SCOR
The Art & Science of Risk

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Press Release
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Half year 2015 results

SCOR delivers a strong performance for the first half of 2015 with a net income of EUR 327 million, up 28% from H1 2014

SCOR delivers strong half year results, thanks to the rigorous implementation of its strategic plan "Optimal Dynamics" and the profitable development of its franchise driven by both its Life and P&C business engines. SCOR is on track to achieve the targets set out in its plan.

- **Gross written premiums** reach EUR 6,493 million, up 19.6% at current exchange rates compared to H1 2014 (+5.3% at constant exchange rates). This significant growth is driven by the contribution of the two business engines:
  - SCOR Global P&C gross written premiums increase by 19.1% at current exchange rates (+5.9% at constant exchange rates) to EUR 2,859 million;
  - SCOR Global Life gross written premiums reach EUR 3,634 million, up by 20.1% at current exchange rates (+4.9% at constant exchange rates).

- **SCOR Global P&C** delivers excellent H1 2015 technical profitability with a net combined ratio of 90.9%, stable compared to H1 2014, in an environment of low natural catastrophe losses but with an unusually high number of major industrial losses.

- **SCOR Global Life**'s technical margin stands at 7.2% for the first six months of 2015, stable compared to the same period in 2014.

- **SCOR Global Investments** achieves a 3.4% return on invested assets thanks to its active portfolio management.

- **Group net income** reaches EUR 327 million in the first half of 2015, an increase of 27.7% compared to H1 2014. The annualized **return on equity** (ROE) stands at 11.1%[1] or 1,112 bps above the risk-free rate[2].

- **Shareholders' equity** increases by 5.2% in the first six months of 2015 to reach EUR 6,026 million at 30 June 2015, compared to EUR 5,729 million at 31 December 2014, after the payment of EUR 260 million of dividends for the year 2014. This translates into a book value per share of EUR 32.29 at 30 June 2015, compared to EUR 30.60 at 31 December

[1] The ROE calculation method was adjusted to take into account material foreign exchange rate movements that did not occur evenly through the reporting period. A daily weighted average is applied for the currency or currencies that experienced such movements and a simple weighted average is applied for the other currencies. The ratio previously reported was 10.3% for H1 2014.
[2] Three-month risk-free rates.

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2014. This increase is driven by a high net income contribution and strong foreign exchange impact of EUR 280 million.

- **SCOR's financial leverage** stands at 24.1% at 30 June 2015, up from 23.1% at 31 December 2014 following the successful placement of EUR 250 million dated subordinated debt issued with a coupon set at 3.25%. In addition, SCOR has called two debts due in 2029 and 2020 respectively for EUR 10 million and EUR 93 million. The latter will be accounted for in Q3 2015[3].

SCOR Group H1 and Q2 2015 key financial details:

In EUR millions (unaudited, rounded, at current exchange rates)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Gross written premiums	6,493	5,427	19.6%	3,369	2,758	22.2%
Group Cost Ratio	5.1%	5.0%	0.1 pts	5.1%	5.0%	0.1 pts
Net return on invested assets	3.4%	2.9%	0.5 pts	3.4%	3.1%	0.3 pts
Annualized ROE*	11.1%	10.3%	0.8 pts	10.3%	9.8%	0.5 pts
Net income**	327	256	27.7%	152	121	25.6%
Shareholders' equity	6,026	5,147	17.1%	6,026	5,147	17.1%
P&C Combined ratio	90.9%	90.9%	0.0 pts	92.6%	92.8%	-0.2 pts
Life technical margin	7.2%	7.2%	0.0 pts	7.2%	7.0%	0.2 pts

(*)The ROE calculation method was adjusted to take into account material foreign exchange rate movements that did not occur evenly through the reporting period. A daily weighted average is applied for the currency or currencies that experienced such movements and a simple weighted average is applied for the other currencies. The ratio previously reported was 10.3% for H1 2014 (**) Consolidated net income, Group share.

The first half of 2015 demonstrates the pertinence of the long-established strategy put in place by SCOR and set out in the "Optimal Dynamics" plan. The Group was able to deepen the franchise by leveraging on its diversified portfolio and to enlarge its global presence, notably with the planned opening of a branch in India and a representative office in Kenya.

The relevance of SCOR's strategy was affirmed by Fitch Ratings, which upgraded SCOR's Insurer Financial Strength (IFS) rating to 'AA- stable outlook' from 'A+ positive outlook'. The rating agency notably mentioned having taken into account "*the development of SCOR's reinsurance franchise, the scale and diversity of which have improved significantly through external growth and swift integration of acquired operations, helping to generate a more stable level of profitability*". The rating agency also noted "*the level of capitalisation that Fitch considers to be very strong*" as well as "*a consistent and prudent reserving philosophy*".

[3] The financial leverage would be 23.2% if the EUR 93 million debt was called and accounted for in Q2 rather than in Q3.

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Denis Kessler, Chairman & CEO of SCOR, comments: *"In H1 2015, SCOR continues to deploy its strategy based on the diversification of risks and deepening of the franchise and to deliver high quality results. During the second quarter, the Group has marked a significant milestone in terms of the preparations for Solvency II, with the filing of its internal model to our primary regulator. SCOR strengthens its positioning worldwide and is on track to meet its "Optimal Dynamics" targets."*

In the first six months of 2015, SCOR Global P&C delivers excellent technical profitability, with a net combined ratio of 90.9%

SCOR Global P&C key figures:

In EUR millions (unaudited, rounded, at current exchange rates)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Gross written premiums	2,859	2,400	19.1%	1,461	1,198	22.0%
Combined ratio	90.9%	90.9%	0.0 pts	92.6%	92.8%	-0.2 pts

SCOR Global P&C posts gross written premium growth of +19.1% at current exchange rates (+5.9% at constant exchange rates) to EUR 2,859 million in the first six months of 2015, confirming the trends observed in the first quarter of 2015.

In the first half of 2015, SCOR Global P&C records excellent technical profitability with a net combined ratio of 90.9%, driven by:

- a net attritional loss ratio of 57.5%, standing only marginally above the 57% assumption of the strategic plan[4] despite the unusually high number of major industrial losses, notably an Offshore claim. This claim represents 2.3 percentage points of the 57.5% and accounts for EUR 55 million net before tax;
- a low level of nat cat losses of 1.8% in the first six months of 2015;
- Commissions and Management Expenses in line with those of the first quarter 2015.

The normalized net combined ratio (with a natural catastrophe budget of 7%) stands at 96.1% for the first half of 2015, impacted by the Offshore claim mentioned above. The 94% normalized combined ratio assumption for 2015 remains within reach.

SCOR Global P&C delivers strong renewals, achieving premium growth of 23.6% at constant exchange rates with regard to the EUR 418 million of premiums up for renewal in June and July 2015. The premiums up for renewal represent around 10% of the total annual volume of SCOR Global P&C premiums. They are distributed between P&C Treaties (69%) and Specialty Treaties (31%) in the

4 See page 46 of the 2014 Investor day presentation available on www.scor.com.

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three geographical areas: Americas (59%), EMEA (32%), and Asia-Pacific (9%), with the main countries renewing being the US (including nat cat cover), Australia, the Middle East, South Africa and Latin America.

The main business line developments in the June-July 2015 renewals are as follows:

- **For P&C Treaties**: gross premiums increase by 20% at constant exchange rates, to EUR 354 million. This growth comes from the US and to a lesser extent from Asia-Pacific. It is mainly driven by new business with existing clients, thanks to SCOR Global P&C's strategy based on proximity, listening to clients' needs, and a global approach to client relationships across all of their business lines;
- **For Specialty Treaties**: gross premiums increase by 32% at constant exchange rates, to EUR 162 million. This growth is mainly driven by a large deal secured in Aviation as part of a global insurer relationship. Excluding this large deal, the growth would have been +4%.

SCOR Global P&C benefits from its well diversified franchise, with more than 60% of the premiums renewed in June-July 2015 relating to proportional business, which is still favoured by more advantageous primary insurance trends:

- Overall price decrease of around -2.4%, mainly driven by non-proportional business (in particular in EMEA). In the US cat market, the price decrease slowed down thanks to a lower level of overcapacity, as demonstrated by the decline and even disappearance of overplacements for a large number of contracts.
- Price decrease contained at -1.0% on a year-to-date basis, demonstrating SCOR Global P&C's ability to benefit from diversification and maintain the quality of its portfolio.

SCOR Global Life expands global franchise in key markets, maintaining strong technical performance

SCOR Global Life key figures:

In EUR millions (unaudited, rounded, at current exchange rates)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Gross written premiums	3,634	3,027	20.1%	1,908	1,560	22.3%
Life technical margin	7.2%	7.2%	0.0 pts	7.2%	7.0%	0.2 pts

SCOR Global Life gross written premiums stand at EUR 3,634 million in the first six months of 2015, up 20.1% at current exchange rates compared to the same period last year (+4.9% at constant exchange rates), resulting from:

- Growth in all three business areas: Protection, Longevity and Financial Solutions, with Longevity expected to meet the gross written premium assumption for 2016 set out in "Optimal Dynamics" already in 2015;
- The successful execution of the business strategy in Asia-Pacific and business underwritten in Latin America, providing a flow of new business within Financial Solutions and Protection.

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SCOR Global Life records a robust technical margin of 7.2%, thanks to:

- New business profitability, which continues to meet the Group ROE target of 1,000 bps above risk-free rate;
- The mortality experience of the in-force book of business, which is in line with expectations.

SCOR Global Investments delivers a strong return on invested assets of 3.4%, in a particularly low yield environment

SCOR Global Investments key figures:

In EUR millions (unaudited, rounded, at current exchange rates)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Total investments	26,120	22,954	13.8%	26,120	22,954	13.8%
• of which total invested assets	17,303	14,721	17.5%	17,303	14,721	17.5%
• of which total funds withheld by cedants	8,817	8,233	7.1%	8,817	8,233	7.1%
Return on investments*	2.9%	2.6%	0.3 pts	2.9%	2.7%	0.2 pts
Return on invested assets**	3.4%	2.9%	0.5 pts	3.4%	3.1%	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).

In the current uncertain market environment, SCOR Global Investments momentarily halts the rebalancing of the investment portfolio and increases liquidity by 4 percentage points to 9% of the invested assets portfolio, while maintaining the fixed income portfolio duration (excluding cash) stable at 4.1 years at 30 June 2015.

SCOR Global Investments maintains its prudent investment strategy: the stable average rating of AA- bears witness to the quality of the fixed income portfolio. Moreover, SCOR Global Investments continues to have no exposure to sovereign debt from the GIIPS countries[5]. As at 30 June 2015, the expected cash flow on the fixed income portfolio over the next 24 months stands at EUR 5.8 billion (including cash and short-term investments), facilitating dynamic management of the reinvestment policy in view of a possible rise in interest rates.

During the first half of 2015, invested assets generate a strong financial contribution of EUR 297 million. The active management policy employed by SCOR Global Investments has enabled

[5] Greece, Ireland, Italy, Portugal, Spain.

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the Group to record capital gains of EUR 128 million in H1 2015, coming mainly from the equity portfolio and to a lesser extent from the fixed income portfolio.

The return on invested assets stands at 3.4% for the first six months of 2015, compared to 2.9% for the same period last year. Taking account of funds withheld by cedants, the net rate of return on investments stands at 2.9% for the first half of 2015.

Invested assets (excluding funds withheld by cedants) stand at EUR 17,303 million as at 30 June 2015, and are composed as follows: 8% cash, 79% fixed income (of which 1% are short-term investments), 3% loans, 3% equities, 5% real estate and 2% other investments. Total investments, including EUR 8,817 million of funds withheld, stand at EUR 26,120 million at 30 June 2015, compared to EUR 24,854 million at 31 December 2014.

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APPENDIX

1 - P&L Key figures H1 and Q2 2015

In EUR millions (unaudited, rounded, at current exchange rates)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Gross written premiums	6,493	5,427	19.6%	3,369	2,758	22.2%
P&C gross written premiums	2,859	2,400	19.1%	1,461	1,198	22.0%
Life gross written premiums	3,634	3,027	20.1%	1,908	1,560	22.3%
Net investment income	365	281	29.9%	185	149	24.2%
Operating results	540	403	34.0%	253	193	31.1%
Net income[1]	327	256	27.7%	152	121	25.6%
Earnings per share (EUR)	1.77	1.38	27.9%	0.82	0.65	26.1%
Operating cash flow	130	2	x 64	68	103	-34.0%

1: Consolidated net income, Group share.

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2 - P&L Key ratios H1 and Q2 2015

(Unaudited)	YTD			QTD		
	H1 2015	**H1 2014**	**Variation**	**Q2 2015**	**Q2 2014**	**Variation**
Return on investments [1]	2.9%	2.6%	0.3 pts	2.9%	2.7%	0.2 pts
Return on invested assets [1,2]	3.4%	2.9%	0.5 pts	3.4%	3.1%	0.3 pts
P&C net combined ratio [3]	90.9%	90.9%	0.0 pts	92.6%	92.8%	-0.2 pts
Life technical margin [4]	7.2%	7.2%	0.0 pts	7.2%	7.0%	0.2 pts
Group cost ratio [5]	5.1%	5.0%	0.1 pts	5.1%	5.0%	0.1 pts
Return on equity (ROE) [6]	11.1%	10.3%	0.8 pts	10.3%	9.8%	0.5 pts

1: Annualized; 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: Annualized. The ROE calculation method was adjusted to take into account material foreign exchange rate movements that did not occur evenly through the reporting period. A daily weighted average is applied for the currency or currencies that experienced such movements and a simple weighted average is applied for the other currencies. The ratio previously reported was 10.3% for H1 2014.

3 - Balance sheet Key figures as at 30 June 2015

In EUR millions (unaudited, rounded, at current exchange rates)	Key Figures		
	As at 30 June 2015	**As at 31 December 2014**	**Variation**
Total investments [1,2]	26,120	24,854	5.1%
Technical reserves (gross)	27,162	25,839	5.1%
Shareholders' equity	6,026	5,729	5.2%
Book value per share (EUR)	32.29	30.60	5.5%
Financial leverage ratio	24.1%	23.1%	1.0 pts
Total liquidity	1,663	940	76.9%

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 20 March 2015 under number D.15-0181 (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 constitutes a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" which may not necessarily be indicative of full year financial results.