595,421**
Endorsements and letters of credit	146,290	0	146,290
Guarantees	449,131	0	449,131
Credit lines linked to commercial paper	700,000	700,000	0
Credit lines linked to factoring	595,563	595,563	0
Financial commitments in respect of equity interests			
Guarantees received	**320,478**	**0**	**320,478**
Securities lodged as collateral by reinsurers	320,478	0	320,478
Financial market transactions	**105,965**	**0**	**105,965**

Note 20. Entry into the scope of consolidation

The scope entries in 2023 concern the following two entities: Coface Columbia Services and Coface Hungary Insurance services.

In the absence of an IFRS standard applicable to the scope entries of entities held exclusively for several years and in accordance with CRC Regulation No. 99-02, the results accumulated by these two entities since the takeover have been recorded in consolidated income, after deduction of dividends received by the group.

The contribution of the new entities in the consolidated financial statements of the Coface Group as at September 30, 2023 is presented below :

- Turnover: €1,739 k.
- Net result: €818k.
- Equity: €83k
- Total balance sheet: €1,289 k.

Note 21. Events after the reporting period

There were no post-closing events.