SCOR

Press Release

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SCOR delivers a strong performance for the first nine months of 2013, recording net income of EUR 302 million

In the first nine months of 2013, SCOR records strong results and good progress towards achieving the ambitious goals of its new strategic plan "Optimal Dynamics".

- Gross written premiums stand at EUR 7,539 million, up 4.5% (+7.7% at constant exchange rates), driven by the combined impact of healthy SCOR Global P&C renewals and major contracts signed by SCOR Global Life:
  - SCOR Global P&C records gross written premium growth of 7.1% at constant exchange rates to EUR 3,647 million, in line with the full-year expected growth rate of 6%;
  - SCOR Global Life records gross written premium growth of 8.3% at constant exchange rates to EUR 3,892 million, notably supported by new contracts signed in Asia, the UK and the Iberian Peninsula.

- SCOR Global P&C's net combined ratio stands at 94.1%, in line with 2013 expectations.

- SCOR Global Life's technical margin reaches 7.3%, in line with 2013 expectations.

- Thanks to its active portfolio management, SCOR Global Investments records an ongoing return on invested assets of 3.3% (excluding equity impairments). SCOR Global Investments pursues its prudent asset management policy, whilst starting to slightly increase the duration of its fixed income portfolio. At current market levels, SCOR does not expect further impairments on the equity portfolio.

- Operating cash flow is up sharply to EUR 722 million (+30%), with contributions from both business engines.

- The Group continues its cost control policy with a cost ratio of 5.0%. This is an improvement versus the 5.1% recorded in the first nine months of 2012 and it puts the Group on track to achieve the 4.8% assumed in the "Optimal Dynamics" plan. SCOR continues to invest in accordance with its strategic plan, currently pursuing more than 15 projects.

- SCOR's net income reaches EUR 302 million in the first nine months of 2013. Despite the high level of natural catastrophes, the Group records a high level of profitability, with a ROE of 8.5% (9.8% excluding equity impairments).

- Shareholders' equity reaches EUR 4,813 million, or EUR 25.6 per share, as at 30 September 2013. This compares to EUR 4,807 million as at 31 December 2012[1] and is after distribution of dividends amounting to EUR 223 million.

- SCOR's financial leverage stands at 21.6% at 30 September 2013, below the 25% ceiling indicated in the "Optimal Dynamics" plan. Moreover, SCOR has actively managed its liabilities in 2013, providing liquidity to its outstanding debts by acquiring a total face value of

[1] Shown Shareholders' Equity is adjusted due to the retrospective application of IAS 19 "revised": Q4 2012 published Shareholders' Equity amounted to EUR 4,810 million.

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USD 46 million at an average price below 90% of par and by issuing CHF 250 million of perpetual subordinated debt.

As well as the notable financial performance, Q3 was marked by a series of major developments for the Group.

Most notably, SCOR finalised the acquisition of Generali U.S., which closed on 1 October. SCOR is now the market leader in the US life reinsurance market. Integration is proceeding smoothly and the new management team for the combined activities of Generali U.S. / SCOR is in place. This acquisition is fully in line with the Group's strategic cornerstones and also meets the Group's financial objectives. Badwill generated by the deal is likely to exceed EUR 150 million (an upward revision to SCOR's original estimate of in excess of EUR 100 million), and will be disclosed with the Q4 results.

Also in the quarter, SCOR issued two capital market instruments which were met with strong demand. A CHF 250 million perpetual subordinated debt was issued for the financing of the Generali U.S. acquisition[2]. The Group also launched an innovative mortality risk transfer contract (Atlas IX), which provides protection against pandemic risk[3].

On 4 September 2013, SCOR published its new three-year strategic plan, called "Optimal Dynamics", which aims to strengthen the Group's position on the global reinsurance market[4]. This plan combines profitability, solvency, and a strong shareholder remuneration policy, through two main targets: (1) a ROE of 1,000 basis points above the three-month risk-free rate over the cycle; (2) a solvency ratio in the 185-220% range (percentage of Solvency Capital Requirements or SCR, according to the Group Internal Model)[5].

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *"I am pleased with the strong results we have achieved year-to-date, particularly in light of the heavy burden of nat cat losses. These results are a promising first step of our new "Optimal Dynamics" plan. Moreover, the successful acquisition of Generali U.S. and the launch of its integration further strengthen our presence in the important US life reinsurance market."*

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[2] See SCOR press release n° 30 of 10 September 2013.
[3] See SCOR press release n° 29 of 6 September 2013.
[4] See SCOR press release n° 28 of 4 September 2013.
[5] This is the ratio of available capital over SCR (Solvency Capital Requirements).

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SCOR Global P&C delivers healthy growth and robust technical profitability on a year-to-date basis, as well as a quarterly performance already in line with the "Optimal Dynamics" plan targets

SCOR Global P&C records gross written premium growth of 3.7% YTD (+7.1% at constant exchange rates) to EUR 3,647 million.

In view of the impact of exchange rate headwinds, this growth rate favourably compares with the full-year expectation of around +6%.

At the end of the third quarter, the Group's non-life operations record an excellent combined ratio of 94.1%, with a further improved net attritional loss ratio of 57.7%. The latter:

- is in line with the 2013 assumption set out in the "Optimal Dynamics" plan of 59% on a normalized basis, i.e. after reintegration of the 1 point impact of the EUR 31 million reserve releases effected in the second quarter of 2013;
- includes two movements of precautionary reserves that broadly offset each other. These two movements correspond respectively to a negative impact from surety bonds for cooperative-based housing developments in Spain and to a positive impact from the case reserves accounted for the World Trade Center-related recourses against aviation insurers reinsured by SCOR.

SCOR Global P&C records a combined ratio of 93.7% for the third quarter standalone, in line with the "Optimal Dynamics" target of 93-94% over 2013-16. In the third quarter, nat cat losses contributed 6.6% to the combined ratio. They include EUR 53 million of losses from German hailstorms and EUR 14 million for Toronto flooding.

SCOR Global Life couples a healthy technical margin with solid growth, thereby confirming the dynamism of its franchise

In the first nine months of 2013, SCOR Global Life has taken advantage of a number of opportunities in the market, enabling it to record solid gross written premium growth of 5.3% (+8.3% at constant exchange rates) to EUR 3,892 million.

This is thanks notably to double-digit life reinsurance business growth in the UK and Ireland, in Spain and in Asia. Similar growth has also been recorded in longevity, life financing reinsurance and health.

This growth offsets the negative impact of exchange rate developments and of selective portfolio decreases in the Middle East, France and Northern Europe, as well as in disability and personal accident lines.

SCOR Global Life has also achieved robust new business production of around EUR 704 million, with significant increases in the UK, Spain, North America and Asia-Pacific, especially in the "financial solutions" strategic segment. This will generate strong future cash flow in the long run.

SCOR Global Life estimates premium income of around EUR 6 billion[6] for 2013. This once again confirms the dynamism of its franchise.

SCOR Global Life records a strong technical margin of 7.3%, including a 0.2% non-recurring positive item. This performance is in line with "Optimal Dynamics".

[6] Pro forma including Generali U.S.

SCOR Global Investments delivers an ongoing return on invested assets of 3.3% (excluding equity impairments) for the first nine months of 2013

In an environment still marked by historically and persistently low interest rates in the major currency zones, SCOR Global Investments maintains a prudent investment strategy, whilst generating recurring financial cash flows and actively managing the invested assets portfolio. At 30 September 2013, expected cash flow on the fixed income portfolio over the next 24 months stands at EUR 5.6 billion (including cash and short-term investments).

The quality of the fixed income portfolio has been maintained, with a stable average rating of AA- and no exposure to the sovereign debt of Greece, Ireland, Italy, Portugal or Spain, or to any debts issued by US States or municipalities. In accordance with the orientations of the strategic “Optimal Dynamics” plan, the duration of the fixed income portfolio has increased slightly to 3.2 years (excluding cash), compared to 2.9 years at 30 June 2013.

For the first nine months of 2013, the invested assets portfolio generates a financial contribution of EUR 277 million. The active management policy practised by SCOR Global Investments has enabled the Group to record capital gains of EUR 107 million YTD. The Group has rigorously applied its amortization and impairment policy to its investment portfolio. Impairments stand at EUR 87 million YTD, of which EUR 64 million apply to equities which are net asset value neutral. This quarter marks the last round of equity impairments impacting the profit & loss statement (these impairments are marginal in Q3). At current market levels, SCOR does not expect further impairments on the equity portfolio. Excluding equity impairments, the ongoing return on invested assets reaches 3.3% for the first nine months of 2013 (2.7% including equity impairments). 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 14.2 billion at 30 September 2013, composed as follows: 13% cash (up slightly compared to 30 June 2013, taking account of the finalisation of the acquisition of Generali U.S. that took place on 1 October 2013), 73% fixed income (of which 5% are short-term investments), 2% loans, 4% equities, 6% real estate and 2% other investments. Total investments, including EUR 8.1 billion of funds withheld, stand at EUR 22.3 billion at 30 September 2013, compared to EUR 22.2 billion at 31 December 2012.

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P&L Key figures Q3 2013 YTD (in EUR millions)

	Q3 2013 YTD (unaudited)	Q3 2012 YTD (unaudited)	Variation (%)
Gross written premiums	7,539	7,214	4.5%
P&C gross written premiums	3,647	3,517	3.7%
Life gross written premiums	3,892	3,697	5.3%
Net investment income	385	411	-6.3%
Operating results	454	475	-4.4%
Net income	302	318	-5.0%
Earnings per share (EUR)	1.63	1.73	-5.8%

P&L Key ratios Q3 2013 YTD

	Q3 2013 YTD (unaudited)	Q3 2012 YTD (unaudited)
Net return on investments [1]	2.4%	2.6%
Return on invested assets [1,2]	2.7%	2.8%
Return on invested assets w/o equity impairments [1,2]	3.3%	3.4%
P&C net combined ratio [3]	94.1%	93.7%
Life operating margin [4]	4.5%	4.9%
Life technical margin [5]	7.3%	7.3%
Group cost ratio [6]	5.0%	5.1%
Return on equity (ROE)	8.5%	9.4%
Return on equity (ROE) w/o equity impairments	9.8%	10.6%

1: Annualised; 2: Excluding funds withheld by cedants; 3: The combined ratio is the sum of the total commissions and the total P&C management expenses, divided by the net earned premiums of SCOR Global P&C; 4: The life operating margin is the sum of the technical results, the total investment income from SCOR Global Life and the total SCOR Global Life expenses, divided by the net earned premium of SCOR Global Life; 5: The technical margin for SCOR Global Life is the technical result divided by the net earned premiums of SCOR Global Life; 6: The cost ratio is the total management expenses divided by the gross written premiums.

Balance sheet Key figures Q3 2013 (in EUR millions)

	Q3 2013 (unaudited)	Q3 2012 (unaudited)	Variation (%)
Total investments [1]	22,648	22,338	1.4%
Technical reserves (gross)	23,618	23,846	-1.0%
Shareholders' equity [2]	4,813	4,731	1.7%
Book value per share (EUR) [2]	25.62	25.71	-0.4%
Financial leverage ratio	21.6%	16.3%	5.3%
Total liquidity	2,441	2,560	-4.6%

1: Total investment portfolio includes both invested assets and funds withheld by cedants, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Shown shareholders' equity is restated due to the retrospective application of IAS 19 "revised". Q3 2012 published shareholders' equity amounted to EUR 4,734 million and Q3 2012 published BVPS amounted to EUR 25.73.

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Forward-looking statements

SCOR's condensed consolidated financial statements as at 30 September 2013 were approved by the Board of Directors' meeting of 5 November 2013 and have been subjected to a limited review by the Statutory Auditors.

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 6 March 2013 under number D.13-0106 (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. SCOR's interim report as at H1 2013, and the reference document as at 31 December 2012, are available on the Group's website (www.scor.com).

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".