

Press Release

September 5, 2018 - N° 19

SCOR Investor Day 2018: SCOR is powering ahead

At its annual Investor Day today in Paris, SCOR's Executive Management team, led by Denis Kessler, presents an overview of the second successful year of the "Vision in Action" strategic plan and sets forth how the company has been able to demonstrate its shock-absorbing capacity and continue its disciplined expansion in a changing environment.

As shown in the H1 2018 financial results¹, SCOR is successfully executing "Vision in Action" and is on track with its targets and assumptions over the remainder of the plan:

- An **attractive return on equity (ROE)** above 800 basis points over the 5-year risk-free rate across the cycle²;
- An **optimal solvency ratio**³ in the 185-220% range (percentage of SCR - the Solvency Capital Requirement according to the Group's internal model).

SCOR confirms both the growth and the technical profitability assumptions of its business engines. SCOR Global P&C has a growth assumption of between 5% and 8% per annum and an assumed net combined ratio of between 95% and 96%. SCOR Global Life has a growth assumption of up to 6% per annum and an assumed technical margin of between 6.8% and 7%. The annualized return on invested assets is expected to be in the upper half of the 2.5% to 3.2% range, under current market conditions.

Overall, the Group expects to grow between 5% and 7% over the life of the strategic plan.

SCOR's estimated solvency ratio is very strong at 221%⁴.

The Group will pursue its consistent shareholder remuneration policy, with a significant and sustainable rise in the dividend over the years. Over the last 10 years, SCOR has distributed EUR 2.5 billion in dividends. To date, SCOR has executed 50% of the EUR 200 million share buy-back announced on July 27, 2017.

In a context of further improved macroeconomic conditions and very attractive growth opportunities offered by the reinsurance industry, SCOR remains uniquely positioned to benefit from the positive long-term trends that the industry offers, through:

- Leveraging its recognized Tier 1 franchise to pursue continued profitable growth;
- Delivering an increasing financial contribution from an asset portfolio ideally placed to benefit from the rising interest rate cycle; and
- Harnessing technological developments to optimize operations and further grow the franchise.

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *"Two years after the launch of "Vision in Action", SCOR is successfully executing its strategic plan, delivering strong results. After a year marked by severe natural catastrophes and regulatory and political shocks, during which the Group once again demonstrated its shock-absorbing capacity as well its agility and nimbleness, SCOR is*

¹ See press release distributed on July 26, 2018.

² Based on a 5-year rolling average of 5-year risk-free rates.

³ This is the ratio of Eligible Own Funds over the Solvency Capital Requirement (SCR).

⁴ As at June 30, 2018, see press release distributed on July 26, 2018.

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powering ahead. Alongside the continued expansion and deepening of our franchise, we increase our strong investment in innovation and digitization, thereby ensuring that we are constantly transforming and continuously optimizing our operations in a rapidly changing environment. The Group is ideally positioned to benefit from further improved macroeconomic conditions and attractive growth opportunities in the (re)insurance industry. The Group is quite optimistic about its capacity to pursue the strong value creation process in the years to come.”

SCOR Global P&C

Having largely anticipated industry trends and adapted accordingly, maximizing the advantages of being a large global (re)insurer in the new environment, SCOR Global P&C is on track with the four focus areas of “Vision in Action”: (i) continuing to build a Tier 1 reinsurance franchise in the U.S.; (ii) establishing a fully integrated London Specialty Insurance Platform; (iii) enhancing the organizational structure of its large corporate risks (re)insurance unit, SCOR Business Solutions, to increase client-centricity; and (iv) deploying a dedicated Managing General Agent (MGA) platform.

Overall, SCOR Global P&C is progressing well with the execution of the “Vision in Action” plan, confirming its expectation of achieving a gross written premium compound annual growth rate in the range of 5% to 8%, and a normalized net combined ratio of ~95% to 96% over the life of the plan.

To address the evolving needs of its clients and to reinforce its Tier 1 position in a rapidly changing risk ecosystem, SCOR Global P&C announces a new organizational structure with three business areas – Reinsurance, P&C Partners and Specialty Insurance-, alongside the same full set of transverse functions⁵. This new structure will support SCOR Global P&C’s ambitions for the future.

SCOR Global Life

SCOR Global Life is executing “Vision in Action” while successfully growing its franchise and generating consistently strong results.

SCOR Global Life continues to generate strong cash flows based on a healthy and diversified in-force book. In addition, SCOR Global Life continues to expand its protection footprint by further strengthening its leadership positions in the U.S. and EMEA, while rapidly expanding its footprint in Asia. SCOR Global Life remains the #1 reinsurer on recurring new business in the U.S. for the fifth consecutive year. Client perception of its business capabilities continues to improve, with #1 rankings in a number of large European markets and, for the first time, in Asia-Pacific.

As the pace of change in the Life insurance industry increases, moving from a traditional risk-driven value chain to an ecosystem that centers on consumers’ needs, SCOR Global Life is building for the future through innovation and the development of key partnerships around the world. The division is supporting its clients throughout this change, helping them to provide innovative solutions across the end consumer journey.

SCOR Global Life is delivering on the “Vision in Action” targets, with expected growth of gross written premiums at approximately 7.5% per annum over the years 2016 to 2018 at constant FX, and an expected net technical margin of approximately 7% for 2018.

⁵ See separate press release published on September 5, 2018.

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SCOR Global Investments

SCOR Global Investments continues to successfully deliver on the “Vision in Action” targets and has completed the rebalancing of the invested assets portfolio towards the objectives set for the strategic plan. SCOR Global Investments has taken advantage of higher interest rates and investment yields to pursue the deployment of its corporate bonds portfolio and to gear towards the 5% liquidity target.

As of Q2 2018, the risk indicators are well in line with the “Vision in Action” framework, with a very high-quality fixed-income portfolio rated A+ on average. The duration gap is almost closed as of Q2 2018, with an effective duration of the invested assets portfolio of 4.9 years compared with a neutral duration of 5.2 years.

Since the beginning of “Vision in Action”, SCOR Global Investments delivers a continuing increase in the income yield, from 2.0% in 2016 to 2.1% in 2017 and 2.3% in H1 2018.

The portfolio stands to benefit from the current rising interest rate cycle, in particular thanks to EUR 5.1 billion of financial cash-flows⁶) to be reinvested in the next 24 months at higher reinvestment rates, while remaining protected against severe market downturn.

SCOR Global Investments continues to reinforce its ESG policy on investments, in particular by financing the transition to a low carbon economy and excluding investments in the coal and tobacco industries.

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 FY 2018 and over the life of the strategic plan.

The SCOR Investor Day 2018 webcast starts at 8:30 am CET today: [click here to watch it](#).

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Forward-looking statements

⁶ Investable cash: includes current cash balances, and future coupons and redemptions.

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Please refer to the 2017 reference document filed on February 23, 2018, under number D.18-0072 with the French Autorité des marchés financiers (AMF) posted on SCOR's website www.scor.com (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".