

06 May 2014

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SCOR delivers a strong performance for the first quarter 2014 with a net income of EUR 135 million, up 21.6%

SCOR delivers strong results during the first quarter of 2014, confirming the dynamism of its franchise.

- Gross written premiums stand at EUR 2,669 million, up 14.8% at constant exchange rates (+11.8% at current exchange rates), driven by healthy SCOR Global P&C renewals, major new contracts signed by SCOR Global Life and the Generali US contribution:
 - SCOR Global P&C gross written premiums increase by 3.6% at constant exchange rates to EUR 1,202 million;
 - SCOR Global Life gross written premiums increase by 26.0% at constant exchange rates to EUR 1,467 million, notably supported by the Generali US acquisition. Pro-forma constant currency growth is 6.9%, with underlying growth driven by new contracts signed in Asia, the UK and the Iberian Peninsula.
- SCOR Global P&C's Q1 2014 net combined ratio stands at 88.9%, compared to 90.4% in Q1 2013. This excellent ratio reflects the further improved attritional ratio. It also benefits from the low level of natural catastrophes, which have only contributed 2.1 points compared to the cat budget of 7 points indicated in "Optimal Dynamics".
- SCOR Global Life's Q1 2014 technical margin reaches 7.3%, compared to 7.4% on a pro-forma basis in Q1 2013. This strong performance trends towards the "Optimal Dynamics" assumptions and reflects the ongoing change in the portfolio mix.
- SCOR's integration of the ex-Generali US is finalised and the Group has repaid in advance the USD 228 million (EUR 166 million) bridge loan used to finance the acquisition.
- As announced today, SCOR Global Life's 2013 embedded value reaches EUR 4.5 billion, +29% compared to 2012.
- SCOR Global Investments maintains its prudent asset management, whilst continuing to progressively increase the duration of the portfolio. SCOR Global Investments records a return on invested assets of 2.6% for the first quarter 2014.
- Shareholders' equity stands at EUR 5,162 million at 31 March 2014, up 4% versus EUR 4,980 million at 31 December 2013. Book value per share increases to EUR 27.49 at 31 March 2014 (versus EUR 26.64 at 31 December 2013).
- SCOR's net income reaches EUR 135 million in the first quarter 2014, compared to EUR 111 million in the first quarter of 2013, up 21.6%. On an annualised basis, the return on equity (ROE) reaches 11.2% (9.4% in Q1 2013), well in excess of the "Optimal Dynamics" target of 1,000 basis points above risk-free rate.
- SCOR continues to provide its shareholders with a consistent dividend policy: proposed 2013 dividend of EUR 1.3 per share¹, +8% compared to 2012.

¹ 2013 dividend subject to approval of the Shareholders' Annual General Meeting on May 6, 2014

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- SCOR estimates its solvency ratio to be in the upper end of the optimal range of 185-220% defined in “Optimal Dynamics”.
- SCOR’s financial leverage stands at 20.8% at 31 March 2014, below the 25% ceiling defined in “Optimal Dynamics” .

SCOR Group Q1 2014 key financial details:

In EUR millions (rounded, at current exchange rates)	YTD		
	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Gross written premiums	2,669	2,388	11.8%
Group cost ratio	4.98%	5.33%	(0.35) pts
Net return on invested assets	2.6%	2.4%	0.2 pts
Annualized ROE	11.2%	9.4%	1.8 pts
Net income	135	111	21.6%
Shareholders’ equity	5,162	5,002	3.2%
P&C Combined ratio	88.9%	90.4%	(1.5) pts
Life technical margin	7.3%	7.5%	(0.2) pts

With successful new initiatives over the first quarter, SCOR continues to strengthen its footprint and position among global leaders of the reinsurance industry, and pursues the implementation of “Optimal Dynamics”:

- Launch of a new fully collateralized sidecar, Atlas X Reinsurance Limited, a special purpose reinsurance vehicle in line with SCOR’s policy of pooling in its capital shield all the available capital protection tools;
- Launch of a Lloyd’s Managing Agency, providing structure and key management services to manage the affairs of SCOR’s syndicate, Channel 2015;
- Completion of key transactions in the longevity and financial solutions markets.

The consistency and effectiveness of SCOR’s strategy and management have been widely recognized by industry professionals, who have elected SCOR’s Chairman & CEO, Denis Kessler, to join the International Insurance Society’s Insurance Hall of Fame.

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *“The results recorded by SCOR over the first quarter in terms of growth, profitability and solvency once again demonstrate the pertinence and strength of its strategic decisions. In the first quarter, the Group records significant progress in a number of areas, including solid growth in SCOR Global Life, strong January and April P&C renewals and the reinforcement of our platforms in the US and the London market. SCOR is firmly on track to achieve the profitability and solvency targets defined in “Optimal Dynamics”.*”

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In the first quarter 2014, SCOR Global P&C delivers excellent technical profitability, with a Net Combined Ratio of 88.9%

SCOR Global P&C key figures:

<i>In EUR millions (rounded, at current exchange rates)</i>	YTD		
	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Gross written premiums	1,202	1,197	0.4%
Combined ratio	88.9%	90.4%	(1.5) pts

SCOR Global P&C records gross written premium growth of +3.6% at constant exchange rates to EUR 1,202 million. This growth is negatively impacted by foreign exchange rates and seasonality. Seasonality effects should lessen as the year goes on, and the assumption stated at the January 2014 renewals of approximately EUR 5.0 billion in gross written premiums for 2014 is reaffirmed.

SCOR Global P&C's excellent net combined ratio of 88.9% is the result of:

- A net attritional loss ratio of 57.1%, with a year-on-year improvement of 3.1 pts (60.2% in Q1 2013), in line with the strategic plan assumption;
- An exceptionally low nat cat loss ratio corresponding to 2.1 points of the net combined ratio;
- A 0.8 point increase in commissions to 23.1%, due to the growth of the Lloyd's business.

The recent publication of its solid April renewals, combined with strong January renewals and its expanding footprint on the London market following the launch of a Lloyd's Managing Agency, strengthens its global market position.

In the 1 April renewals², which represent around 10% of the total annual volume of treaty and speciality premiums and are centred on Asian and US markets, SCOR Global P&C recorded strong premium growth of 8.5% at constant exchange rates to EUR 345 million and maintained expected profitability well within targets.

SCOR Global Life delivers healthy growth and a strong technical performance in the first quarter 2014

SCOR Global Life key figures:

<i>In EUR millions (rounded, at current exchange rates)</i>	YTD		
	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Gross written premiums	1,467	1,191	23.2%
Life technical margin	7.3%	7.5%	(0.2) pts

² See press release of 30 April 2014

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SCOR Global Life gross written premiums of EUR 1,467 million in the first quarter of 2014 represent very strong growth of 23.2% compared to Q1 2013. The Generali US acquisition, completed in October 2013, contributes EUR 204 million in gross written premiums in the first quarter of 2014. On a proforma basis (excluding Generali US), SCOR Global Life grows by 4.5% at current exchange rates and 6.9% at constant exchange rates.

The growth of the business follows the “Optimal Dynamics” plan focusing on longevity, financial solutions and growth in emerging markets. The key commercial highlights of the quarter are:

- The landmark longevity contract signed with Aviva in March³;
- VIF Monetization transaction concluded with Mediterráneo Vida⁴;
- The satisfactory renewals of short-term business in Southern Europe and the Middle East;
- Double-digit growth in Asia, driven by the financial solutions business.

SCOR Global Life records a strong technical margin of 7.3%, confirming the on-going evolution in the underlying mix.

SCOR Global Life, including the acquisition of Generali US, records a significant 29% increase in its Market Consistent Embedded Value (MCEV)⁵ at the end of 2013 to EUR 4.5 billion (i.e. EUR 24.1 per share), validating the long-term strength of the biometric portfolio.

SCOR Global Investments records a return on invested assets of 2.6%

SCOR Global Investments key figures:

In EUR millions (rounded, at current exchange rates)	YTD		
	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Total investments	22,731	22,138	2.7%
• of which total invested assets ⁶	14,539	13,997	3.9%
• of which total funds withheld by cedants	8,192	8,141	0.6%
Return on investments ⁷	2.4%	2.1%	0.3 pts
Return on invested assets ⁸	2.6%	2.4%	0.2 pts

In a slightly improved economic and financial context, SCOR Global Investments continues its policy of progressively reducing its liquidity in the first quarter 2014 while selectively increasing the duration of the fixed income portfolio, in line with “Optimal Dynamics”.

Cash and short-term investments represent 12% of assets at 31 March 2014 (excluding funds withheld by cedants), down two percentage points compared to 31 December 2013. The duration of the fixed

³ See press release of 06 March 2014

⁴ See press release of 28 March 2014

⁵ See press release of 06 May 2014

⁶ Restated for third party insurance business investments managed by SCOR Global Investments.

⁷ Annualised, including interest on deposits (i.e. interest on funds withheld).

⁸ Annualised, excluding interest on deposits (i.e. interest on funds withheld).

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income portfolio is 3.8 years (excluding cash) at 31 March 2014, compared to 3.4 years at 31 December 2013 and 3.0 years at 31 March 2013. This increase in duration is mainly on GBP and USD-denominated portfolios.

The quality of the fixed income portfolio has been maintained with a stable average rating of AA-. At 31 March 2014, expected cash flow on the fixed income portfolio over the next 24 months stands at EUR 5.1 billion (including cash and short-term investments), facilitating dynamic management of the reinvestment policy.

During the first quarter of 2014, invested assets generate a financial contribution of EUR 96 million. The active management policy employed by SCOR Global Investments has enabled the Group to record capital gains of EUR 22 million in the first quarter of 2014.

The return on invested assets stands at 2.6% for the first quarter of 2014. Taking account of funds withheld by cedants, the net rate of return on investments is 2.4% over the period.

Invested assets (excluding funds withheld by cedants) stand at EUR 14,539 million at 31 March 2014, and are composed as follows: 8% cash (down slightly compared to 31 December 2013, essentially taking account of the investment programme), 78% fixed income (of which 4% are short-term investments), 3% loans, 3% equities, 5% real estate and 3% other investments. Total investments, including EUR 8,192 million of funds withheld, stand at EUR 22,731 million at 31 March 2014, compared to EUR 23,086 million at 31 December 2013.

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P&L Key figures Q1 2014 (in EUR millions, at current exchange rates)

	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Gross written premiums	2,669	2,388	11.8%
- P&C gross written premiums	1,202	1,197	0.4%
- Life gross written premiums	1,467	1,191	23.2%
Net investment income	133	112	18.8%
Operating results	210	175	20.0%
Net income	135	111	21.6%
Earnings per share (EUR)	0.73	0.60	21.7%
Operating cash flow⁹	(101)	140	(172.1)%

⁹ Operating cash flow was negative in Q1 2014 due to the presence of several large non-recurring items; including anticipated Generali US acquisition related payments and the Mediterraneo Vida financing commission.

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P&L Key ratios Q1 2014

	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Return on investments ¹	2.4%	2.1%	0.3 pts
Return on invested assets ^{1,2}	2.6%	2.4%	0.2 pts
P&C net combined ratio ³	88.9%	90.4%	(1.5) pts
Life technical margin ⁴	7.3%	7.5%	(0.2) pts
Group cost ratio ⁵	4.98%	5.33%	(0.35) pts
Return on equity (ROE) ⁶	11.2%	9.4%	1.8 pts

1: Annualised; 2: Excluding funds withheld by cedants; 3: The 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; 6: Annualised.

Balance sheet Key figures Q1 2014 (in EUR millions, at current exchange rates)

	Q1 2014 (unaudited)	Q1 2013 (unaudited / published)	Variation
Total investments ^{1,2}	23,452	22,462	4.4%
Technical reserves (gross)	24,350	23,584	3.2%
Shareholders' equity	5,162	5,002	3.2%
Book value per share (EUR)	27.49	27.02	1.7%
Financial leverage ratio	20.8%	18.8%	2.0 pts
Total liquidity	1,807	2,270	(20.4)%

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

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Forward-looking statements

SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward-looking statements contained in this communication should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to SCOR's Document de référence filed with the AMF on 5 March 2014 under number D. 14-0117 (the "Document de référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".