2022 – Loss triangles



Development of claims provisions

The development of claims provisions shows how claims provisions have progressed over the last decade.

The following triangle shows the development of the ultimate loss ratios and sets out, for a given line N, the outlook for each of the subsequent year-ends (N+1, N+2, etc.). The estimated final loss ratio varies according to the increasing reliability of information relating to claims still pending. The discrepancy between the initial loss ratio and the final loss ratio measures the excess or insufficiency of the provisions originally recorded.

TRIANGLE OF DEVELOPMENT OF ULTIMATE LOSS RATIOS (BEFORE REINSURANCE AND EXCLUDING CLAIMS HANDLING EXPENSES)

YEAR OF OCCURRENCE (N) /										
YEAR OF DEVELOPMENT	1	2	3	4	5	6	7	8	9	10
(as a%)										
2013	71.7	56.6	50.8	49.0	49.1	48.1	47.3	46.7	46.2	45.7
2014	71.5	61.6	62.8	59.6	57.2	55.9	55.6	55.0	54.6	
2015	69.5	65.3	55.5	51.6	50.3	48.9	48.9	48.3		
2016	69.5	64.8	54.7	52.9	52.1	52.8	51.6			
2017	73.4	61.3	50.5	46.0	44.7	43.9				
2018	75.7	61.3	49.1	45.4	44.0					
2019	73.1	67.3	53.8	52.2						
2020	78.4	41.7	26.6							
2021	66.3	36.1								
2022	80.2									

The loss experience in 2022 began at a higher level than 2021 due to the economic uncertainty and Russia and Latin America large losses. The prior year releases remain at very high levels driven by lower claims than expected.

The second table entitled "Triangle of development of cumulative claims paid, net of recourse (before reinsurance)", sets out, for each year of occurrence, the cumulative amount of payments relating to years of occurrence N and previously which have been made since December 31 N. The process of declaring claims, indemnifying them and any recourse extends over several years. This requires the claims per insurance period to be tracked.

TRIANGLE OF DEVELOPMENT OF CUMULATIVE CLAIMS PAID, NET OF RECOURSE (BEFORE REINSURANCE)

YEAR OF OCCURRENCE (N) /										
YEAR OF DEVELOPMENT	1	2	3	4	5	6	7	8	9	10
(in millions of euros)										
2013	86	407	500	531	535	530	524	523	519	516
2014	76	426	582	623	626	621	615	618	616	
2015	64	377	481	494	486	483	490	521		
2016	56	353	472	504	511	515	547			
2017	61	317	419	445	451	447				
2018	70	350	451	470	468					
2019	75	423	520	518						
2020	68	206	242							
2021	21	198								
2022	44									

The increase in claims is explained by a gradual normalization of the loss experience compared to 2021, which recorded a particularly low loss experience.

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CONTACTS

ANALYSTS / INVESTORS

Thomas JACQUET: +33 1 49 02 12 58 - thomas.jacquet@coface.com Benoît CHASTEL: +33 1 49 02 22 28 - benoit.chastel@coface.com

MEDIA RELATIONS

Saphia GAOUAOUI: +33 1 49 02 14 91 – <u>saphia.gaouaoui@coface.com</u> Corentin HENRY: +33 1 49 02 23 94 – corentin.henry@coface.com

FINANCIAL CALENDAR 2023 (subject to change)

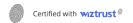
H1-2023 results: 10 August 2023 (after market close) 9M-2023 results: 14 November 2023 (after market close)

FINANCIAL INFORMATION

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

http://www.coface.com/Investors

For regulated information on Alternative Performance Measures (APM), please refer to our Interim Financial Report for H1-2022 and our <u>2022 Universal</u> Registration Document (see part 3.7 "Key financial performance indicators").



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COFACE: FOR TRADE

With over 75 years of experience and the most extensive international network, Coface is a leader in trade credit insurance & risk management, and a recognized provider of Factoring, Debt Collection, Single Risk insurance, Bonding, and Information Services. Coface's experts work to the beat of the global economy, helping ~50,000 clients in 100 countries build successful, growing, and dynamic businesses. With Coface's insight and advice, these companies can make informed decisions. The Group' solutions strengthen their ability to sell by providing them with reliable information on their commercial partners and protecting them against non-payment risks, both domestically and for export. In 2022, Coface employed ~4,720 people and registered a turnover of €1.81 billion.

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