

Press Release

February 8, 2022 - N° 03

January 2022 P&C Renewal Results

SCOR takes full advantage of the hardening P&C reinsurance market at January 1, 2022, delivering 19% premium growth

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- **Full delivery on the P&C growth and profitability ambitions set at September's Investor Day. SCOR allocates its capital to the lines benefitting from the best risk return profile:** expansion of the Global Lines treaty portfolio, acceleration of the Specialty Insurance development, while reducing the climate-sensitive volatility.
 - **Strong growth in both P&C businesses:**
 - **Treaty reinsurance grows by 19.0%**, with a +9.8% underlying premium growth excluding one large European structured transaction. Growth is largely driven by Global Lines. Premium growth benefits from a +4.9% price effect
 - Attractive market conditions in **Specialty Insurance large commercial single risk insurance. The strong +18.6% premium growth benefits from a +12.6% price effect.**
 - **Continued actions to reduce volatility:**
 - **Cost of retrocession efficiently managed:** same amount of limits purchased whilst cost increases contained, and accessing a broader pool of retrocessionaires through successful 3rd Party Capital strategy
 - **Reduction of CAT exposures** at January 1st by -7% on treaty reinsurance, and by -11% on the P&C in-force portfolio for the full year 2022.
 - **The overall impact on the priced net combined ratio is positive for SCOR:** Overall actions taken result in a year-on-year estimated improvement of the priced net combined ratio of c. 0.5 percentage point on a risk-adjusted basis.
 - **SCOR will hold an Investor Day on March 29th, 2022**, during which its new strategic ambitions will be presented.
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January 2022 P&C Reinsurance Treaty Renewals

SCOR begins 2022 with strong renewal results in P&C reinsurance, navigating a complex and prolonged renewal season. The results of these renewals fully deliver on the strategy outlined at the September 2021 Investor Day. SCOR deploys its capital rigorously, reducing climate-sensitive exposures as net margins are currently insufficient to reflect the exceptionally volatile environment, and actively steers its book towards Treaty Global Lines (e.g., Marine, Engineering, Credit & Surety).

The January 1, 2022 renewals evidence the continuing hardening of the P&C treaty reinsurance market, following years of large natural catastrophe losses, attritional inflation and low interest rates. The generalized risk aversion trend is accompanied by a robust demand for reinsurance. In this context, SCOR fully leverages its deep client relationships and broad franchise to actively steer its portfolio towards lines of business and regions displaying the most attractive risk / return conditions.

SCOR achieves **+19.0% reinsurance premium growth at constant exchange rates¹**, including one large structured transaction in Europe on a non-catastrophe-exposed, and a well-balanced portfolio. Excluding this large transaction, the **underlying growth stands at +9.8%**, corresponding to a premium increase of EUR 371² million to EUR 4,149 million. All P&C reinsurance figures presented hereafter refer to underlying growth trends unless otherwise specified.

- Growth driven by Global Lines (+20.7%), which records high expected profitability. In the more traditional Property & Casualty lines, SCOR actively manages its portfolio resulting in modest premium growth.
- In terms of geography, **SCOR grows strongly in Europe (+15.0%)**, leveraging further its leadership in the region, **and in Fast Growth Markets (+14.7%)**.
- Ventures clients continue to be a key and profitable source of development. Accompanying SCOR's clients of the future through Ventures is a key strategic ambition for SCOR under "Quantum Leap". At the January 2022 renewals, Ventures clients are becoming an increasingly important source of profitable business, growing by 78% – notably in Europe – and across a wide range of lines of business. The return on capital achieved on this business exceeds the portfolio's average.
- Portfolio repositioning on a few large Cat-exposed accounts whilst modest growth on U.S. Casualty leads to overall premium reduction in **North America (-11.3% in the US)** and **APAC Mature, where the adequate remuneration of capital was not achieved**.

Reinsurance treaties renewal book at January 1, 2022¹:

	Gross Premiums renewed (in EUR millions) ²	Evolution vs. January 2021	Notable drivers
Treaty P&C Lines ³	2,712	+4.8%	Europe (including Casualty), Motor (Ventures)
Treaty Global Lines ⁴	1,437	+20.7%	Credit & Surety, Marine & Energy
TOTAL	4,149	+9.8%	

1. Approximately 64% of SCOR's P&C reinsurance premiums – representing 46% of SCOR's total P&C premiums - renew in January
2. Excluding one large transaction in Europe, and SCOR's 3rd party capital provision business at Lloyd's ("SUL")
3. Treaty P&C Lines include: Property, Property Cat, Casualty, Motor, and other related lines (Personal Insurance, Nuclear, Terrorism, Special Risks, Motor Extended Warranty, and Inwards Retrocession)
4. Treaty Global Lines include: Agriculture, Aviation, Credit & Surety, Inherent Defects Insurance, Engineering, Marine and Offshore, Space, Cyber and Alternative Solutions

¹ Exchange rates at December 31st, 2021

² Excluding one large transaction in Europe, and SCOR's 3rd party capital provision business at Lloyd's ("SUL")

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SCOR records an **overall average price increase of +4.9% in P&C reinsurance**, building further on prior years' renewals, as conditions for the P&C treaty market continue to harden. These changes translate into an estimated improvement of the priced net combined ratio of c. 0.5 points, taking into account SCOR's Cat retrocession renewed program, the various underwriting actions, the repositioning of the portfolio and SCOR's updated view of risk (including economic and claims inflation). The improvement in the priced net combined ratio of the book will translate into net income progressively, in the quarters to come.

Update on Specialty Insurance

SCOR continues to view **Specialty Insurance** as the most attractive segment of the P&C (re)insurance market currently, growing its book to 26% of P&C portfolio in 2021:

- In **large commercial single risk insurance**, SCOR records a gross premium growth of +18.6%, all regions contributing, and rate increases of +12.6% over the course of 2021. The portfolio rate adequacy further improves, driven by both long- and short-tail lines. It benefits from a sustained rate-on-rate compounding effect on large industrial and commercial single risks that began in 2017.
- In **portfolio underwriting (MGAs)**, SCOR exits from U.S. Primary Wind-exposed MGAs, contributing to the overall reduction of U.S. Cat exposures for the P&C book.

Outlook for 2022

Looking forward to the April and June / July 2022 renewals, SCOR expects the current positive market trends to continue. The Group is well positioned to take full advantage of these trends in both its Specialty Insurance and Reinsurance businesses, leveraging on its global underwriting platform.

SCOR confirms the 2022 assumptions presented at the September 2021 Investor Day, including gross written premium growth of +15-18%, and a net combined ratio trending downwards towards 95% and below.

SCOR will hold an Investor Day on March 29th, 2022, during which new strategic ambitions will be presented.

Jean-Paul Conoscente, CEO for P&C at SCOR, comments:

"In line with the forward-looking view shared during its September 2021 Investor Day, the market hardening continues into 2022. We are successfully implementing our strategy to reposition our portfolio towards value-accretive growth opportunities. The result allows us to expand our franchise, while taking a series of actions to reduce our exposure to climate-sensitive Cat business where rising prices did not lead to sufficient margins given the expected volatility. We expect continuing positive market trends as we head into Q2 2022, anticipating a sustained hardening in the upcoming renewals where we remain well positioned."

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General

Numbers presented throughout this document 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 document 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 document includes forward-looking statements and information about the objectives of SCOR, in particular, relating to SCOR's 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. No guarantee can be given regarding the achievement of these forward-looking statements and information. Forward-looking statements and information and information about objectives may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the Covid-19 crisis on SCOR's business and results cannot be accurately assessed at this stage, in particular given the uncertainty related to the magnitude, evolution and duration of the Covid-19 pandemic, to the short, medium and long-term effects on health and on the economy, and to the possible effects of future governmental actions or legal developments in this context.

This uncertainty follows from the high difficulty in working on sound hypotheses on the impact of this crisis due to the lack of comparable events, the ongoing nature of the pandemic and its far-reaching impacts on world-wide economies, on the health of the population and on our customers and counterparties. These hypotheses include, in particular:

- the duration of the pandemic, its impact on health on the short and long term, the availability, efficacy, effectiveness and take-up rate of the vaccines;
- the response of government bodies world-wide (including executive, legislative and regulatory);
- the potential judicial actions or social influences;
- the coverage and interpretation of SCOR's contracts under these circumstances;
- the assessment of the net claim estimate and impact of claim mitigation actions.

Therefore:

- all assessments and figures presented in this document will necessarily be estimates based on evolving analysis, and encompass a wide range of theoretical hypotheses, which are still highly evolutive;
- at this stage, none of these scenarios, assessments, impact analyses or figures can be considered as certain or definitive.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2020 Universal Registration Document filed on March 2, 2021, under number D.21-0084 with the French Autorité des marchés financiers (AMF) and in the SCOR SE interim financial report for the six months ended June 30, 2021 posted on SCOR's website www.scor.com.

In addition, such forward-looking statements are not "profit forecasts" within the meaning of Article 1 of Commission Delegated Regulation (EU) 2019/980.

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SCOR does not undertake any obligation to publish changes or updates regarding these forward-looking statements and information.

Financial information

All figures in this presentation are unaudited unless otherwise specified.

Unless otherwise specified, all figures are presented in Euros.

Any figures for a period subsequent to 30 September 2021 should not be taken as a forecast of the expected financials for these periods.

All definitions can be found in the appendix.

All figures are at constant exchange rates as of December 31, 2021 unless otherwise specified.

All figures are based on available information as of January 21, 2022 unless otherwise specified.