Press Release

July 26, 2018 - N° 15

Half-year 2018 results

SCOR delivers strong performance in H1 2018 with net income of EUR 262 million, after accounting for the EUR 62 million U.S. tax reform impact

- SCOR delivers disciplined growth in the first half of 2018 through development of the Life franchise in Asia-Pacific and Financial Solutions, and successful P&C renewals with continued price and volume improvements.

- Group **net income** reaches EUR 262 million for H1 2018. The annualized **return on equity** (ROE) is 8.8%, 804 bps above the 5-year risk-free-rate. Excluding the impact of U.S. tax reform of USD 75 million (EUR 62 million), net income would be EUR 324 million, which would be an increase of 11.0% compared to H1 2017, and the ROE would be 10.9%, demonstrating the strong core earnings of the Group.

- **Gross written premiums** total EUR 7,537 million, up 8.2% at constant FX compared to H1 2017 resulting from growth in both Life and P&C, which are up 10.5% and 4.9% respectively at constant FX compared to H1 2017.

- **Technical results** are strong, with a superior 91.4% P&C net combined ratio and a robust 6.9% Life technical margin, and a return on invested assets of 2.5% driven by a continuing increase in the income yield.

- The estimated **solvency ratio** is strong, standing at 221% at June 30, 2018, marginally above the optimal range of 185% - 220% defined in the “Vision in Action”[1] plan.

- Net **operating cash flows** are EUR 253 million for the first half of 2018, reflecting strong cash flow by Life, partially offset by P&C payments on 2017 catastrophes.

- SCOR’s **financial leverage** stands at 28.4% at June 30, 2018, temporarily above the range indicated in “Vision in Action”. The adjusted financial leverage ratio is 26.6% when considering the intended call of the CHF 250 million debt in November 2018[2].

- One third of the EUR 200 million **share buy-back program** has been executed (EUR 67 million), and completion remains on track for July 2019.

- **Shareholders’ equity** is EUR 6,048 million at June 30, 2018, compared to EUR 6,225 million at December 31, 2017, after dividend payment of EUR 312 million. This translates into a book value per share of EUR 32.08 at June 30, 2018, compared to EUR 33.01 at December 31, 2017.

- The recent **U.S. tax reform** has required SCOR to implement certain changes to its operational structure. The accounting charge stemming from the implementation of SCOR’s new operational structure is accounted for in Q2 2018 and represents a total expense of USD 75 million (EUR 62 million), in the lower end of the USD 0 - 350 million range that had

---

[1] See Appendix for “Vision in Action” targets.

[2] See press release distributed on September 10, 2013.

SCOR SE
5, Avenue Kléber
75795 Paris Cedex 16, France
Tél + 33 (0) 1 58 44 70 00
RCS Paris B 562 033 357
Siret 562 033 357 00046
Société Européenne au capital
de 1 510 864 057,98 euros

been communicated in SCOR's full-year 2017 disclosure[3]. SCOR still expects the implementation of the new operational structure to be completed in H2 2018, subject to standard regulatory approvals. The Group expects a limited impact on the solvency ratio.

SCOR Group H1 and Q2 2018 key financial details:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	H1 2018	**H1 2017**	**Variation**	**Q2 2018**	**Q2 2017**	**Variation**
Gross written premiums	7,537	7,523	+0.2%	3,766	3,784	-0.5%
Group cost ratio	5.0%	4.9%	+0.1 pts	4.9%	4.7%	+0.2 pts
Annualized ROE	8.8%	9.1%	-0.3 pts	6.5%	9.7%	-3.2 pts
Annualized ROE *before U.S. tax reform impact*	10.9%	9.1%	+1.8 pts	10.8%	9.7%	+1.1 pts
Net income*	262	292	-10.3%	96	153	-37.3%
Net income* *before U.S. tax reform impact*	324	292	+11.0%	158	153	+3.3%
Shareholders' equity	6,048	6,406	-5.6%	6,048	6,406	-5.6%

** Consolidated net income, Group share.*

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *"SCOR delivers strong results in the first six months of 2018, outperforming both its profitability and solvency targets. The Group continues to deliver disciplined and profitable growth, with both the Life and P&C divisions expanding their footprints in targeted territories and business lines and delivering robust technical profitability. Through the execution of its share buy-back program, the Group reaffirms its confidence in the strength of its underlying fundamentals, excellent ratings and optimal debt leverage. As we progress through the year, our firm focus on the Group's profitability and solvency targets ensures stability for our clients and lasting value for our shareholders."*

*
* *

[3] See press release distributed on February 22, 2018.

SCOR
The Art & Science of Risk

Press Release

July 26, 2018 - N° 15

In the first half of 2018, SCOR Global P&C delivers excellent technical profitability with a net combined ratio of 91.4%

SCOR Global P&C gross written premiums total EUR 3,026 million, up 4.9% at constant FX compared to the same period of last year (-3.0% at current FX). The growth mainly comes from the U.S. Growth for the full year 2018, at constant FX, is expected to be in the upper half of the 3%-8% range assumed in “Vision in Action”.

SCOR Global P&C key figures:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	H1 2018	**H1 2017**	**Variation**	**Q2 2018**	**Q2 2017**	**Variation**
Gross written premiums	3,026	3,120	-3.0%	1,546	1,562	-1.0%
Net combined ratio	91.4%	93.5%	-2.1 pts	91.1%	92.6%	-1.5 pts

The strong net combined ratio at 91.4% is driven by:

- Below average natural catastrophe losses at 2.3% of premiums YTD, mostly from Q1 2018 events. Q2 events are low at 2.8% of premiums and were further offset by HIMM[4] improvement, resulting in a Q2 QTD cat ratio of 0.7%;
- The net attritional loss and commission ratio[5] is 81.6% versus 84.7%[6] in H1 2017. Q2 2018 saw man-made large loss activity offsetting low losses in Q1;
- The expense ratio of 7.4% reflects the increasing weight of insurance business and the extended perimeter of retrocession.

The H1 2018 normalized net combined ratio is 95.1%[7].

At the June-July renewals, SCOR Global P&C grew its book in line with “Vision in Action”, with YTD renewed premiums up 7.8%. The top end of the “Vision in Action” projected growth range of 3-8% assumed that pricing would improve moderately, which has indeed been observed. YTD price improvement is +2.9%, and June-July pricing is up 2.3%. The June-July renewal is approximately 10% of SCOR Global P&C’s book, roughly 95% of which is now renewed for 2018. Renewed premiums in June-July are up by 22.7% at constant exchange rates to EUR 605 million. This growth was partially driven by winning increased shares in U.S. Treaty and Credit & Surety reinsurance. SCOR Global P&C continues to be underweight on Florida specialist accounts, where pricing has been particularly weak for several consecutive years and did not materially improve following HIMM.

---

[4] Harvey, Irma, Maria hurricanes, Mexico earthquakes.

[5] The commission ratio includes in 2018 a one off 0.7% impact of sliding scale commissions which are a feature of some specific large contracts in China; this impact offsets reduced loss ratios.

[6] H1 2017 was negatively impacted by 4.3% of the change in Ogden rate partly balanced by 1.7% of reserves releases. Normalized H1 2017 net attritional loss and commission ratio is 82.1%.

[7] See Appendix E of the H1 2018 Earnings Presentation for the detailed calculation of the combined ratio.

Press Release

SCOR Global Life successfully combines franchise expansion in Asia-Pacific with strong profitability

SCOR Global Life records excellent growth in H1 2018 with gross written premium standing at EUR 4,511 million, up 10.5% at constant FX compared to H1 2017 (+2.5% at current FX), notably driven by Asia-Pacific franchise expansion and Financial Solutions deals.

SCOR Global Life key figures:

	YTD			QTD		
In EUR millions (rounded, at current exchange rates)	**H1 2018**	**H1 2017**	**Variation**	**Q2 2018**	**H1 2017**	**Variation**
Gross written premiums	4,511	4,403	+2.5%	2,220	2,222	-0.1%
Life technical margin	6.9%	7.1%	-0.2 pts	7.0%	7.1%	-0.1 pts

FY 2018 gross written premium growth is expected to normalize in line with the "Vision in Action" assumptions).

Strong increase in net technical result up +9.7% reaching EUR 317 million at constant FX.

Robust technical margin stands at 6.9%[8] (7% at constant FX) in H1 2018, in line with "Vision in Action" assumptions, driven by:

- Performance of the in-force portfolio in line with expectations;
- Profitability of new business in line with the Group's RoE target.

Over the first half of the year, SCOR Global Life launched SCOR Life & Health Ventures and announced the venture's first strategic investment and partnership with iBeat.

SCOR Global Investments delivers a return on invested assets of 2.5%, driven by the continuing increase in the income yield

Total investments reach EUR 27.3 billion, with total invested assets of EUR 19.0 billion and funds withheld[9] of EUR 8.3 billion.

The portfolio position is in line with the "Vision in Action" target asset allocation:

- Liquidity at 5%;
- Corporate bonds at 49% (+2pts vs. Q1 2018);
- Fixed income portfolio of very high quality, with an average rating of A+, and a stable duration at 4.6 years[10].

SCOR Global Investments key figures:

[8] See Appendix F of the H1 2018 Earnings Presentation for the detailed calculation of the Life technical margin.
[9] Funds withheld & other deposits.
[10] 4.9-year duration on invested assets (vs. 5.0 years in Q1 2018).

SCOR SE
5, Avenue Kléber
75795 Paris Cedex 16, France
Tél + 33 (0) 1 58 44 70 00
RCS Paris B 562 033 357
Siret 562 033 357 00046
Société Européenne au capital
de 1 510 864 057,98 euros

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	H1 2018	**H1 2017**	**Variation**	**Q2 2018**	**Q2 2017**	**Variation**
Total investments	27,325	26,658	+2.5%	27,325	26,658	+2.5%
▪ of which total invested assets	19,041	18,349	+3.8%	19,041	18,349	+3.8%
▪ of which total funds withheld by cedants and other deposits	8,284	8,309	-0.3%	8,284	8,309	-0.3%
Return on investments*	2.1%	2.3%	-0.2 pts	2.2%	2.4%	-0.2 pts
Return on invested assets**	2.5%	2.7%	-0.2 pts	2.6%	2.9%	-0.3 pts

(*) Annualized, including interest on deposits (i.e., interest on funds withheld).
(**) Annualized, excluding interest on deposits (i.e., interest on funds withheld).

The investment portfolio remains highly liquid, with financial cash flows[11] of EUR 5.1 billion expected over the next 24 months, which is optimal in a period of rising interest rates.

Investment income on invested assets stands at EUR 230 million in H1 2018, generating a return on invested assets of 2.5%. This is driven by the continuing increase in the income yield, which stands at 2.3% in H1 2018.

The reinvestment yield stands at 2.8% at the end of H1 2018[12].

Under current market conditions, SCOR Global Investments expects the annualized return on invested assets to be in the upper part of the “Vision in Action” 2.5%-3.2% range for FY2018 and over the entire strategic plan.

*

*   *

[11] Investable cash: includes current cash balances, and future coupons and redemptions.
[12] Corresponds to marginal reinvestment yields based on H1 2018 asset allocation of asset yielding classes (i.e., fixed income, loans and real estate), according to current reinvestment duration assumptions and spreads, currencies, yield curves as of June 30, 2018.

SCOR SE
5, Avenue Kléber
75795 Paris Cedex 16, France
Tél + 33 (0) 1 58 44 70 00
RCS Paris B 562 033 357
Siret 562 033 357 00046
Société Européenne au capital
de 1 510 864 057,98 euros

APPENDIX

1 - P&L key figures H1 and Q2 2018 (in EUR millions, at current exchange rates)

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	H1 2018	**H1 2017**	**Variation**	**Q2 2018**	**Q2 2017**	**Variation**
Gross written premiums	7,537	7,523	+0.2%	3,766	3,784	-0.5%
P&C gross written premiums	3,026	3,120	-3.0%	1,546	1,562	-1.0%
Life gross written premiums	4,511	4,403	+2.5%	2,220	2,222	-0.1%
Investment income	279	312	-10.5%	145	161	-9.8%
Operating results	508	462	+10.0%	266	257	+3.5%
Net income[1]	262	292	-10.3%	96	153	-37.3%
Net income[1] *before U.S. tax reform impact*	324	292	+11.0%	158	153	+3.3%
Earnings per share (EUR)	1.39	1.57	-11.6%	0.51	0.82	-38.0%
Operating cash flow	253	328	-22.9%	130	307	-57.7%

1: Consolidated net income, Group share.

SCOR SE
5, Avenue Kléber
75795 Paris Cedex 16, France
Tél + 33 (0) 1 58 44 70 00
RCS Paris B 562 033 357
Siret 562 033 357 00046
Société Européenne au capital
de 1 510 864 057,98 euros

SCOR
The Art & Science of Risk

Press Release

July 26, 2018 - N° 15

2 - P&L key ratios H1 and Q2 2018

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	H1 2018	**H1 2017**	**Variation**	**Q2 2018**	**Q2 2017**	**Variation**
Return on investments [1]	2.1%	2.3%	-0.2 pts	2.2%	2.4%	-0.2 pts
Return on invested assets [1,2]	2.5%	2.7%	-0.2 pts	2.6%	2.9%	-0.3 pts
P&C net combined ratio [3]	91.4%	93.5%	-2.1 pts	91.1%	92.6%	-1.5 pts
Life technical margin [4]	6.9%	7.1%	-0.2 pts	7.0%	7.1%	-0.1 pts
Group cost ratio [5]	5.0%	4.9%	+0.1 pts	4.9%	4.7%	+0.2 pts
Return on equity (ROE) [1]	8.8%	9.1%	-0.3 pts	6.5%	9.7%	-3.2 pts
Return on equity (ROE) [1] *before U.S. tax reform impact*	10.9%	9.1%	+1.8 pts	10.8%	9.7%	+1.1 pts

1: Annualized; 2: Excluding funds withheld by cedants; 3: The net combined ratio is the sum of the total claims, the total commissions and the total P&C management expenses, divided by the net earned premiums of SCOR Global P&C; 4: The technical margin for SCOR Global Life is the technical result divided by the net earned premiums of SCOR Global Life; 5: The cost ratio is the total management expenses divided by the gross written premiums.

3 - Balance sheet key figures as on June 30, 2018 (in EUR millions, at current exchange rates)

	As on June 30, 2018	**As on December 31, 2017**	**Variation**
Total investments [1,2]	27,325	27,081	+0.9%
Technical reserves (gross)	29,682	29,006	+2.3%
Shareholders' equity	6,048	6,225	-2.8%
Book value per share (EUR)	32.08	33.01	-2.8%
Financial leverage ratio	28.4%	25.7%	+2.7 pts
Total liquidity[3]	1,223	1,009	+21.2%

1: Total investment portfolio includes both invested assets and funds withheld by cedants and other deposits, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Excluding 3rd party net insurance business investments; 3: Includes cash and cash equivalents.

4 - "Vision in Action" targets

	Targets
Profitability	ROE ≥ 800 bps above 5-year risk-free rate[1], over the cycle
Solvency	Solvency ratio in the optimal 185% - 220% range

1 Based on a 5-year rolling average of 5-year risk-free rates.

5 - "Vision in Action" assumptions

		Assumptions
P&C	Gross written premium growth	3% p.a. - 8% p.a.
	Combined ratio	~95% - 96%
Life	Gross written premium growth	5% p.a. - 6% p.a.
	Technical margin	6.8% - 7.0%
Investments	Return on invested assets	2.5% - 3.2%
Group	Gross written premium growth	~4% p.a. - 7% p.a.
	Cost ratio	4.9% - 5.1%
	Tax rate	22% - 24%

*

*   *

Contacts

Marie-Laurence Bouchon
Group Head of Communications
+33 (0)1 58 44 75 43
mbouchon@scor.com

Ian Kelly
Head of Investor Relations
+44 (0)203 207 8561
ikelly@scor.com

http://www.scor.com/

Twitter: @SCOR_SE

General

Numbers presented throughout this report may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated on complete figures (including decimals); therefore the presentation might contain immaterial differences in sums and percentages due to rounding.
Unless otherwise specified, the sources for the business ranking and market positions are internal.

Forward looking statements

This presentation includes forward-looking statements and information about the objectives of SCOR, in particular, relating to its current or future projects. These statements are sometimes identified by the use of the future tense or conditional mode, as well as terms such as “estimate”, “believe”, “have the objective of”, “intend to”, “expect”, “result in”, “should” and other similar expressions. It should be noted that the achievement of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future. Forward-looking statements and information about objectives may be affected by known and unknown risks, uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR. Information regarding risks and uncertainties that may affect SCOR’s business is set forth in the 2017 reference document filed on February 23, 2018 under number D.18-0072 with the French Autorité des marchés financiers (AMF) and posted on SCOR’s website www.scor.com.
In addition, such forward-looking statements are not “profit forecasts” in the sense of Article 2 of Regulation (EC) 809/2004.

Financial information

The Group’s financial information contained in this presentation is prepared on the basis of IFRS and interpretations issued and approved by the European Union.
Unless otherwise specified, prior-year balance sheet, income statement items and ratios have not been reclassified.
The calculation of financial ratios (such as book value per share, return on investments, return on invested assets, Group cost ratio, return on equity, combined ratio and life technical margin) are detailed in the Appendices of this presentation (see page 13).
The first half 2018 financial information included in this presentation has been subject to the completion of a limited review by SCOR’s independent auditors.
Unless otherwise specified, all figures are presented in Euros.
Any figures for a period subsequent to June 30, 2018 should not be taken as a forecast of the expected financials for these periods.
The Q2 2018 estimated solvency ratio reflects the call of the undated subordinated CHF 315 million notes in Q2 2018 and has been adjusted to reflect the intended call of the undated subordinated CHF 250 million notes in Q4 2018, subject to the evolution of market conditions, following the issuance of a Restricted Tier 1 subordinated USD 625 million notes issued on March 6, 2018 which pre-finances these calls. The estimated Q2 2018 solvency results were prepared on the basis of the business structure in existence at December 31, 2017, and tax assumptions consistent with those applied to the 2017 annual IFRS Group financial statements.

SCOR SE
5, Avenue Kléber
75795 Paris Cedex 16, France
Tél + 33 (0) 1 58 44 70 00
RCS Paris B 562 033 357
Siret 562 033 357 00046
Société Européenne au capital
de 1 510 864 057,98 euros