



SCOR SE

€250,000,000 Fixed to Reset Rate Subordinated Notes due 2047
Issue Price: 99.375 per cent.

This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended, which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010 and by Directive 2013/50/EU of the European Parliament and of the Council dated 22 October 2013 (the **Prospectus Directive**) and the relevant implementing measures in the Grand-Duchy of Luxembourg.

The €250,000,000 fixed to reset rate subordinated notes due 2047 (the **Notes**) of SCOR SE (the **Issuer** or **SCOR**) will be issued outside France on 5 June 2015 (the **Issue Date**) in the denomination of €100,000 each.

The Issuer shall have the right (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter as further specified in "*Terms and Conditions of the Notes — Redemption and Purchase*". In addition, the Issuer may (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority) redeem the Notes at any time for tax reasons or following a Rating Event, a Capital Disqualification Event, an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Each Note will bear interest on its principal amount (i) from (and including) the Issue Date to (but excluding) 5 June 2027 (the **First Call Date**), at a fixed rate of 3.25 per cent. *per annum* payable annually in arrear on 5 June in each year, commencing on 5 June 2016 and (ii) from (and including) the First Call Date to (but excluding) the Redemption Date, at the relevant Reset Rate of Interest payable annually in arrear on 5 June in each year, commencing on 5 June 2028, as further specified in "*Terms and Conditions of the Notes — Interest*". Payment of interest on the Notes may at the option of the Issuer, or shall, be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes - Interest - Interest Deferral*".

The Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) is the competent authority in Luxembourg, pursuant to the Prospectus Directive and the Luxembourg law on prospectuses for securities of 10 July 2005 as amended by law dated 3 July 2012, for the purpose of approving this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and admitted to trading on the Regulated Market (within the meaning of Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004) of the Luxembourg Stock Exchange. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg law on prospectuses for securities.

The Notes will be issued in dematerialised bearer form (*au porteur*). Title to the Notes will be evidenced in accordance with Article L.211-4 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders, as set out in "*Terms and Conditions of the Notes – Denomination, Form and Title of the Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer is offering the Notes only to non-U.S. persons outside the United States in offshore transactions within the meaning of and in reliance upon Regulation S under the Securities Act (**Regulation S**).

The Notes are expected to be rated A- by Standard & Poor's Credit Market Services France, a division of The McGraw-Hill Companies, Inc (**S&P**) and A- by Fitch Ratings (**Fitch**). As at the date of this Prospectus, S&P and Fitch are established in the European Union and are registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the **CRA Regulation**). As such, S&P and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

Copies of this Prospectus are available on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.scor.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours. Copies of all documents incorporated by reference in this Prospectus are available (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (ii) on the website of the Issuer (www.scor.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Structuring Advisor

BNP Paribas

Joint Bookrunners and Joint Lead Managers

**BNP Paribas
Crédit Agricole CIB**

**Citigroup
Deutsche Bank**

Co-Lead Managers

Commerzbank

Natixis

Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*References to the **Group** are to the Issuer, together with its consolidated subsidiaries.*

This Prospectus is to be read in conjunction with any supplement, that may be published between the date of this Prospectus and the date of listing of the Notes on the Official List and admission to trading of the Notes on the Regulated Market of the Luxembourg Stock Exchange, and all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

*The Joint Bookrunners and Joint Lead Managers and the Co-Lead Managers (both as defined in the section entitled "Subscription and Sale" and together the **Managers**) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.*

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, in respect of, and for the purposes of giving information with regard to, the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition

and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances. None of the Managers undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France, see the section entitled "Subscription and Sale".

This Prospectus is being provided for informational use solely in connection with the consideration of a purchase of the Notes to qualified purchasers in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorised. This Prospectus may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided.

In this Prospectus, unless otherwise specified or the context requires, references to **euro**, **EUR** and **€** are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.

In connection with the issue of the Notes BNP Paribas (herein referred to as the **Stabilising Manager**, (or persons acting on behalf of the Stabilising Manager), may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Managers) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules. As between the Issuer and the Stabilising Manager, any loss resulting from over-allotment and stabilisation shall be borne, and any profit arising therefrom shall be retained, by the Stabilising Manager.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, business strategies, expansion and growth of operations plans or objectives, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. 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 limitation, "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 and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "*Risk Factors*" below.

SCOR SE operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and SCOR SE does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The opinions and intentions expressed in this Prospectus with regard to the Issuer are honestly held. The Issuer accepts responsibility for the information contained in this Prospectus.

SCOR SE
5, avenue Kléber
75016 Paris
France

Duly represented by:
Denis Kessler
Président du Conseil d'administration et Directeur Général

RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but this section is not intended to be exhaustive and the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be caused by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate.

Prospective investors should make their own independent evaluation of all risk factors contained in this section.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

RISK FACTORS RELATING TO THE ISSUER

The risk factors relating to the Issuer described below must be considered together with the following information contained in the 2014 DDR which is incorporated by reference in this Prospectus:

- Appendix B - Report of the Chairman of the Board of Directors - Part II, which describes the internal control and risk management procedures set up by the Group to address the risks to which the Group is exposed on pages 384 to 397 of the 2014 DDR;
- The consolidated financial statements of the Group presented in Section 20.1 – Historical financial information: consolidated financial statements on pages 198 to 288 of the 2014 DDR and, in particular, in Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk on pages 276 to 287 of the 2014 DDR; and
- Section 6 – Business overview on pages 57 to 79 of the 2014 DDR.

These above sections describe the risk management measures, processes and hedging positions planned or implemented by the Group in order to identify, assess and mitigate the risks to which it is exposed.

The information included herein referring to the nature and extent of risks arising from financial instruments as required by IFRS 7 – Financial Instruments – Disclosures, is an integral part of the consolidated financial statements of the Issuer as at 31 December 2014. As such the information is audited.

Introduction

All risks described herein are managed through a variety of mechanisms in the Group's enterprise risk management framework.

Difficult conditions in the global capital markets and the economy generally may materially adversely affect the Group's business and results of operations

The Group's results of operations could be materially affected by the global capital markets conditions and the economy, in France, other countries in continental Europe, the United Kingdom (the **UK**), the United States of America (the **US**) and elsewhere around the world. Many economies around the world may experience negative macroeconomic trends, including job losses and, consequently, higher unemployment, lower consumer spending and investment, lower credit availability, the failure of a significant number of financial and non-financial companies and the payment default of sovereign states. Any continued deterioration in macroeconomic trends could have an adverse effect on the Group's business and results of operations, even more so as the global economy is still in convalescence since the 2008 financial crisis and remains very vulnerable to negative economic, financial and geo-political shocks. In particular, the growing debt of governments in advanced economies and of private companies in emerging countries could generate significant adjustments if the main central banks were to raise interest rates. As a result, financial markets could enter a period of high volatility which could lead to adverse consequences such as waves of company defaults, or a major liquidity crisis. Although pressure on the most fragile sovereign issuers in Europe seems to have decreased since the summer of 2012, notably due to announcements from the European Central Bank, the financial situation in many countries of the Eurozone remains unstable and downgrades of some states' financial ratings have occurred. While the Group does not currently own any securities issued by the governments of Greece, Italy, Spain, Ireland, Hungary or Portugal, it cannot predict whether any of the other government securities that it holds in its investment portfolio will be adversely affected in the future by ratings downgrades, the continuing debt crisis or other developments. For further information on investments, refer to Section 6.1.5 Investments on pages 72 to 73 of the 2014 DDR and Section 20.1.6 – Notes to the consolidated financial statements, Note 6 – Insurance Business Investments on pages 233 to 241 of the 2014 DDR.

In addition, the fixed-income markets can experience a period of extreme volatility that has negatively impacted market liquidity conditions. These volatile conditions have affected a broad range of mortgage and asset-backed and other fixed-income securities, including those rated investment grade, the US and international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes and sectors. As a result, the market for fixed-income securities has experienced decreased liquidity, increased price volatility, credit downgrade events, increased probability of default and lower than expected recovery rates. Securities that are less liquid are more difficult to value and may be challenging to dispose of.

Recently, advanced economies, with the exception of the Eurozone, have experienced an improvement in their economic situation. While these developments may eventually unfold into a noticeable expansion, the risk of a relapse of all or part of these economies remains important. The global economy may suffer from a sharp turn in American monetary policy, which could spur a rise in interest rates all along the yield curve. Financing conditions could thus deteriorate across sectors and economies. In particular, the emerging and developing countries may suffer from capital outflows in the wake of such a US monetary normalization.

This difficult environment and the continuing market upheavals may have an adverse effect on the Group, in part because it has a large investment portfolio and also because it is dependent upon customer behaviour. The Group's premiums are likely to decline in such circumstances and its profit margins could erode. In the event of extreme prolonged market events, such as the global credit crisis, the Group could incur significant losses in its investment portfolio. Refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 6 – Insurance Business Investments on pages 233 to 241 of the 2014 DDR, which includes analyses of unrealised and realised investment losses. See also Section 2.2 - The Group faces risks related to its equity-based portfolio on page 29 of this Prospectus. Even in the absence of a market downturn, the Group is exposed to a substantial risk of loss due to market volatility. See Section 2.3 - The Group is exposed to other risks arising from the investments it owns on pages 30 to 31 of this Prospectus.

Factors such as government and consumer spending, business investment, the volatility and strength of both debt and equity markets, and inflation, all affect the business and economic environment and ultimately, the size and profitability of the Group's business. In an economic downturn characterised by higher

unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for the Group's and its clients' products could be adversely affected. In addition, the Group may experience an elevated incidence of claims or be impacted by a decrease in demand for reinsurance and increased surrenders of policies by cedents (see paragraph on Lapsation in Section 1.1.B – Life Reinsurance on page 12 of this Prospectus) that could affect the current and future profitability of its business. Although written premiums have seen steady growth in prior years, a prolonged economic crisis could result in lower written premiums in the future. These adverse changes in the economy could affect earnings negatively and could have a material adverse effect on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B - Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, B. Identification and assessment of risks on pages 389 to 390 of the 2014 DDR for information on risk mitigation actions.

Governmental initiatives intended to alleviate the financial crisis that have been adopted may not be effective and, in any event, are expected to be accompanied by other initiatives, including new capital requirements, fiscal or other regulations, that could materially affect the Group's results of operations, financial condition and liquidity in ways that it cannot predict

In a number of countries in which the Group operates, legislation has been passed in an attempt to stabilize the financial markets, including bank stabilization programs by the Government and Bank of England in the UK and similar programs under the Emergency Economic Stabilization Act of 2008 in the US, as well as the Financial and Banking Regulation Act of 2010 in France and the Basel III agreements reached by the Basel Committee on Banking Supervision. Additionally, the EU has established the European Stability Mechanism (ESM) to assist European governments with their budgetary deficits and to stabilize the sovereign debt markets in the Eurozone. Such legislation or similar proposals, as well as accompanying actions, such as monetary or fiscal actions, of comparable authorities in the US, UK, Eurozone and other countries, may fail to stabilize durably the financial markets. Although the European sovereign debt crisis has receded, public finances are far from equilibrium and public debt in some Eurozone countries is following an unsustainable path. Thus, tensions on some sovereign issuers are likely to reappear, in particular when long-term interest rates are on the rise again.

This legislation and other proposals or actions may then have other consequences, including material effects on interest rates and foreign exchange rates, and, in particular, the future viability of the European currency or the European Monetary Union, which could materially affect the Group's investments, results of operations and liquidity in ways that it cannot predict. The failure to effectively implement this legislation and related proposals or actions could also result in a material adverse effect, notably increased constraints on the liquidity available in the banking system and financial markets and increased pressure on stock prices, any of which could materially and adversely affect the Group's results of operations, financial condition and liquidity. In the event of future material deterioration in business conditions, it may need to raise additional capital or consider other transactions to manage its capital position or liquidity.

In addition, the Group is subject to extensive laws and regulations that are administered and enforced by a number of different governmental authorities and non-governmental self-regulatory agencies, including the French Prudential Supervision and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution*, or **ACPR**) which regulates among other categories of entities the insurance and reinsurance companies, and other regulators. Some of these authorities are considering or may in the future consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision and submit them to reinforced measures of control and higher capital requirements.

All of these risks, could materially affect its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

The Group is exposed to uncertainty of the effects of emerging claim and coverage issues

The Group takes into consideration the numerous changes to the environment in which the Group operates, examples being : professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions. These emerging or latent risks may adversely affect the Group's business due to either an interpretation of the contracts leading to an extension of coverage beyond its underwriting anticipation (e.g. through inapplicability or interpretation of treaty clauses) or by increasing the frequency and /or severity of claims. This would have an adverse effect on business, present and future revenues, net income, cash flows, financial position, and potentially, on the price of securities.

See Appendix B - Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, B. Identification and assessment of risks on pages 389 to 390 of the 2014 DDR for information on risk mitigation actions.

1. RISK RELATED TO THE BUSINESS ENVIRONMENT

1.1 *The Group is exposed to diverse risk factors in the non-life and life reinsurance businesses*

For further details on the terminology used to describe the Group activity, refer to Section 6 – Business overview on pages 57 to 79 of the 2014 DDR.

The principal risk the Group faces under insurance and reinsurance contracts is that the actual amounts of claims and benefit payments, or the timing thereof, differ from expectations. The frequency of claims, their severity, actual benefits paid, the development of long-tail claims as well as external factors all beyond the Group's control, especially inflation, legal and regulatory developments, and others, have an influence on the principal risk faced by the Group. Additionally, the Group is subject to the underwriting of cedents for certain reinsurance treaties, and to claims management by these companies and the data provided by them. In spite of these uncertainties, the Group seeks to ensure that sufficient reserves are available to cover its liabilities (refer to Section 6.1.3.5 – Reserves on pages 68 to 70 of the 2014 DDR).

In addition, the Group could also be exposed to so-called emerging risks, which are risks considered to be new or subject to constant evolution, and thus particularly uncertain in their impact. Examples of such risks are electromagnetic fields, nanotechnology, cyber-risks, climate change, solar storms and anti-microbial resistance.

Generally, the Group's ability to increase or maintain its portfolios of insurance and reinsurance risks in the Non-Life and Life divisions where it operates may depend on external factors such as economic risks and political risks.

A. Non-Life reinsurance

(a) Property

The Group's property business underwritten by its property and casualty division, which it refers to as SCOR Global P&C, Non-Life or its Non-Life division, is exposed to multiple insured losses arising from a single or multiple events, which can be catastrophic, being either caused by nature (e.g. hurricane, typhoon, windstorm, flood, hail, severe winter storm, earthquake, etc.) or by the intervention of a man-made cause (e.g. explosion, fire at a major industrial facility, act of terrorism, etc.). Any such catastrophic event can generate insured losses in one or several of the Group's lines of business.

The insured losses may be covered under various lines of business within the property business such as fire, engineering, aviation, space, transport and agriculture.

(b) Casualty

For the Group's casualty business, the frequency and severity of claims and the related indemnification payment amounts can be affected by several factors. The most significant factors are the changing legal and regulatory environment, including changes in civil liability law and jurisprudence. Additionally, due to the length of amicable, arbitral and court claims settlement procedures, the casualty business is exposed to inflation risks regarding the assessment of claim amounts.

(c) Cyclicity of the business

Non-Life insurance and reinsurance businesses are cyclical. Historically, reinsurers have experienced significant fluctuations in operating income due to volatile and unpredictable developments, many of which are beyond the control of the reinsurer including primarily, frequency or severity of catastrophic events, levels of capacity offered by the market, general economic conditions and the level of competition with regard to pricing.

The primary consequences of these factors are a reduction or an increase in the volume of Non-Life reinsurance premiums on the market, an increase in competition within the reinsurance market, and also a preference for those operators who are most attentive to the specific needs of cedents and the most capable of answering them. This could lead potentially to a loss of competitive advantage for the Group.

Beyond the general trends, the premium rate cycle affects certain geographic markets and/or certain lines of business in a differentiated fashion and independently of each other.

(d) SCOR Global P&C faces concentration risks related to its broker business

The Group produces its Non-Life business both through brokers and through direct relationships with insurance company clients. For the year ended 31 December 2014, approximately 58% of Non-Life gross premiums were produced through brokers (for the year ended 31 December 2013: 63%). In 2014, the Group had two brokers that accounted for approximately 36% of its Non-Life gross premiums (in 2013: 34%). Refer to Section 6 – Business overview, 6.1.3.2 Distribution by Production Source on page 66 of the 2014 DDR. The risk for the Group is mainly the significant concentration of premiums written through a limited number of brokers. A significant reduction in the business generated through these brokers could potentially reduce premium volume and net income.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Non-Life reinsurance risks on pages 277 to 278 of the 2014 DDR for further information on risk mitigation actions.

B. Life reinsurance

The main categories of risks for the life reinsurance underwritten by the Group's Life division, which is referred to as SCOR Global Life, Life or Life division, are biometric, behavioural and catastrophe risks as well as credit risk (see Section 1.14 - The Group is exposed to losses due to counterparty default risks or credit risks on pages 24 to 27 of this Prospectus), currency risks (see Section 2.4 The Group is exposed to foreign currency exchange rate fluctuations on pages 31 to 32 of this Prospectus) and market risks (see Section 2 Risk related to Financial Markets on pages 28 to 32 of this Prospectus and Section 2.3 The Group is exposed to other risks arising from the investments it owns on pages 30 to 31 of this Prospectus).

(a) Biometric risks

The assessment of biometric risks is at the center of underwriting in life reinsurance. These are risks which result from adverse developments in mortality, morbidity, longevity or from epidemic/pandemic shock claims. These risks are evaluated by the actuaries, research centers and medical underwriters of SCOR Global Life, who analyse and use information from SCOR Global Life's own portfolio experience, from the ceding companies as well as relevant information available in the public domain, such as mortality or

disability studies and tables available from various sources, e.g. actuarial associations or medical research bodies.

Mortality Risk

Mortality risk is the risk of negative deviation from expected results due to higher than anticipated death rates resulting primarily from either the inherent volatility, an initial mispricing, an adverse long-term trend, antiselection lapsation or a mortality shock event in the reinsured portfolio.

Morbidity Risk

Products such as critical illness, short-term and long-term disability and long-term care, which all contain morbidity risk, are subject to the risk of negative trends in health, as well as to the consequences of improved medical diagnoses capabilities which increase the number of claims due to conditions that otherwise would possibly have remained undetected. Medical progress may in the future enable better treatment, resulting in higher claims, since certain diseases would have otherwise led to a much shorter life expectancy of insureds. Products providing cover for medical expenses are in particular subject to the risk of higher than expected incidence and inflation of medical costs.

Longevity Risk

Longevity risk refers to the risk of a negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing. This risk could have an impact on longevity swaps, annuity and long-term care covers and on other longevity protection products.

Pandemic

In Life reinsurance, a severe pandemic is a major risk. In the past century, three major outbreaks of influenza occurred and claimed millions of lives. The occurrence of a similar event could cause large losses to the Group due to an increased mortality far beyond the usual volatility. Experts closely monitor current influenza virus strains and those of infectious diseases. A lethal virus strain not only of influenza but of any other communicable disease could lead to a heavy increase in mortality rates and increased medical costs which could significantly affect the Group's results.

(b) Behavioural risks

SCOR Global Life is also exposed to risks related to policyholder behaviour. This includes risks such as lapsation, antiselection at policy issue, resale or purchase of policies by third parties with no insurable interest, actual exercising of policy options by the policyholder different from expected, and fraudulent applications.

Lapsation

Lapses refer to either non-payment of premium by the policyholder or to policies which are terminated by the policyholder before the maturity date of the policy. Depending upon the product design, higher or lower policyholder lapses than assumed in the pricing may reduce SCOR Global Life's expected future income.

Anti-selection

Anti-selection refers to the problem of asymmetry of information between the insured and the insurer. An individual applying for life or health insurance cover usually has better knowledge about his or her own state of health than the insurer. The risk to the (re)insurer is of policyholders deliberately deciding among other things to:

- take out a policy in the knowledge that either their chances of claiming is high or higher than average;

- terminate a policy in the knowledge that their chances of claiming are low or lower than average, or;
- choose and exercise a policy option which increases the policyholder's expected benefit.

This might lead to a portfolio composition which differs from the one assumed during pricing and might imply lower than expected profits for both the direct insurer and reinsurer.

Purchase or resale without insurable interest

In general, for most individual life covers, the policyholder and the insured person are identical. The pricing of these policies is based on this assumption. However, policyholders may sell their policies (for more than the cash surrender value) and the eventual death benefit to third parties who continue to pay the premium. Under Stranger Owned Life Insurance (**STOLI**) or Investor Owned Life Insurance (**IOLI**) policies, primarily between 2003 and 2008 in the US, policies were purchased with the intention to sell them to a third party who has no insurable interest in the life of the insured. This practice can lead to deviations between actual and expected lapse rates and mortality experience which can be a risk to the insurer and reinsurer of the cover. Most states as well as virtually all life insurance financial underwriting practices currently prohibit STOLI/IOLI transactions at the time of sale.

(c) Catastrophe risks

As previously indicated, natural or man-made catastrophic events can cause very significant material damages affecting the Non-Life activities of the Group. In addition, such events could cause a large number of deaths and/or injuries which could impact the Life activities of the Group, particularly under contracts covering groups of employees working at the same location.

For further details, refer to Section 1.2 The Group is exposed to losses from catastrophic events on pages 15 to 16 of this Prospectus. See also Section 6.1.3.4 – Catastrophe (cat) risk and exposure controls on pages 67 to 68 of the 2014 DDR.

(d) Risks linked to the types of guarantees

Certain life insurance products include guarantees, most frequently with respect to premium rates, insurance benefits, and surrender or maturity values, or guarantees with regard to interest accrued on reserves or policyholder funds. Other guarantees may exist, for example, with regard to automatic adjustments of benefits or options applied in annuity policies.

Such guarantees may be explicitly or implicitly covered by the reinsurer under the reinsurance contract and if so expose the reinsurer to the risk of adverse developments which increase the value of the guarantee and thereby necessitate respective increases in benefit reserves.

(e) Risks linked to collateral requirements

The level of availability and cost of collateral, including letters of credit, asset trusts and other credit facilities, could adversely affect the Group's operations and financial condition.

Collateral arrangements in Life reinsurance transactions are stipulated in contractual agreements to address clients' counterparty risk mitigation requirements.

Regulatory reserve and related collateral requirements in various jurisdictions in which the Group operates may be significantly higher than the reserves required under IFRS. A regulation in the US (NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation), commonly referred to as Regulation XXX (or Triple X) and adopted by most US states as at 1 January 2000, requires a relatively higher level of regulatory, or statutory, reserves that US Life insurance and Life reinsurance companies must hold on their statutory financial statements for various types of Life insurance business, primarily certain level premium term life products. The reserve requirements under Regulation XXX increase over time and

are normally in excess of reserves required under IFRS in other jurisdictions. The increase and the ultimate level of XXX reserves will depend upon the mix of business and future production levels in the US.

The Group might, over time, retrocede certain XXX-related cash flows and reserves to such affiliated or unaffiliated reinsurers that are authorised in the ceding company's domicile or provide collateral of an amount equal to the reinsured reserves. Such collateral must be provided in the form of funds withheld, approved commercial bank letters of credit meeting the requirements of the ceding company's domiciliary state, the placement of assets in qualifying trusts for the ceding company's benefit, or by other means pre-approved by the ceding company's regulator.

Based on the assumed rate of growth in the Group's current US life business plan, and the increasing level of XXX reserves associated with this business, it expects the amount of required XXX reserves, retrocession and required collateral to grow significantly. With regard to retrocession to affiliates, the Group would be required to secure such collateral.

In connection with these reserve requirements, the Group faces the following risks:

- The availability of collateral and the related cost of such collateral in the future could affect the type and volume of business it reinsures and could increase costs.
- The Group may need to raise additional capital to support higher regulatory reserves, which could increase the overall cost of capital.
- If its affiliated or not affiliated retrocessionaires are unable to obtain or provide sufficient collateral to support their statutory ceded reserves or if regulatory changes lead to changes in the current retrocession and/or captive structures, the Group may be required to increase regulatory reserves. In turn, this reserve increase could adversely affect the Group's ability to satisfy required regulatory capital levels that apply, unless it is able to raise additional capital to contribute to its operating subsidiaries. Regulatory changes could materialize in the form of revised captive accreditation standards or reserve standards for new business which may adversely impact the volume and cost of reinsurance going forward.
- Because term life insurance is a particularly price-sensitive product, any increase in insurance premiums charged on these products by life insurance companies, in order to compensate them for the increased statutory reserve or collateral requirements or higher costs of reinsurance they face, may result in a significant loss of volume in their life insurance operations, which could, in turn, adversely affect life reinsurance operations.

The Group studies and closely monitors this risk, but cannot assure investors that it will be able to implement actions to mitigate the effect of increasing regulatory reserve and related collateral requirements.

(f) Recapture risk

Under certain long-term reinsurance treaties, ceding companies have the right to totally or partially recapture the book of business ceded under the reinsurance treaty after a pre-defined number of years after the inception of the treaty. The exercise of such recapture options may reduce SCOR Global Life's expected future income.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Life reinsurance on pages 278 to 279 of the 2014 DDR for information on risk mitigation actions.

C. Interdependence of the Non-Life and Life reinsurance businesses

The Group takes into account the effect of the diversification between its two divisions, Non-Life and Life, in its internal model, by setting parameters for the interdependence of the various lines of business.

Non-Life and Life reinsurance activities take place in two different market environments. They are subject to heterogeneous external constraints, which generally benefit from a high diversification effect. The overall balance between the two business areas within the Group therefore provides stability. However, in some cases, evolutions of the Non-Life and Life activities are linked to each other as well as to those of the financial markets. This exposes the Group to risks of accumulation between its lines of business and/or asset classes which are difficult to quantify.

Unforeseen events, such as natural catastrophes, can cause significant damage. These types of risk primarily affect Non-Life business areas. However, in cases where the Group faces a large number of casualties, the possibility of the losses also affecting its Life lines of business cannot be excluded. Similarly, unforeseen events such as terrorist attacks may materially impact the Non-Life business area, but also the Life business area, in the case of attacks resulting in many fatalities.

In the event of a very large natural catastrophe or terrorism attack, the losses generated in the Non-Life and Life divisions could potentially accumulate, with losses on financial assets related to the potential reaction of markets (i.e., movements in interest rates, exchange rates and equity market prices). In the same way, a major pandemic event may cause financial market turmoil and/or business interruptions.

The Group's ability to grow or maintain its portfolios in the Non-Life and Life reinsurance divisions may be subject to external factors whose evolutions may be linked, such as economic and political risks.

Economic risks are related to slowdowns in economic growth or recessions in the major markets. This may lead households and companies to take out less insurance, to suspend certain premium payments, or to terminate the insurance policies underlying the existing Non-Life and Life treaties earlier than anticipated.

Political risks, which are characterised by social and political instability in certain countries, are particularly significant in emerging markets. These risks could lead to significantly reduced business growth in the Group's markets.

There is no guarantee that the Group is protected from unexpected changes in Life or Non-Life claims frequency or severity or erroneous assumptions in the underwriting and pricing or from unexpected levels of correlations across its Non-Life, Life, and asset risks. These variations could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Interdependence of the Non-Life and Life Reinsurance businesses on page 279 of the 2014 DDR for further information on risk mitigation actions.

1.2 *The Group is exposed to losses from catastrophic events*

Like other reinsurance companies, the Group may be exposed to multiple insured losses to property and/or to individuals arising from a single occurrence, whether a natural catastrophe such as a hurricane, typhoon, windstorm, flood, hail, severe winter storm, earthquake, etc., or a man-made catastrophe such as an explosion, fire at a major industrial facility or an act of terrorism. Any such catastrophic event may generate insured losses in one or more of the Group's lines of business.

The frequency and severity of such catastrophic events, particularly natural hazards, are by their nature unpredictable. The inherent unpredictability of these events makes forecasts and risk evaluations uncertain for any given year. As a result, the Group's claims experience may vary significantly from one year to the next, which can have a significant impact on its profitability and financial position. In addition, depending on the frequency and nature of losses, the speed with which claims are made and the terms of the policies affected, it may be required to make large claim payments within a short period. The Group may be forced to fund those obligations by liquidating investments in distressed market conditions, or by raising funds under unfavourable conditions. In particular, its most significant exposure to natural catastrophes in Non-Life

relates to earthquakes, storms, typhoons, hurricanes, floods and other weather-related phenomena like hail or tornados.

Although the Group attempts to limit its exposure to acceptable levels, it is possible that multiple concurrent catastrophic events could have a material adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Section 6.1.3.4 – Catastrophe (Cat) risk and exposure controls on pages 67 to 68 of the 2014 DDR for information on risk mitigation actions.

1.3 *The Group could be subject to losses as a result of its exposure to terrorism*

In the context of its business, the Group may be exposed to claims arising from the consequences of terrorist acts. Terrorist acts can affect both individuals and property, their potential significance can be illustrated by the 11 September 2001 attack on the World Trade Center (WTC) in the USA.

The Group has actively supported the creation of insurance and reinsurance pools involving insurance and reinsurance companies as well as public authorities in order to spread the risks of terrorist activity among the members of these pools. Pools have been created in countries such as but not limited to: France (GAREAT), Germany (Extremus), the Netherlands (NHT), Austria (VVO) and Belgium (TRIP), which also benefit from varying levels of state support. The Group participates in some of these pools.. In the US, the Terrorism Risk Insurance Act, and subsequent successive legislation, requires that insurers provide coverage for terrorist acts. It establishes a federal program to help insurance companies cover claims related to terrorist acts.

Beyond the legal requirements in the USA and other countries, market practice frequently also requires that reinsurers or insurers provide terrorism coverage.

Therefore, the Group does reinsure and, in some cases, insure, terrorist risks, wherever possible limiting either the event or the annual aggregate amount of coverage for damage caused by terrorist acts.

Beyond the potential impact on its non-life portfolio, a terror event could also have an impact on the Group's life portfolio. Although in past events the life claims incurred have been comparatively small in relation to the non-life claims incurred, a terrorist act might claim a large number of insured lives.

As a result, future terrorist acts, whether in the US or elsewhere, could cause the Group significant claims payments, and could have a significant effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, B. Identification and assessment of risks on pages 389 to 390 of the 2014 DDR for information on risk mitigation actions.

1.4 *The Group could be subject to increased reserves from business that it does not actively underwrite*

A. The Group is exposed to environment pollution and asbestos related risks

Like most reinsurance companies, the Group is exposed to environmental pollution and asbestos related risks, particularly in the US. Insurers are required under their contracts to notify the relevant reinsurer of any claims or potential claims that they are aware of. However, the Group often receives notices from insurers of potential claims related to environmental and asbestos risks that are not precise enough, as the primary insurer may not have fully evaluated the loss at the time it notifies the Group of the claim. Due to the nature of these claims, the uncertainty surrounding the extent of coverage under insurance policies and whether or not particular claims are subject to any limit, the number of occurrences and new developments regarding the insured and insurer liabilities, the Group, like other reinsurers, can only give a very approximate estimate of its potential exposure to environmental and asbestos claims that may or may not have been reported.

Taking account of the above, it is difficult to estimate the reserves required for losses arising from asbestos and environmental pollution and to guarantee that the estimated amount will be sufficient.

The reserve amount for these risks in addition to the number and the amount of losses are indicated in Section 20.1.6 – Notes to the consolidated financial statements, Note 16 – Net Contract Liabilities on pages 255 to 258 of the 2014 DDR. Data related to the reserves arising from the risks related to asbestos and environmental pollution is also included in Section 1.5 - If the Group's reserves prove to be inadequate, its net income, cash flow and financial position may be adversely affected on pages 17 to 18 of this Prospectus.

As a result of this imprecision and uncertainty, the Group cannot exclude the possibility that it could be exposed to significant environmental and asbestos claims, or have to increase its reserving level, which could have an adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

B. The Group is exposed to Guaranteed Minimum Death Benefit (GMDB) products

SCOR Global Life has in its books legacy retrocession liabilities with regard to Guaranteed Minimum Death Benefit (**GMDB**) rider options attached to variable annuity policies written in the US. This GMDB business indirectly exposes SCOR Global Life to asset risk on the variable annuity policyholders' funds. These funds are not held by SCOR Global Life, the assets remain with the originating ceding companies.

Business of this type is not within the usual scope of the SCOR Global Life underwriting policy, and no GMDB new business is being underwritten. These treaties are all in run-off and, as at 31 December 2014, cover in total approximately 0.5 million policies.

There are some risks which are specific to the GMDB portfolio, such as developments on the financial markets, fluctuations in interest rates, and the implied volatility on equity options. The liability is also dependent on policyholder behaviour. As a retrocessionaire, SCOR Global Life is exposed to uncertainties concerning data received from its retrocedents and the original ceding companies and also due to the inherent reporting lag. SCOR Global Life is also exposed to risks inherent to the model used for the assessment of the liability under its portfolio.

There can be no assurance that the Group's GMDB portfolios will not deteriorate in the future, which could have an adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 16 – Net Contract liabilities – (A) Guaranteed Minimum Death Benefit (GMDB) on page 258 of the 2014 DDR for information on risk mitigation actions.

C. The Group is exposed to risks arising from its US Non-Life subsidiaries

The Group Non-Life's US operations include both on-going and run-off portfolios. The latter principally consists of risks arising from various classes of insurance and reinsurance business written in the US from the middle of the 1990's to 2002 by SCOR Reinsurance Company (**SCOR Re U.S.**) and General Security National Insurance Company (**GSNIC**), each a Group owned insurance company domiciled in the State of New York, and by Commercial Risk Partners Ltd. (**CRP**), a Bermudacompany absorbed by GSNIC in 2009. There can be no assurance that the Issuer's US Non-Life subsidiaries will not face financial difficulties in the future. Today, discontinued business portfolios do not represent a material liability that is any greater than those associated with other activities of the Group.

1.5 If the Group's reserves prove to be inadequate, its net income, cash flow and financial position may be adversely affected

The Group is required to maintain reserves to cover its estimated ultimate liability for losses and loss adjustment expenses with respect to reported and unreported claims, incurred as at the end of each

accounting period, net of estimated related recoveries. Its reserves are established both on the basis of information it receives from its cedent insurance companies, particularly their own reserving levels, as well as on the basis of its knowledge of the risks, the studies it conducts and the trends it observes on a regular basis. As part of the reserving process the Group reviews, with the concerned insurers and co-insurers, available historical data and it tries to anticipate the impact of various factors such as change in laws and regulations and judicial decisions that may affect potential losses from claims, changes in social and political attitudes that may increase exposure to losses and trends in mortality and morbidity, or evolution in general economic conditions.

As stated before, the Group's reserves and policy pricing are based on a number of assumptions and on information provided by third parties, which, if incorrect and/or incomplete, could have an adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price. Despite the audits it carries out on the companies with which it does business and its frequent contacts with these companies, the Group is still dependent upon such companies' risk evaluations in establishing its reserves.

As is the case for all other reinsurers, the inherent uncertainties in estimating reserves are compounded by the significant periods of time that often elapse between the occurrence of an insured loss, the reporting of the loss to the primary insurer and ultimately to the Group. In addition, reserving practices may differ among ceding companies.

Another factor of uncertainty resides in the fact that some of the Group's activities are long-tail in nature, in particular long-term care, whole life products, term assurance, longevity, workers compensation, general liability, medical malpractice or those linked to environmental pollution or asbestos exposure. For some of these activities, it has, in the past, been necessary for the Group to revise estimated potential loss exposure and, therefore, to reinforce the related loss reserves.

Other factors of uncertainty, some of which have been mentioned above, are linked to changes in the law, regulations, case law and legal doctrines, as well as developments in class action litigation, particularly in the US.

As a consequence of the difficulties described above regarding the reserving of risks and their annual revision in Life and Non-Life, there can be no assurance that the Group will not have to increase its reserves in the future, or that the reserves it constituted will be sufficient to meet all its future liabilities, which could materially negatively impact its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

For further details on the Group's reserves refer to Section 6.1.3.5 – Reserves on pages 68 to 70 of the 2014 DDR.

1.6 *The Group may be adversely affected if its cedents, retrocessionaires, insurers or members of pools in which it participates do not respect their obligations*

The Group is subject to a risk of possible non-payment of premiums due by its cedents and/or to the possible non-respect by one or several of its commercial partners, of their commitments to the Group.

The Group transfers a part of its exposure to certain risks to other reinsurers through retrocession arrangements. Under these arrangements, other reinsurers assume a portion of its losses and expenses associated with losses in exchange for a portion of premiums received. When the Group obtains retrocession, it remains liable to its cedents for that part of the risk that is subsequently transferred to the retrocessionaire and it must meet its obligation even if the retrocessionaire does not meet its obligations to the Group.

Similarly, when the Group transfers its own operational risks to insurers, it is subject to the risk of the insurers not respecting their obligations. See Section 5 - Insurance of specific operational risks (excluding reinsurance activity) on page 39 of this Prospectus.

Thus, the non-respect of financial obligations, in particular the payment of premiums, return of funds withheld and payment of claims, of the Group's cedents, retrocessionaires, insurers, or members of pools in which it participates could negatively affect its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price. The specific risk linked to the default of the retrocessionaires is provided in Section 1.14 - The Group is exposed to losses due to counterparty default risks or credit risks – B. Receivables from retrocessionaires on page 25 of this Prospectus.

1.7 *The Group operates in a highly competitive sector and would be adversely affected by losing competitive advantage or if adverse events affect the reinsurance industry*

Reinsurance is a highly competitive sector. As is the case for all other reinsurers, the Group's position in the reinsurance market is based on several factors, such as its financial strength as perceived by the rating agencies, its underwriting expertise, reputation and experience in the lines written, the countries in which it operates, the premiums charged, as well as the quality of the proposed reinsurance structures, the services offered among others in terms of claims payment. The Group competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance companies, some of which have a larger market share than the Group, greater financial resources, state backing, and, in certain cases, higher ratings from the rating agencies.

Therefore, the Group remains exposed to the risk of losing its competitive advantage. In particular, when available reinsurance capacity, via traditional reinsurers or capital markets, is greater than the demand from ceding companies, its competitors, in particular those benefiting from higher ratings than those of the Group, may be better positioned to enter new contracts and gain market shares at the Group's expense.

Furthermore, the Group's reputation is sensitive to reinsurance sector information and can be affected by adverse events concerning competitors. For example competitors' bad results could have a significant impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

1.8 *Consolidation in the insurance and reinsurance industries could adversely impact the Group*

Insurance industry participants may seek to consolidate through mergers and acquisitions. These consolidated entities may use their enhanced market power and broader capital base to negotiate price reductions for the Group's products and services, and reduce their use of reinsurance, and as such, the Group may experience price declines and possibly write less business.

Reinsurance industry consolidation could happen as well, with the Group's competitors undertaking mergers or acquisitions. Such external growth activity of the Group's competitors could potentially enhance these players' competitive position, e.g. in terms of being able to offer greater capacity or broader product offerings, which could permit them to gain market shares at the Group's expense.

The occurrence of any of the foregoing could have a material and adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

1.9 *Financial ratings play an important role in the Group's business*

Financial ratings are very important to all reinsurance companies, including those of the Group, as ceding companies wish to reinsure their risks with companies having a satisfactory financial position. The Group's Life reinsurance activities and the Business Solutions (large corporate accounts underwritten essentially on a facultative basis and occasionally as direct insurance) business area in Non-Life reinsurance are particularly sensitive to the way its existing and prospective clients perceive its financial strength notably through its ratings. This is also true for the reinsurance treaties business in Non-Life in the US and UK markets. Some of the reinsurance treaties, including the treaties that were entered into with AEGON companies in the course of the acquisition of the mortality reinsurance business of Transamerica Re (see Section 5.1.5 – Important events in the development of the Issuer's business on pages 50 to 54 of the 2014 DDR for details on this

acquisition), contain termination rights for the cedents triggered by a rating downgrade of the Group. Refer to Section 1.10 - A significant portion of the Group's contracts contains provisions relating to financial strength which could have an adverse effect on its portfolio of contracts and its financial position on pages 20 to 21 of this Prospectus.

In addition, if the Group's rating deteriorates, certain stand-by letter of credit facilities would require a higher level of collateralization, which would increase their cost. The timing of any review of the Group's financial ratings by the rating agencies is also very important to its business since the Non-Life contracts and treaties are renewed at various set times throughout the year.

Regarding the subordinated notes issued by SCOR, an equity credit has been assigned to certain notes in line with S&P current methodology. A change in this methodology could lead to (i) a disqualification for equity credit of the notes and (ii) force SCOR to exercise the option that is offered in such case to redeem the notes. More information about subordinated debt is included in Section 20.1.6 - Notes to the consolidated financial statements, Note 14 - Financial Debt on pages 251 to 254 of the 2014 DDR.

Some of the Group's cedents' credit models or reinsurance guidelines depend on their reinsurers' financial rating or face regulatory capital requirements. If the Group's rating deteriorates, cedents could be forced to increase their capital charge in respect of their counterparty risk on the Group. This could lead to a loss of competitive advantage for the Group.

The result of all the above-mentioned items is that a rating downgrade could have a material adverse effect on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

1.10 *A significant portion of the Group's contracts contains provisions relating to financial strength which could have an adverse effect on its portfolio of contracts and its financial position*

Many of the Group's reinsurance treaties, notably in the US and in Asia, and also increasingly in Europe, contain clauses concerning the financial strength of the Issuer and/or its operating subsidiaries having the contracts and benefiting from the Group rating, and provide for the possibility of early termination for its cedents if the rating of such subsidiaries is downgraded, or when its net financial position falls below a certain threshold, or if it carries out a reduction in share capital. Accordingly, such events could allow some of the Group's cedents to terminate their contract commitments, which could have a material adverse effect on its revenues, net income, cash flow, financial position, and potentially, on its share price.

In the same way, many of the Group's reinsurance treaties contain a requirement for it to put in place letters of credit (LOC) provisions, if the financial strength rating of the Issuer and/or its subsidiaries holding the contracts and benefiting from the Group rating deteriorates, the cedent has the right to draw down on a LOC issued by a bank in the Group's name.

Banks providing such facilities usually ask the Group to post collateral. Its value retained by the bank, which can be different from the market value since it includes haircuts, is at maximum equal to the amount of the LOC facility. In the case of a LOC being drawn by a cedent, the bank has the right to request a cash payment from this collateral, up to the amount drawn by the cedent. It enforces this right by drawing on the collateral the Group posted to such bank.

In the case of a large number of LOCs being drawn simultaneously, the Group could encounter difficulties in providing the total amount of required cash or fungible assets, i.e. exposing it to a liquidity risk.

Moreover, some of the Group's facilities contain conditions about its financial situation which, if not met, constitute a default and might result in the suspension of the use of current credit facilities and/or a prohibition on obtaining new lines of credit or result in the need to negotiate new LOC facilities under adverse conditions, which could have an adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

For more details about the Group's lines of credit, refer to Section 10 - Capital resources on pages 107 to 108 of the 2014 DDR.

1.11 *Operational risks, including human errors or cyber risks, are inherent to the Group's business*

Operational risks are inherent to all businesses including the Group's. Their causes are multiple and include, but are not limited to, poor management, employee fraud or errors, external fraud, failure to document a transaction as required, failure to obtain required internal authorisations, non-compliance with regulatory or contractual obligations, cyber-attacks, malfunctioning information technology (IT) system or flaws, poor commercial performance or external events.

Cyber-attacks against companies have increased considerably in the recent years due to an increasing dependency upon IT systems, and the interconnectivity between the systems within the companies and their customers and suppliers. In the past, the reinsurance industry was rarely impacted by the attacks, but it now represents a potential target and reinsurance IT systems are subject to targeted and non-targeted attacks.

Cyber-attacks are very diverse in their sophistication and execution. They include: identity theft, fraud, extortion, malware, pharming, smurfing, phishing, spamming, spoofing, spyware, Trojans horses and viruses, stolen hardware such as laptops or mobile devices, denial-of-service attacks, breach of access, password sniffing, system infiltration, website defacement, exploitation of private and public web browsers, abuse of instant messaging, intellectual property (IP) theft or unauthorised access.

The main targeted elements are system functions, data and cash management. The interruption of IT systems could damage commercial activities including underwriting, pricing, reserving, premium and claims payment, commercial support, and financial asset management. Depending on the type of attack, the data could be stolen, deleted or corrupted, or made public in contradiction with the Group's regulatory or contractual obligations. Any of these could generate a reputational risk, give rise to a breach of the Group's legal responsibility, and may result in regulatory sanctions depending on the level of sensitivity of the data or system that is successfully attacked.

The impact for the Group depends on the type of attack, the time interval to detect it and its size compared to the Group and the market. In case of a successful cyber-attack, this could have a material and adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

The failure to attract or retain the necessary personnel could have a material adverse effect on the Group's results and/or financial condition. As a global financial services organization with a multi-centric management structure, the Group relies, to a considerable extent, on the quality of local management in the regions and countries in which it operates. The success of its operations is dependent, among other things, on its ability to attract and retain highly qualified professional people on a global scale. Competition for such key people in most countries in which it operates is intense. The Group's ability to attract and retain key people, and in particular directors, experienced managers and investment managers, fund managers, underwriters and actuaries, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. If the Group is unable to attract or retain key personnel, this could have a material and adverse effect on its financial condition, results of operations and business.

The Group's modelling, underwriting, price calculation and information technology and application systems are critical to the operation of its businesses. Moreover, its proprietary technology and applications are an important part of the Group's underwriting and claims management processes and are a contributing factor to its competitiveness. It is, therefore, exposed to malfunctioning, or errors and omissions in feeding the systems, a major breakdown in its IT systems, outages, disruptions due to viruses, attacks by hackers and theft of data. The Group is also exposed to risks relating to the integration of the underlying data of newly acquired companies into its operating and financial accounting IT systems.

A major defect or failure in the Group's internal controls or IT and application systems could result in a loss of efficiency of its teams, harm to its reputation, increase in the risk of external fraud, or increased expense or financial loss.

The Group also uses certain licensed systems and data from third parties. It cannot be certain that its technology or applications owned or licensed will continue to operate as intended, or that they will continue to be compatible with each other, or that it will have access in the future to these or comparable licensors or service providers.

Some of the Group's processes are partly or completely outsourced. Outsourcing can increase operational risk which could cause a significant impact on its results and/or reputation.

The Group must comply with laws and regulations. Furthermore, as an international group, it must take into account national and international laws and regulations. The level of legal or regulatory requirements depends on the country and the legal structure of the entity etc..

For direct business, the Group is subject to the laws, regulations and tax rules governing direct insurance which can create specific compliance risks (i.e. different from those relating to reinsurance business). The risk is that it might not respect the level of required compliance appropriate to each location and legal structure. Any violation of such laws and regulations could expose the Group to legal risks or class actions. Its reputation could be affected.

In its activities, Life and P&C, the Group receives confidential data from the cedents (e.g. industrial or commercial data), in particular through its subsidiaries (Telemed, etc.). Necessary to its activities, as to its cedents' and partners, this data may be protected either legally or contractually. The Group is exposed to the risk that this data is copied by a non-authorized or rogue third party. This could have an impact on the Group's reputation.

The Group is also exposed to risks related to communication from its directors and staff on media and social networks (e.g. identity theft, sensitivity of information communicated on social networks, etc.).

An operational risk failure, in particular the failure of internal control procedures, could have an adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for further information on risk mitigation actions.

1.12 *The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risk, which could negatively affect its business*

Risk management requires, among other things, policies and procedures to be rolled out across the Group in order to monitor and manage the risks related to the Group's main operations and transactions. However, the Group's risk management policies and procedures may not be sufficient. Many of its methods for managing risk and exposures are based upon the use of observed historical market behaviour, of statistics based on historical models, or the use of expert judgment. As a result, these methods may not fully predict future exposures, which can be significantly greater than the historical measures indicate, particularly in unusual markets and environments. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to the Group. This information may not always be accurate, complete, up-to-date or properly evaluated. Furthermore, the Group cannot exclude the possibility of exceeding the Group's risk tolerance limits due to an incorrect estimation of its risks and exposures. If its policies and procedures prove to be insufficient, this could have an adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for further information on risk mitigation actions.

1.13 *The Group is exposed to risks related to its acquisitions*

In recent years, the Group has completed a number of acquisitions around the world. The Group may make further acquisitions in the future. Growth by acquisition involves risks that could adversely affect its operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. Acquisitions could also result in additional indebtedness, costs, contingent liabilities, and impairment and amortization expenses related to goodwill and other intangible assets, all of which could materially adversely affect the Group's businesses, financial condition and results of operations. Future acquisitions may have a dilutive effect on the ownership and voting percentages of existing shareholders. The Group may also finance future acquisitions with debt issuances or by entering into credit facilities, each of which could adversely affect its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

In addition, acquisitions may expose the Group to operational challenges and various risks, including:

- the ability to integrate the acquired business operations and data with its systems;
- the ability to integrate, retain or recruit required personnel for the proper functioning of the acquired business;
- the availability of funding sufficient to meet increased future capital needs;
- the obligation to comply with new regulatory requirements;
- the ability to fund cash flow shortages that may occur if anticipated cash flows are not realised or are delayed, whether by general economic or market conditions or unforeseen internal difficulties; and
- the possibility that the value of investments acquired in an acquisition, may be lower than expected or may diminish due to credit defaults or changes in interest rates and that liabilities assumed may be greater than expected (due to, among other factors, less favourable than expected mortality, morbidity or lapse experience, or increase reserving of long tail lines of business).

A failure to successfully manage the operational challenges and risks associated with or resulting from acquisitions could adversely affect its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

The businesses the Group has recently acquired are described in Section 5.1.5 Important events in the development of the Issuer's business on pages 50 to 54 of the 2014 DDR.

Specific risks relating to the acquired businesses are as follows:

A. The integration of the acquired activities may prove to be difficult

The success of the Group's business combinations will be assessed with regards to the success of the integration into the Group. However, integrations may take longer or may be more difficult than expected. The success of integrations will depend, notably, on the ability to maintain the former client base, to coordinate development efforts effectively, at the operational and commercial levels among others, to streamline and/or integrate the information systems and internal procedures, and on the ability to retain key employees. Difficulties encountered in integrations could entail higher integration costs and/or less significant savings or fewer synergies than expected.

The Group is also exposed to risks relating to the integration of the underlying data of newly acquired companies into its operating and financial accounting systems.

B. An insolvency of AEGON might impair the value of business acquired (VOBA) of SCOR Global Life

Since August 2011, the majority of the mortality reinsurance business in the United States of the former Transamerica Reinsurance Co. (**Transamerica Re**) flows into the Group via retrocession from AEGON companies. As long as not all underlying reinsurance agreements between cedents and AEGON companies have been novated, an AEGON insolvency might lead to premiums from clients no longer being passed on to the Group, and thus potentially impair the value of business acquired (**VOBA**) and have a material adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

C. Certain risks relating to acquired companies may not yet be known

Due notably to the size and complexities of acquisitions and despite pre-acquisition due diligence work carried out (the Group not having always been granted complete access to exhaustive data at the time of the acquisition) and the integration work performed to date, there is a risk that not all financial elements may have been fully and/or correctly evaluated or unknown or unexpected financial risks emerge, which may have significant consequences on the initially estimated impact of the relevant acquisition on the combined Group.

D. The Group could be exposed to certain litigation matters related to acquired companies

The Group could have to assume the burden of the litigation matters of acquired companies related to years preceding the acquisition or relating to those acquisitions. The costs of these litigation matters could have an adverse effect on its future operating income and an unfavourable outcome to one or more of these litigation matters could have a material adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price. For further details, refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 27 – Litigation on pages 287 to 288 of the 2014 DDR and Section 4.9 - The Group is exposed to certain litigation matters on page 38 of this Prospectus.

The Group remains committed to exploring acquisition opportunities which may present themselves and which would be likely to deliver value for shareholders, and will rely on the consistent application of its strategic plans.

1.14 *The Group is exposed to losses due to counterparty default risks or credit risks*

The Group is mainly exposed to the following credit risks:

A. Bond and loan portfolios

Credit risks on fixed and variable income securities cover two areas at risk.

Firstly, a deterioration in the financial situation of an issuer (sovereign, public or private) may result in an increase in the relative cost of refinancing and a reduction in the liquidity of the securities issued leading to a reduction in the value of such securities. Secondly, the borrower's financial situation can cause it to become insolvent and lead to the partial or total loss of coupons and of the principal invested.

This risk applies also to loan transactions performed by the Group. The borrowers' solvency deterioration may lead to a diminution of the value of the loans, and possibly a partial or total loss of the coupons and the nominal invested by the Group.

The risk of losing all or part of the value of bonds or loans the Group owns could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

B. Receivables from retrocessionaires

The Group transfers part of its risks to retrocessionaires via retrocession programs. The retrocessionaires then assume, in exchange for the payment of premiums by the Group, the losses related to claims covered by the retrocession contracts. In the event of default of a retrocessionaire, the Group would lose the coverage provided by its retrocessionaire whereas it would retain its liability to the cedent for the payment of all claims covered under the reinsurance contract.

Moreover, the Group is exposed to a credit risk in the event of a payment default by the retrocessionaires of the balance of the profit and loss retrocession account due in respect of its cession.

The risk of non-performance of retrocessionaire undertakings is set out in Section 1.6 - The Group may be adversely affected if its cedents, retrocessionaires, insurers or members of pools in which it participates do not respect their obligations on pages 18 to 19 of this Prospectus.

The retrocessionaires' part in the reserves split by retrocessionaires' financial rating is included in Section 20.1.6 – Notes to the consolidated financial statements, Note 16 – Net Contract Liabilities on pages 255 to 258 of the 2014 DDR.

In spite of the measures to control, diversify and reduce the risk of defaults of its retrocessionaires, the occurrence of one or more of such defaults could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

C. Receivables and deposits with cedents

There are three aspects of credit risk related to contracts with cedents.

Firstly, the Group may be exposed to credit risk in relation to amounts deposited with ceding companies in respect of reserves which cover its current and future liabilities. Depositing these amounts does not a priori discharge the Group of its liability towards cedents in case it is not able to recover these amounts in the event of default of cedents.

Secondly, the Group is exposed to a credit risk in the event of a payment default by the cedents of the balance of the profit and loss reinsurance account due under its acceptance of a portion of their risks.

Thirdly, the Group is exposed to a credit risk in the event of a payment default by the cedents of the premiums due under its acceptance of a portion of their risks. In cases where such an event does not lead to termination of the reinsurance contract, any offset between contractual obligations between the two parties is dependent on court decisions, and it is possible that the Group will remain liable for paying claims without being able to offset the unpaid premiums.

Thus, the inability of its cedents to fulfill their financial obligations could affect the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

D. Receivables from non-(re)insurance debtors

The Group is exposed to a credit risk in the event of a payment default by a debtor not linked to the Group by a reinsurance or retrocession treaty. This can be, for instance, advances to providers, social security contribution collection agencies or states, or loans to employees, etc.

The risk of losing all or part of receivables the Group owns could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

E. Cash deposits at banks

The Group is exposed to the risk of losing all or part of any cash deposited with a retail bank in the event such a bank is no longer able, due to insolvency, to honour its commitments (e.g., following liquidation).

The current main risk for the Group is the significant concentration of deposits in a small number of banks. This risk is a direct result of the selection of the most stable banks.

The inability of one or several banks to return its deposits to the Group could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

F. Deposits with custodians

As part of the management of its investment portfolio, the Group deposits the securities it owns with a number of approved custodians. In the case of default of a custodian, depending on the local regulation applicable to the custodian, all or part of these securities could become blocked.

The risk of losing all or part of securities the Group owns could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

G. Credit & Surety

The Group is exposed to credit risk through its Credit & Surety portfolio. By reinsuring the liabilities of its clients, which are insurers providing surety bonds and/or credit insurance policies, the Group must indemnify its ceding companies, for the portion that it reinsures, in the event of the default of companies on which its ceding companies are exposed.

This business is situated in many countries, and across a diverse range of risks, cedents and activity sectors.

Multiple defaults of companies (or in the event of the default of a major company) on which the ceding companies are exposed could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

H. Future profits of Life reinsurance treaties

Credit risk on future profits from Life reinsurance policies arises from two risk factors.

Firstly, the payment of future profits expected under Life reinsurance contracts requires that the cedent is solvent: for this reason, the Group risks a reduction in the value of its portfolio of Life contracts in the event of a deterioration in the financial strength of the cedent. In such a case, it is possible that the **VOBA** and deferred acquisition costs (**DAC**) may need to be written down and its shareholders' equity would be reduced accordingly.

In particular this affects the US book of business acquired in the course of the Transamerica Re acquisition. The majority of these reinsurance contracts flow to the Group via retrocession from AEGON companies. An AEGON insolvency might lead to premiums from clients no longer being passed on to the Group, and thus potentially impair the VOBA.

Secondly, a reduction in the value of future profits could arise from a material unexpected lapsation of policies following a deterioration of the cedent's financial rating or standing or an event which has a negative effect on the cedent's reputation.

The Group therefore has exposure to credit risk linked to the financial situation and the reputation of its cedents, which could have an adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

For further details on the impact of the assessment of intangible assets upon the Group's results, see Section 2.5 - The valuation of the Group's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities on page 32 of this Prospectus and Section 20.1.6 – Notes to the consolidated financial statements, Note 4 – Intangible Assets on pages 230 to 232 of the 2014 DDR.

I. Default of pool members

The Group participates, for certain risk categories that are material (particularly terrorist risks), in various groups of insurers and reinsurers (pools) aimed at pooling the relevant risks among the members of each group. In the event of a total or partial default by one of the members of a group, it could be required to assume, in the event of joint liability of the members, all or part of the liabilities of the defaulting member. In such a case, this could adversely impact its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

For further details, refer to Section 1.3 - The Group could be subject to losses as a result of its exposure to terrorism on page 16 of this Prospectus.

J. Risk of accumulation of the above risks

The aforementioned risks could accumulate in either a single counterparty, in the same sector of activity or the same country.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Credit risk on pages 279 to 282 of the 2014 DDR for information on risk mitigation actions.

1.15 *The Group is exposed to the risk of no longer being able to retrocede liabilities on economically viable terms and conditions*

Some capacities the Group offers are not achievable solely with its current available capital. These capacities (mainly catastrophic and large industrial risks) rely on retrocession whereby it purchases, mainly on a one-year basis, additional resources that allow the Group to provide capacity to its clients. The Group tries to reduce its dependence vis-à-vis the traditional reinsurance market by entering into alternative risk transfer solutions (e.g. the multi-year securitization of catastrophic and pandemic risk in the form of Insurance-Linked Securities (**ILS**), mortality swaps and the issuance of contingent capital facilities). For more information on the Group's securitization of catastrophic risk and issuance of contingent capital facilities, see Section 6.1.4 Capital shield policy on pages 70 to 72 of the 2014 DDR. Nevertheless, the Group is exposed to the risk that it may not be able to retrocede liabilities on economically viable terms and conditions.

1.16 *The Group is exposed to a higher rate of general inflation*

The Group's liabilities are exposed to an increase in the rate of general inflation (prices and salaries) which would require an increase in the value of Non-Life reserves, in particular in respect of long-tail business, e.g., general liability (medical among others) and motor bodily injury claims. In addition, the Group is exposed to claims inflation over and above general inflation and in particular to the inflation of court awards in respect of general liability and bodily injury claims.

The Group's assets are exposed to increased inflation or inflationary expectations, which would be accompanied by a rise in the yield curve with a consequent reduction in the market value of the fixed income

portfolios. A further impact of increased inflation could be on the solvency of bond issuers; a widening of credit spreads would lead to a loss of value for the issuers' bonds. Finally, depending on the macroeconomic environment, an increase in inflation could also reduce the value of its equities portfolio. Any negative fluctuations in equity values would lead to a similar decrease in the shareholders' equity.

In conclusion, high inflation could have a material adverse effect on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Market risk on pages 284 to 287 of the 2014 DDR for information on risk mitigation actions.

1.17 *The Group is exposed to a protracted period of deflation*

The Group's liabilities could be exposed to a protracted period of deflation which could exert a negative pressure on reinsurance prices and decrease the value of new premiums.

A protracted period of deflation would induce a decrease of interest rates all along the yield curve and may therefore negatively impact the returns on the Group's fixed income assets. In addition, the value of the Group's equity portfolio might be reduced as deflation could reduce the future cash flows of the companies whose stocks are part of the Group's portfolio.

In conclusion, a protracted episode of deflation could have a material adverse effect on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Market risk on pages 284 to 287 of the 2014 DDR for information on risk mitigation actions.

2. RISK RELATED TO FINANCIAL MARKETS

2.1 *The Group faces risks related to its fixed income investment portfolio*

A. Interest rate risks

Interest rate fluctuations have direct consequences on the market value of the Group's fixed income investments and therefore on the level of unrealised capital gains or losses of the fixed-income securities held in its portfolio. The return on the securities held also depends on changes in interest rates. Interest rates are very sensitive to a number of external factors, including monetary and budgetary policies, the national and international economic and political environment, and the risk aversion of economic agents.

During periods of declining interest rates, income from investments is likely to fall due to investment of net cash flows at rates lower than those of the existing portfolio (dilutive effect of new investments). During such periods, there is therefore a risk that the Group's return on equity objectives are not met. In addition, in these periods of declining interest rates, fixed income securities are more likely to be redeemed early in cases where bond issuers benefit from an early redemption option and can borrow at lower interest rates. Consequently the probability of needing to reinvest the proceeds at lower interest rates is increased.

On the other hand, an increase in interest rates and/or fluctuations in the capital markets could lead to a fall in the market value of fixed income securities that the Group holds. In the case of a need for cash, the Group may be obliged to sell fixed income securities, possibly resulting in capital losses to the Group.

The Group analyses the impact of a major change in interest rates on each of its investment portfolios and at the global level. Here, it identifies the unrealised capital loss that would result from a rise in interest rates. The instantaneous unrealised capital loss is measured for a uniform increase of 100 basis points in rates or in the event of a distortion of the structure of the yield curve. Portfolio sensitivity analysis to interest rate changes is an important risk measurement and management tool which may lead to decisions for reallocation or hedging.

However, there can be no assurance that its risk management measures and sensitivity analysis will be sufficient to protect the Group against all the risks related to variations in interest rates.

For information on the maturities of financial assets and liabilities, related interest rates and sensitivities to interest rate fluctuations as well as the allocation of the fixed income securities portfolio by rating of the Issuer, see Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk on pages 276 to 287 of the 2014 DDR.

B. Credit spread risk

Credit spread variations have a direct impact on the market value of the fixed-income securities, and as a consequence, on the unrealised capital gains or losses of the fixed-income securities held in portfolio.

Credit spreads vary notably due to changes in the counterparty risk of an issuer and in the liquidity of the securities. Some securities' valuations, like corporate bonds or structured products, rely on assumptions and estimations which can fluctuate from one period to another due to market conditions.

See Section 1.14 - The Group is exposed to losses due to counterparty default risks or credit risks – A. Bond and loans portfolios on pages 24 to 25 of this Prospectus.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Market risk on pages 284 to 287 of the 2014 DDR for further information on risk mitigation actions.

2.2 *The Group faces risks related to its equity-based portfolio*

The Group is also exposed to equity price risk. A widespread and sustained decline in the equity markets could result in an impairment of its equity portfolio. Such an impairment could affect its net income.

The Group's exposure to the equity market results from direct purchases or investments in convex equity strategies such as convertible bonds or mean variance strategies, and through certain (re)insurance products including GMDB business. See Section 1.4 - The Group could be subject to increased reserves from business that it does not actively underwrite on pages 16 to 17 of this Prospectus.

Equity prices are likely to be affected by risks which affect the market as a whole (uncertainty on economic conditions in general, such as anticipated changes in growth, inflation, fluctuations of interest rates, sovereign risk, etc.) and/or by risks which influence a single asset or a small number of assets (specific or idiosyncratic risk).

The impact of a uniform drop of 10% in equity markets is included in Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk on pages 276 to 287 of the 2014 DDR.

The Group is, therefore, exposed to a risk of capital losses on its equity exposures - if it were to occur - which could adversely impact its business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Market risk on pages 284 to 287 of the 2014 DDR for information on risk mitigation actions.

2.3 *The Group is exposed to other risks arising from the investments it owns*

A. Valuation risk

Some financial instruments do not have a sufficient and recurrent number of transactions to allow valuation with reference to a market price and therefore need to be valued using appropriate models. There is a risk that the price provided by the model is noticeably different from the price which would be observed in the event of rapid disposal of the financial instrument, which could have an adverse effect on the Group's financial position. This risk is higher for non-listed assets, structured products (e.g. asset backed securities, collateralised debt obligations (CDO), collateralised loan obligations (CLO), collateralised mortgage obligations (CMO), commercial mortgage backed securities (CMBS), residential mortgage backed securities, structured notes, etc.) for the loans and for the alternative investment portfolio (e.g. hedge funds, infrastructure, commodities, private equity, etc.).

For further details on valuation, refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 6 – Insurance Business Investments on pages 233 to 241 of the 2014 DDR. See also Section 2.5 - The valuation of the Group's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities on page 32 of this Prospectus.

B. Market disruption

The financial markets context remains uncertain and exposes the Group to significant financial risks linked to changes in macroeconomic variables, inflation, interest rates and sovereign debts, credit spreads, equity markets, commodities, exchange rates and real estate securities but also to changes in the models used by the rating agencies. Due to the current economic and financial environment, the Group may also be faced with the deterioration of the financial strength or rating of some issuers.

C. Real estate risks

The rental income of the property portfolio is exposed to the variation of the indices on which the rents are indexed (for instance in France, the Construction Cost Index) as well as risks related to the rental market (changes in supply and demand, changes in vacancy rates, impact on market rental values or rent renewals) and the default of lessees.

The value of property assets, owned directly or through funds, is exposed to changes both in rental revenues and in the investment market itself (changes in interest rates, liquidity) but potentially also to the risk of regulatory obsolescence of properties (regulatory developments related to the accessibility of buildings for people with disabilities, on the reduction of energy consumption and the production of carbon dioxide, etc.) which would lead to losses of value in the event of a sale of the assets or to additional expenditure to restore the value of the property.

D. Liquidity risks

- "Side pockets" or "gates"

The Group holds shares of private equity or hedge funds or funds of funds in its alternative assets portfolio. Some of these funds have the possibility to temporarily restrict the liquidity of these shares pursuant to restrictions that are commonly referred to as "side pockets" or "gates." The Group does not hold a material portfolio of such assets.

- Investments in loans

The Group invests in corporate loans, real estate loans and infrastructure loans. These are medium to long-term investments. Some investments may not allow for a change in strategy to adapt to the environment, before their final maturity.

The occurrence of one or more of the above risks could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price. See Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk – Market risk on pages 284 to 287 of the 2014 DDR for information on risk mitigation actions.

E. Insurance Risks

The Group holds in its investment portfolio some securities related to insurance risks (e.g. ILS). These securities can be indexed bonds (CAT bonds), Over-The-Counter (OTC) i.e. Insurance Loss Warranty (ILW) or collateralised reinsurance. Such securities could be impacted by the occurrence of insurance risks (e.g. natural catastrophe, mortality, etc.) that could significantly result in changes in value, or even possibly the full loss of the invested amount. These risks could also have a significant impact on the liquidity of these securities.

2.4 *The Group is exposed to foreign currency exchange rate fluctuations*

Currency risk is the risk that the fair value or future cash flows of a financial instrument or balance sheet amount will fluctuate because of changes in foreign exchange rates. The following types of foreign exchange risk have been identified by the Group:

A. Transaction risk

Fluctuations in exchange rates can have consequences on the Group's reported net income because of the conversion results of transactions expressed in foreign currencies, the settlement of balances denominated in foreign currencies and the lack of perfect matching between monetary assets and liabilities in foreign currencies.

B. Translation risk

The Group publishes its consolidated financial statements in Euros, but a significant part of its income and expenses, as well as its assets and liabilities, are denominated in currencies other than the Euro. Consequently, fluctuations in the exchange rates used to convert these currencies into Euros may have a significant impact on its reported net income and net equity from year to year.

The Group's main non-French legal entities are located in Ireland, Switzerland, the Americas, the UK and Asia/Pacific. The shareholders' equity of these entities is denominated mainly in Euros, US dollars, British pounds, Canadian dollars or Australian dollars.

As a result, changes in the exchange rates used to convert foreign currencies into Euros, particularly the fluctuation of the US dollar against the Euro, have had and may have in the future, an adverse effect on the Group's consolidated shareholders' equity. The Group does not fully hedge its exposure to this risk. The impact of the fluctuation in the exchange rates used to translate foreign currencies into Euros on its consolidated shareholders' equity is described in Section 20.1.5 – Consolidated Statements of Changes in Shareholders' Equity on pages 203 to 205 of the 2014 DDR.

The Group has issued debt instruments in currencies other than the Euro, currently US dollars and Swiss Francs, and to the extent that these are not used as a hedge against foreign currency investments, it is similarly exposed to fluctuations in exchange rates.

Forward sales and purchases of currencies are included in Section 20.1.6 – Notes to the consolidated financial statements, Note 8 – Derivative Instruments on pages 242 to 244 of the 2014 DDR.

Some events, such as catastrophes, can have an impact on the matching of assets and liabilities in a currency, which can generate a temporary unmatched position which is not covered by currency contracts or hedges.

For the consolidated net position of assets and liabilities by currency, and for an analysis of sensitivity to exchange rates, refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk on pages 276 to 287 of the 2014 DDR.

In spite of the measures to control and reduce the Group's exposure to fluctuations of exchange rates of major currencies, such fluctuation could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

2.5 *The valuation of the Group's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities*

A significant portion of the Group's assets consists of intangible assets, the value of which depends on its expected future profitability and cash flow. The valuation of intangible assets also assumes that the Group is making subjective and complex judgments concerning items that are uncertain by nature. If a change were to occur in the assumptions underlying the valuation of its intangible assets (including goodwill, VOBA and DAC), the Group would have to reduce their value, in whole or in part, thereby reducing shareholders' equity and its results.

The recognition of deferred tax assets, i.e., the likelihood of recognizing sufficient profits in the future to offset losses, depends on applicable tax laws and accounting methods as well as the performance of each entity concerned. The occurrence of events, such as changes in tax legislation or accounting methods, operational earnings lower than currently projected or losses continuing over a longer period than originally planned could lead to the derecognition of part or all of the deferred tax assets.

Acquisition costs, including commissions and underwriting costs, as well as the VOBA for Life reinsurance, and the contractual rights with clients are recognised as assets subject to the profitability of the contracts. They are amortised on the basis of the residual term of the contracts in Non-Life, and on the basis of the pattern of recognition of future margins for Life contracts. As a result, the assumptions considered concerning the recoverable nature of the deferred acquisition costs, are affected by factors such as operating results and market conditions. If the assumptions for recoverability of DAC or VOBA are no longer appropriate, it would be necessary to accelerate amortization.

Details of intangible assets, related impairment testing policy and recent acquisitions is included in Section 20.1.6 – Notes to the consolidated financial statements, Note 1 – Accounting Principles and Methods on pages 206 to 221 of the 2014 DDR; Note 3 – Acquisitions and Disposals on pages 224 to 230 of the 2014 DDR; Note 4 – Intangible Assets on pages 230 to 232 of the 2014 DDR; and Note 19 – Income Tax on pages 267 to 270 of the 2014 DDR.

Considering the above, the Group is exposed to the risks related to the assessment of impairment of intangible assets and derecognition of deferred tax assets, given that such assessments are notably based on assumptions and subjective opinions. Those assessments, if they were to be revised, could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

3. LIQUIDITY RISK

The Group undertakes specific reviews of its liquidity risk and considers it is able to face forthcoming settlement dates. Forthcoming settlement dates are estimated based on reasonable hypotheses and are composed of the following: incurred and future claims, re-insurance commissions, profit sharing granted to cedents, payments to suppliers, operating expenses, and other settlements, for which related amounts are not material for the analysis of the liquidity risk.

3.1 *The Group faces liquidity requirements in the short to medium term in order to cover, for example, claims payments, operational expenses and debt redemptions. In the case of catastrophe claims, in particular, it may need to settle in a reduced timeframe amounts which exceed the amount of available liquidity*

The Group needs liquidity to pay claims, its operating expenses, interest on its debt and declared dividends on its share capital, and replace certain maturing liabilities. Without sufficient liquidity, the Group may be forced to curtail its operations, and business will suffer. The principal internal sources of the Group's liquidity are reinsurance premiums, cash flows from its investment portfolio and other assets, consisting mainly of cash or assets that are readily convertible into cash.

Liquidity risk is increased in situations of market disruption as the Group may need to sell a significant portion of its assets quickly and at unfavourable terms.

Information on the Group's liquid assets is included in Section 20.1.6 – Notes to consolidated financial statements, Note 6 – Insurance Business Investments on pages 233 to 241 of the 2014 DDR.

Some facilities the Group uses to grant letters of credit to cedents require 100% collateral in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating. Significant changes in the Group's solvency or rating could force it to collateralize these facilities at 100%, which would thus result in a deterioration of its liquidity level.

Information on the Group's letter of credit facilities is included in Section 20.1.6 - Notes to consolidated financial statements, Note 25 – Commitments Received and Granted on page 276 of the 2014 DDR.

Considering the above, the Group is exposed to risks of short-term or medium-term payouts, and it cannot be guaranteed that it will not be exposed to such risks in the future, which could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

Additional information on the timing of repayments is included in Section 20.1.6 – Notes to the consolidated financial statements, Note 26 – Insurance and financial risk on pages 276 to 287 of the 2014 DDR.

3.2 *Adverse capital and credit market conditions may significantly affect the Group's ability to access capital and/or liquidity or increase the cost of capital*

The capital and credit markets have been experiencing extreme volatility and disruption. In some cases, the markets have exerted downward pressure on availability of liquidity and credit capacity for certain issuers.

External sources of liquidity in normal markets include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium- and long-term debt, junior subordinated debt securities, capital securities and stockholders' equity.

In the event current internal and/or external resources do not satisfy its liquidity needs, the Group may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects if the Group incurs large investment losses or if the level of its business activity decreases due to a market downturn. Similarly, access to funds may be impaired if regulatory authorities or rating agencies take negative actions against the Group. Internal sources of liquidity may prove to be insufficient, and in such case, the Group may not be able to successfully obtain additional financing on favourable terms, or at all.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Group's access to capital required to operate its business, most significantly its insurance operations. Such market conditions may limit its ability to :

- replace, in a timely manner, maturing liabilities;
- satisfy statutory capital requirements;
- generate fee income and market-related revenue to meet liquidity needs;
- access the capital needed to grow its business.

As such, the Group may be forced to delay raising capital, issue shorter term securities than it prefers, or bear an unattractive cost of capital which could decrease its profitability and significantly reduce its financial flexibility.

The disruption of financial markets could affect the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, its share price.

4. LEGAL RISK

4.1 *The Group is exposed to risks related to legislative and regulatory changes and political, legislative, regulatory or professional initiatives concerning the insurance and reinsurance sector, which could have adverse consequences for its business and its sector*

The operations of the Issuer and its subsidiaries are subject to regulatory requirements within the jurisdictions where they operate. Such regulations not only prescribe the approval and monitoring of activities, but also impose certain restrictive provisions (e.g., statutory capital adequacy) to meet unforeseen liabilities as these arise, in order to minimize the risk of default and insolvency, and make some operations from the Issuer and its subsidiaries subject to prior approval from the supervisory authorities. The Group is exposed to the risk of non-approval or rejection, by supervisory authorities, of the corresponding operations (including in particular the approval of the Group Internal Model and some intra-group operations).

As at this date, the Group is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance regulatory authorities in all countries in which it operates. Changes in existing laws and regulations may affect the way in which it conduct its business and the products it may offer or the amount of reserves to be posted, including on claims already declared. Insurance and reinsurance supervisory authorities have broad administrative power over many aspects of the reinsurance industry and the Group cannot predict the timing or form of any future regulatory initiatives.

Furthermore, these authorities could make the protection of policyholders and policy beneficiaries prevail over shareholders or creditors of a reinsurer. The diversity of the regulations to which the Group is subject has been substantially reduced by the implementation into French law of Directive no. 2005/68/EC (the **2005 Directive**) dated 16 November 2005, by ordinance no. 2008-556 of 13 June 2008 and application decrees no. 2008-711 of 17 July 2008 and no. 2008-1154 of 7 November 2008, as well as a regulation (*arrêté*) of 7 November 2008. The 2005 Directive prescribes the application of a "single passport" and confers the supervision of EU reinsurance companies upon the supervisory authorities of the company home office. This simplifies and clarifies the supervisory conditions applicable to the Group, in the EU at least. Moreover the 2005 Directive, implemented into national law, establishes regulations relating to reserves and to the Life and Non-Life solvency margins applicable to the Group as at 2008 in France and in all European countries. The 2005 Directive defines minimal conditions common to all Member States of the European Union, and gives national legislators the option to set more stringent requirements. The national provisions adopted for the implementation of this Directive and their interpretations, as well as other legislative or regulatory changes, increase the harmonization of regulations governing reinsurers with the regulations governing insurers. These new regulations may increase solvency margin obligations, thereby restricting the Group's underwriting capacity.

The reinsurance sector has been exposed in the past – and may be in the future – to involvement in legal proceedings, regulatory inquiries and actions by various administrative and regulatory authorities, as well as to regulation concerning certain practices used in the insurance sector. This involvement notably concerned agreements over the payment of "contingency commissions" by insurance companies to their agents or brokers and the consequences of such payments on competition between insurance operators, as well as the accounting of various alternative risk transfer products.

In addition to this, the public authorities in the US and the rest of the world are closely examining the potential risks presented by the reinsurance sector as a whole, as well as their consequences on commercial and financial systems in general.

Adverse changes in laws or regulations or an adverse outcome of these proceedings could have adverse effects on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for information on risk mitigation actions.

4.2 *The Group is subject to applicable laws and regulations relating to sanctions and anti-bribery, the violation of which could adversely affect its operations*

The Group must comply with all applicable economic sanctions, anti-bribery as well as anti-terrorism laws and regulations applicable to its operations, including those of the United Nations, the European Union and the United States.

United States laws and regulations, when applicable to the Group, include the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) as well as certain laws administered by the United States Department of State. Over recent years, the number of sanctions programs, their scope and complexity have increased substantially. Such sanctions programs may also be subject to frequent updates at irregular intervals. In addition, the Group may be subject to the Foreign Corrupt Practices Act (FCPA) and other anti-bribery laws such as the UK Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials.

Although the Group has policies, controls and training in place that are designed to ensure compliance with these aforementioned laws and regulations, it is possible that an employee or service provider could fail to comply with applicable laws and regulations. In such event, the Group could be exposed to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage the Group's business and/or reputation, and could have a material adverse impact on the Group's present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

4.3 *The Group is exposed to risks linked with the Solvency II Directive implementation*

The "Solvency II" European Directive, no. 2009/138/EC of 25 November 2009, published in the Official Journal of the European Union on 17 December 2009, related to the solvency standards applicable to insurers and reinsurers (**Solvency II Directive**), lays down, at the level of individual companies and at the level of groups, the minimum amounts of financial resources that insurers and reinsurers operating in the European Economic Area will be required to have in order to cover the risks to which they are exposed and the principles that should guide insurers' and reinsurers' overall risk management and reporting.

The new regime represents a significant change in the basis for regulating insurance and reinsurance business in Europe. The Group has to review its regulatory capital structures and implement the systems, processes and cultural changes necessary to meet the new requirements.

Although it is difficult to quantify the impact and the scope of these requirements, it is very likely that risk management and control measures will be reinforced for reinsurers in the near future, which may in turn result in an increase in regulatory capital requirements (or a reduction in the underwriting capacity) and increase their operating costs. This could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

The Solvency II rules have been implemented into French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date. The official date of entry into force of the Solvency II rules is 1 January 2016. Detailed requirements that are necessary to make the Solvency II regime effective remain to be definitely adopted at European level. These will be finalised in the course of 2015 in technical standards. The Group intends to use its internal model for the purpose of calculating its regulatory capital requirements. This use is subject to supervisory authorities approval in 2015. Delays in the application of Solvency II may increase the costs of implementation. Inversely, a fast implementation of certain aspects of the new regime could also take place, with the risk of increased cost for the Group. This could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for information on risk mitigation actions.

4.4 *The Group is exposed to the risk of being designated systemic or to the risk of its peers being designated as such*

In November 2014, the Financial Stability Board (**FSB**) confirmed the designation of nine direct insurers as systemic (**G-SIIs**) according to their interconnectedness and their exposures to activities considered as non-traditional or noninsurance. The FSB stated its intention to consider the designation of systemic reinsurers as well, according to the same methodology designed for insurers. There is a risk that the Group will receive such a designation. The impact of receiving such a designation is as yet unclear, notably as corresponding regulatory measures are not fully defined yet. There is a risk of higher capital charges and greater regulatory burdens such as the establishment of resolution plans. On the other hand, there is a possibility that G-SIIs could benefit from a market perception of an implicit state guarantee. Were the Group's competitors to receive such a designation and the Group were not, there could be a risk of the Group's market perception weakening relative to these peers.

In the meantime, the International Association of Insurance Supervisors (**IAIS**) has been developing a framework for global capital standards to be imposed on G-SIIs and, more generally, internationally active insurance groups (**IAIGs**). In a first step, a Basic Capital Requirement will be applied to G-SIIs in 2015. Higher loss absorbency (**HLA**) capital add-ons will then be applied to G-SIIs in 2019. At the same time, it is the IAIS' intention to develop Insurance Capital Standards (**ICSs**) to be applied to all IAIGs from 2019. There is a risk that the Group will be designated a G-SII, and the Group expects to be included amongst IAIGs. HLA and ICS rules are less well developed and there is a risk that these rules could have an impact on capital management aspects.

4.5 *Inconsistent application of EU Directives by regulators in different EU Member States may place the Group's business at a competitive disadvantage*

Insurance regulation in France is largely based on the requirements of EU Directives. Inconsistent application of directives by regulators in different EU Member States may place the Group's business at a competitive disadvantage to other European financial services groups. In addition, changes in the local regulatory regimes of designated territories could affect the calculation of its solvency position and have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for information on risk mitigation actions.

4.6 *In 2010, the US congress enacted the Dodd Frank Wall Street reform and consumer protection act (Dodd-Frank Act), which could have an adverse impact on the Group's business*

On 21 July 2010, the Dodd-Frank Act was enacted and signed into law. The Dodd-Frank Act effects changes to financial services regulation in the US. The Dodd-Frank Act establishes the Financial Services Oversight Council (FSOC), which is authorised to recommend that certain systemically significant non-bank financial companies, including insurance companies, be regulated by the Board of Governors of the Federal Reserve. The Dodd-Frank Act also establishes a Federal Insurance Office (FIO) within the Department of Treasury. While not having a general supervisory or regulatory authority over the business of insurance the director of this office will perform various functions with respect to insurance, including serving as a non-voting member of the FSOC and making recommendations to the Council regarding insurers to be designated for more stringent regulation. The Dodd-Frank Act also authorises the federal preemption of certain state insurance laws in limited instances, including assisting the Treasury Department in negotiating covered agreements. The FSOC and FIO are authorised to study, monitor and report to Congress on the US insurance industry and the significance of global reinsurance to the US insurance market, which could result in additional legislative or regulatory action.

The requirements of the regulations ultimately adopted under the Dodd-Frank Act, the effect such regulations will have on the US insurance market and the additional costs of compliance with such regulations is not clear. However, the Group's business could be materially and possibly adversely affected by changes to the US system of insurance regulation or its designation or the designation of insurers or reinsurers with which it does business as systemically significant non-bank financial companies. This could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for further information on risk mitigation actions.

4.7 *Changes in current accounting practices and future pronouncements may materially impact the Group's reported financial results*

Unanticipated developments in accounting practices may require the Group to incur considerable additional expenses to comply with such developments, particularly if it is required to prepare information relating to prior periods for comparative purposes or to apply the new requirements retroactively. The impact of potential changes in accounting practices cannot be predicted but may affect the calculation of net income, net equity and other relevant financial statement line items and the timing of when impairments and other charges are tested or taken. In particular, recent guidance and ongoing projects put in place by standard setters globally have indicated a possible move away from the current insurance accounting models toward more "current fulfilment value" based models which could introduce significant volatility in the earnings of insurance industry participants. This could have a material adverse impact on its business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for information on risk mitigation actions.

4.8 *Capital and liquidity may not be completely fungible between different regulated legal entities, which may have negative consequences for the legal entities*

The Group's regulated legal entities must satisfy local regulatory capital requirements and must have sufficient liquidity to pay claims and expenses. In certain circumstances, it may be difficult, due to local

regulatory constraints, to transfer capital or liquidity from one legal entity to another, and in particular from one subsidiary or a branch to another, or to the parent legal entity. This may have negative consequences for the legal entity concerned and could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

In addition, there are currently regulatory developments and discussion for global standards ongoing which may impact the Group in the future.

See Appendix B – Report of the Chairman of the Board of Directors –II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for further information on risk mitigation actions.

4.9 *The Group is exposed to certain litigation matters*

The Group may be involved in legal and arbitration proceedings. For information on this issue, refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 27 – Litigation on pages 287 to 288 of the 2014 DDR. Except as disclosed in the aforementioned sections, there are no governmental, judicial or arbitration proceedings, including any proceedings the Group would be aware of, pending or which the Group could be threatened with, likely to have or having significant impact on the Group's financial situation or profitability over the last 12 months.

An unfavourable outcome in one or more of these court or arbitration proceedings could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for further information on risk mitigation actions.

4.10 *The Group's tax positions are subject to audit and approval by tax authorities*

The Group operates in numerous tax jurisdictions around the world. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. This risk is increased by the instability of the regulatory tax environment in some countries in which the Group operates, including topics such as deferred tax assets (DTA) recovery or derecognition. Additionally, tax laws and regulations may change with retroactive impact. Tax risk also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materializing, the tax costs associated with particular transactions are higher than anticipated, it could affect the profitability of those transactions.

There are also specific rules governing the taxation of policyholders. The Group will be unable to accurately predict the impact of future changes in tax law on the taxation of life insurance in the hands of policyholders. Amendments to existing legislation (particularly if there is the withdrawal of any tax relief or an increase in tax rates) or the introduction of new rules may affect the future long-term business and the decisions of policyholders. The impact of such changes upon the Group might depend on the mix of business in force at the time of such change and could have a material adverse effect on its business, results of operations and/or financial condition.

The design of Life insurance products by the Group's Life insurance companies takes into account a number of factors, including risks, benefits, charges, expenses, investment returns (including bonuses) and taxation. The design of long-term insurance products is based on the tax legislation in force at that time. Changes in tax legislation or in the interpretation of tax legislation may therefore, when applied to such products, have a material adverse effect on the financial condition of the relevant long-term business fund of the entity in which the business was written and have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

See Appendix B – Report of the Chairman of the Board of Directors – II. Internal control and risk management procedures, C. Principal activities and participants of risk control on pages 390 to 394 of the 2014 DDR for information on risk mitigation actions.

5. INSURANCE OF SPECIFIC OPERATIONAL RISKS (EXCLUDING REINSURANCE ACTIVITY)¹

The Group is exposed to specific operational risks. See Section 1.11 - Operational risks, including human errors or cyber risks, are inherent to the Group's business on pages 21 to 22 of this Prospectus, some of which are transferred in whole or in part to direct insurers as follows:

- The properties and other assets of the Issuer and its subsidiaries are covered locally through property and fire damage as well as IT risk policies.
- Liability risks are mostly covered at Group level and include civil liability risks related to the operation of the company caused by employees and real estate, professional liability risks and civil liability risks of directors and officers.

Nevertheless, these insurance covers could prove to be insufficient. In case of a loss, the insurance companies could also possibly contest their liability towards the Group. This could have a material adverse impact on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

6. RISK AND LITIGATION: RESERVING METHODS

Refer to Section 20.1.6 – Notes to the consolidated financial statements, Note 1 – Accounting principles and methods on pages 206 to 221 of the 2014 DDR.

¹ Generally speaking, the insurance covers mentioned in this section illustrate the Group policy of transferring some of its own risks. However, these insurance covers remain subject to the provisions of corresponding contracts, specifically those regarding possible sub-limits of cover, particular deductibles, geographic scope of cover and/or particular exclusions.

RISK FACTORS RELATING TO THE NOTES

Capitalised expressions used below have the meaning ascribed to them in the Terms and Conditions of the Notes.

1. GENERAL RISKS RELATING TO THE NOTES

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) consult their legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting

effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The trading market for the Notes may be volatile and may be adversely impacted by many events

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in France or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Notes bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Call Date, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Following the First Call Date, interest on the Notes shall be calculated on each Reset Date on the basis of the annual mid-swap rate for EUR swap transactions with a maturity of ten (10) years. The Reset Rate of Interest will be determined two (2) Business Days before each Reset Date and as such is not pre-defined at the date of issue of the Notes. The Reset Rate of Interest in relation to a relevant Interest Period may be different from the initial Rate of Interest or from a Reset Rate of Interest applicable to a previous Interest Period and may adversely affect the yield of the Notes.

Credit ratings

Credit ratings are expected to be assigned to the Notes by one independent credit rating agency (see cover page of this Prospectus for more information). The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Notes.

An active trading market for the Notes may not develop

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. Although application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

All or some of the Managers and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of such Managers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 13.1 (*The Masse*) of the Terms and Conditions of the Notes "*Representation of the Noteholders*", and a general meeting of Noteholders can be held. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

The general meeting of Noteholders may, subject to Condition 13.6 (*Powers of General Assemblies*) of the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

Taxation

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation or documentary charges or duties in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Interest payments in respect of the Notes may be subject to the EU Directive on the Taxation of Savings Income

Under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The rate of such withholding tax equals 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative

Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax.

U.S. Foreign Account Tax Compliance Act Withholding

Legislation commonly referred to as FATCA imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (a) certain payments from sources within the United States, (b) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (c) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Taxation – U.S. Foreign Account Tax Compliance Act.*"

Financial transaction tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the **Participating Member States**).

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued on 6 May 2014 by ministers of the Participating Member States (other than Slovenia) indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

French Insolvency Law

Under French insolvency law, holders of debt securities, are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convene the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on Noteholders seeking repayment in the event that the Issuer were to become insolvent or otherwise subject to any of the foregoing procedures.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

2. Risks relating to the structure of the Notes

The Notes are subordinated obligations of the Issuer.

- (a) The obligations of the Issuer under the Notes in respect of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable or liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
 - (ii) *pari passu* with any other existing or future direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of judicial rehabilitation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any other reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, and holders of insurance policies issued by such entities and creditors with respect to unsubordinated obligations of the Issuer.

In the event of incomplete payment of creditors ranking senior to Noteholders (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of unsubordinated obligations of the Issuer.

Restrictions on interest payment.

On any Optional Interest Payment Date (as defined in the Terms and Conditions of the Notes), the Issuer may, at its option, elect to defer payment of all or part of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

On any Mandatory Interest Deferral Date (as defined in the Terms and Conditions of the Notes), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date (and any such failure to pay shall not constitute a default by the Issuer for any purpose), provided however that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable);
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and
- (iii) (with effect from the date of entry into force of Solvency II Regulations) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Any interest not paid on an Optional Interest Payment Date or a Mandatory Interest Deferral Date and deferred shall so long as they remain outstanding constitute Arrears of Interest and shall be payable subject to the fulfilment of the Conditions to Settlement as outlined in Condition 4.3 (*Interest Deferral*) of the Terms and Conditions of the Notes.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Early redemption risk.

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may redeem the Notes in whole, but not in part, on the Interest Payment Date falling on the First Call Date or on any Interest Payment Date thereafter.

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may also, at its option, redeem the Notes at any time for tax reasons or upon the occurrence of certain events, including a Rating Event or a Capital Disqualification Event, an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Such redemption options will be made at the Base Call Price (as defined in the Terms and Conditions of the Notes) and will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts (if any) thereon at such date).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

There are no events of default under the Notes.

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes.

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Implementation of the Solvency II Directive.

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be eligible, (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Existing Regulations or, as the case may be, the Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by the Existing Regulations or, as the case may be, the Solvency II Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Issuer's expectation is based on its review of available information relating to the implementation of Solvency II Directive in France by ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date and the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 which entered into force on 18 January 2015.

There can be no assurance that, following their initial publication, the "level two" implementation measures and "level three" guidance will not be amended. Moreover, there is uncertainty as to how regulators, including the *Autorité de contrôle prudentiel et de résolution (ACPR)*, will interpret the Solvency II Directive as implemented in France, the 'level two' implementation measures and/or "level three" guidance and apply them to the Issuer or the Group.

Accordingly, Noteholders should be aware that the implementation of the Solvency II Directive may lead to, or increase the likelihood of, a deferral of payments under the Notes and/or an early redemption of the Notes. Such final implementation may also impact the Issuer's ability to pay any Arrears of Interest and any Additional Interest Amounts thereon.

Optional redemption, exchange or variation of the Notes.

There is a risk that, after the issue of the Notes, a Capital Disqualification Event may occur which would entitle the Issuer, without the consent or approval of the Noteholders, to exchange or vary the

Notes, subject to not being prejudicial to the interest of the Noteholders, so that after such exchange or variation they would be eligible as provided for under (x) or (y) above.

Alternatively, the Issuer reserves the right, under the same circumstances, to redeem the Notes early as further described in "Early redemption risk" above and in the "*Terms and Conditions of the Notes - Redemption and Purchase*".

In such a case, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to reinvest at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may also be redeemed, exchanged or varied without the consent of the Noteholders further to a rating event or an accounting event (as defined in the terms and conditions of the notes).

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 5.2 of the Prospectus Directive or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer:	SCOR SE
Description:	€250,000,000 Fixed to Reset Rate Subordinated Notes due 2047 (the Notes).
Structuring Advisor:	BNP Paribas
Joint Bookrunners and Joint Lead Managers:	BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch.
Co-Lead Managers:	Commerzbank Aktiengesellschaft and Natixis
Fiscal Agent, Principal Paying Agent and Calculation Agent:	BNP Paribas Securities Services
Aggregate Principal Amount:	€250,000,000
Denomination:	€100,000 per Note
	Principal Amount means €100,000, being the principal amount of each Note on the Issue Date (as defined below).
Issue Date:	5 June 2015
Issue Price:	99.375 per cent
Scheduled Maturity Date:	5 June 2047, if the Conditions to Redemption are satisfied and otherwise as soon as the Conditions to Redemption are satisfied.
	The Notes are issued in dematerialised bearer form (<i>au porteur</i>) and will at all times be evidenced in book-entry form (<i>inscription en compte</i>) in the books of the Account Holders (as defined below). No physical documents of title (including <i>certificats représentatifs</i>) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.
	Where:
	Account Holder shall mean any financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> .
Status of the Notes:	The principal and interests (including any outstanding Arrears of Interest and

Additional Interest Amount) on the Notes constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
- (ii) *pari passu* with any other Ordinarily Subordinated Obligations of the Issuer; and
- (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

Where:

Deeply Subordinated Obligations means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 350,000,000 6.154% undated deeply subordinated notes issued on July 28, 2006 are Deeply Subordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's USD 100,000,000 subordinated step-up floating rate notes due 2029, EUR 100,000,000 subordinated step-up floating rate notes due 2020, EUR 250,000,000 fixed to reset rate undated subordinated notes, CHF 650,000,000 fixed to floating rate undated subordinated notes, CHF 250,000,000 fixed to floating rate undated subordinated notes, CHF 315,000,000 fixed to floating rate undated subordinated notes, and CHF 125,000,000 fixed resettable undated subordinated notes are Ordinarily Subordinated Obligations.

Negative Pledge:

None

Enforcement events:

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest, if any, thereon up to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening

of a judicial recovery procedure of the Issuer.

Rate of Interest:

Each Note will bear interest on its principal amount:

- (i) from (and including) the Issue Date to (but excluding) 5 June 2027 (the **First Call Date**), at a fixed rate of 3.25 per cent. *per annum* payable annually in arrear on 5 June in each year, commencing on 5 June 2016 until (and including) the First Call Date; and
- (ii) from (and including) the First Call Date, at the relevant Reset Rate of Interest payable annually in arrear on 5 June in each year, commencing on 5 June 2028.

Where:

Reset Rate means the 10-year Swap Rate determined on the day falling two Business Days prior to the first day of each relevant Interest Rate Period (as defined below).

Reset Rate of Interest means a rate *per annum* equal to the then applicable Reset Rate plus the Margin (as defined below).

Margin:

3.20 per cent. *per annum*

Reset Dates:

The First Call Date, the 10th anniversary thereof and each subsequent 10th anniversary of the previous 10th anniversary thereof.

Interest Rate Period:

Each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Interest Payment Dates:

5 June in each year, commencing on 5 June 2016

Interest Period:

The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Deferral:

On any Optional Interest Payment Date (as defined below), and subject to the requirements of Mandatory Deferred Interest described below, the Issuer may, at its option, elect to defer in full or in part the payment of interest otherwise due and payable on any Optional Interest Payment Date in respect of the Interest Period ending on such date. The Issuer shall not have any obligation to pay any interest on an Optional Interest Payment Date and such non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose and shall not give Noteholders any right to accelerate the Notes.

Any interest in respect of the Notes which has not been paid on an Optional Interest Payment Date will be deferred and shall constitute **Optional Deferred Interest** and shall be payable as outlined below.

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not

constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Mandatory Deferred Interest** and shall constitute, together with Optional Deferred Interest, **Arrears of Interest** and shall be payable as outlined below.

All Arrears of Interest (together with the corresponding Additional Interest Amount) may, subject to the fulfilment of the Conditions to Settlement (as defined below), at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (A) the next Interest Payment Date which is a Compulsory Interest Payment Date; or
- (B) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (C) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the status of the Note or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest with respect to the relevant Interest Period and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Calculation Agent applying the relevant Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

For the purpose hereof:

Compulsory Interest Payment Date means each Interest Payment Date prior to which, at any time during a period of six (6) months prior to such Interest Payment Date, a Compulsory Interest Payment Event occurred; provided, however, that this Interest Payment Date is not a Mandatory Interest Deferral Date.

Compulsory Interest Payment Event means:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares or a payment on any Equity Securities that

was required to be made under the terms of such Equity Securities); or

- (ii) a redemption, repurchase or acquisition of any Equity Securities (save for acquisitions resulting from the hedging of stock options, other management or employee benefit plans, or convertible securities of the Issuer or an agreement entered into with an investment service provider to enhance the liquidity of the Equity Securities in accordance with the conditions set forth by market regulations or any other transactions contemplated under the then applicable buy-back programme (*programme de rachat d'actions*) of the Issuer).

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest and Additional Interest Amounts, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

Existing Regulations means, from the Issue Date to (but excluding) the date of entry into force of Solvency II Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of entry into force of Solvency II Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, notwithstanding the occurrence of a Compulsory Interest Payment Event, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable);
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and
- (iii) (with effect from the date of entry into force of Solvency II Regulations) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is

made.

Optional Interest Payment Date means an Interest Payment Date which is not otherwise a Mandatory Interest Deferral Date or a Compulsory Interest Payment Date.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency II Regulations.

Regulatory Deficiency means:

- (i) before the entry into force of the Solvency II Regulations, the solvency margin of the Issuer or its Group falls below 100 per cent. of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations; or
- (ii) following the entry into force of the Solvency II Regulations, the own funds regulatory capital (or whatever the terminology employed by the then Solvency II Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the terminology employed by the then Solvency II Regulations) of the Issuer or its Group and either a deferral of interest (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify as at least "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement (as defined in Solvency II Directive) or Minimum Capital Requirement; or
- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Solvency II Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which has been or must be transposed under the law of its jurisdiction by

the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

Solvency II Regulations means, as from (and including) the date of entry into force of the Solvency II Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

Taxation:

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require any such deduction or withholding, the Issuer shall, to the extent permitted by law, pay such additional amounts as may be necessary so that each Noteholder, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding, except that no such additional amounts shall be payable in certain circumstances.

Redemption at Maturity:

Subject to the “*Terms and Conditions of the Notes – Redemption and Purchase*” unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon), on the Scheduled Maturity Date.

Redemption from the First Call Date:

The Issuer will have the right to redeem all but not some only of the Notes, subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, on the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

Redemption for tax reasons:

- (i) The Notes may be redeemed at their Base Call Price at the option of the Issuer in whole, but not in part, at any time by giving not less than 30 nor more than 45 calendar days’ notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts in relation to a deduction or a withholding for or on account of tax imposed by France, as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or

regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes.

- (ii) If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts in relation to a deduction or a withholding for or on account of tax imposed by France, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, at their Base Call Price, upon giving not less than 7 nor more than 30 calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date is past, as soon as is practicable thereafter.
- (iii) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their Base Call Price, at any time by giving not less than 30 nor more than 45 calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (x) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (y) an opinion of independent legal advisers of recognised standing to such effect.

In each case subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority.

Redemption for Rating Reasons:

If the Issuer determines at any date after the Issue Date that a Rating Event has occurred with respect to the Notes, the Issuer may, having given not less than 15 nor more than 30 calendar days' notice to the Noteholders, elect, at any time, subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price. Prior to the election of the Issuer to redeem the Notes as aforesaid, the Issuer shall deliver to the Fiscal Agent a certificate signed by a recognised expert confirming that such Rating Event has occurred.

Rating Event means at any time, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) on or after

the Issue Date of at least one (1) agency among Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., Moody's Investors Services, Fitch Ratings and A.M. Best Company, the equity content previously assigned by such rating agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such rating agency at or around the Issue Date.

Redemption for Regulatory Reasons: If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, at the Base Call Price, provided that the due date for redemption shall be no earlier than the last day falling on or after the date on which the proceeds of the Notes can no longer be included at least in the tier two own funds regulatory capital.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the entire proceeds of the Notes as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under Existing Regulations or, as the case may be, Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Redemption for Accounting Reasons: If the Issuer determines at any date after the Issue Date that an Accounting Event has occurred with respect to the Notes, the Issuer may elect, at any time, subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price, provided that the due date for redemption of which notice may be given hereunder shall be no earlier than the last day prior to the date on which the proceeds of the Notes must not, or must no longer, be recorded as "debt" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Where:

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, confirming that the funds raised through the issue of the Notes must not, or must no longer, be recorded as "debt" pursuant to IFRS, or any other accounting standards that may replace the IFRS, for the purposes of the consolidated financial statements of the Issuer.

IFRS means the International Financial Reporting Standards as implemented in the European Union.

Clean-up Redemption: The Issuer may elect, subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some

only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty per cent.) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election.

Substitution/Variation of the Notes:

If a Capital Disqualification Event, a Rating Event or an Accounting Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.

Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) and to:

- (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
- (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency II Regulations;
- (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
- (iv) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged Notes or varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and
- (v) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.

Where:

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the

independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

**Conditions to
Redemption and
Purchase:**

The Notes may not be redeemed or purchased pursuant to any of the redemption or purchase provisions referred to above if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption or (ii) such redemption would itself cause a Regulatory Deficiency, except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase (the **Conditions to Redemption**).

In addition, as from the entry into force of Solvency II Regulations, the Notes may not be redeemed or purchased pursuant to the provisions hereof, prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has/have been (i) funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes and (ii) subject to the Prior Approval of the Relevant Supervisory Authority.

Purchase:	Subject to the Conditions to Redemption and the Prior Approval of the Relevant Supervisory Authority, the Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise, subject to the Prior Approval of the Relevant Supervisory Authority. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French <i>Code monétaire et financier</i> for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French <i>Code de commerce</i> .
Cancellation:	All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
Representation of Noteholders:	The Noteholders will be grouped automatically for the defence of their respective common interests in a <i>masse</i> governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the Masse). The Masse will be a separate legal entity, and will be acting in part through a representative and in part through a general assembly of the Noteholders.
Listing and Admission to trading:	Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
Rating:	The Notes are expected to be rated A- by Standard & Poor's Credit Market Services France and A- by Fitch Ratings.
Clearing:	The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, <i>société anonyme</i> and Euroclear Bank SA/N.V.
Selling Restrictions:	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom and France.
Governing Law:	French law

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the sections identified in the cross-reference list below (the **Cross-Reference List**) of the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated by reference in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

- (a) the sections identified in the Cross-Reference List below of the French language 2014 *Document de Référence* of the Issuer filed with the French *Autorité des marchés financiers* (AMF) on 20 March 2015 under number D.15-0181, which includes the audited consolidated financial statements for the year ended 31 December 2014 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2014, except for the AMF visa, the section 1.2 entitled "*Attestation du responsable*" and the first sentence under the heading "*Autres informations vérifiées par les contrôleurs légaux*" (page 290) (the **2014 DDR**); and
- (b) the sections identified in the Cross-Reference List below of the French language 2013 *Document de Référence* of the Issuer filed with the AMF on 5 March 2014 under number D.14-0117, which includes the audited consolidated financial statements for the year ended 31 December 2013 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2013, except for the AMF visa, the section 1.2 entitled "*Attestation du responsable*" and the first sentence under the heading "*Autres informations vérifiées par les contrôleurs légaux*" (page 307) (the **2013 DDR**).

The information incorporated by reference that is not included in the Cross-Reference List below is considered as additional information and is not required by the relevant schedules of the Commission Regulation No. 809/2004, as amended or is covered elsewhere in the Prospectus.

The sections thereto mentioned in paragraphs (a) to (b) above and excluded from the Documents Incorporated by Reference are not relevant for investors.

All Documents Incorporated by Reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.scor.com) and these reports only and no other contents of each such site are incorporated by reference herein. The Documents Incorporated by Reference will also be available, upon request, free of charge to the public at the premises of the paying agent in Luxembourg and at the premises of the Issuer in France during normal business hours.

A free English translation of the 2014 DDR and the 2013 DDR are available on the website of the Issuer (www.scor.com). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CROSS-REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE		2013 DDR (page no.)	2014 DDR (page no.)
Annex IX of the European Regulation 809/2004/EC			
3.	RISK FACTORS		
3.1.	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	-	50-54 57-79 107-108 198-288 384-397
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer:</u>		
4.1.1.	the legal and commercial name of the issuer;	-	48
4.1.2.	the place of registration of the issuer and its registration number;	-	48
4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite;	-	48
4.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	-	48-50
4.1.5.	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	-	50-54
5.	BUSINESS OVERVIEW		
5.1	<u>Principal activities:</u>		
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;	-	60-64
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive position.	-	76-79
6.	ORGANISATIONAL STRUCTURE		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	-	82-86
6.2.	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	-	86
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	-	124-131 135-137
9.2	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event	-	139

INFORMATION INCORPORATED BY REFERENCE		2013 DDR (page no.)	2014 DDR (page no.)
	Annex IX of the European Regulation 809/2004/EC		
	that there are no such conflicts, a statement to that effect.		
10.	MAJOR SHAREHOLDERS		
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	-	182-185
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1.	<u>Historical Financial Information</u>		
	Audited annual consolidated financial statements:		
	– balance sheet	201-202	198-199
	– income statement	203	200
	– accounting policies and explanatory notes	208-305	206-288
	– auditors' report	305-307	289-290
11.2.	<u>Financial statements</u>		
	Consolidated financial statements	201-305	198-288
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	Statement that the historical annual financial information has been audited.	305-307	289-290
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	307	290-291
11.4.	<u>Age of latest financial information</u>		
11.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.	-	291
11.5.	<u>Legal and arbitration proceedings</u>		
	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	-	287-288
13.	THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST		
13.2.	THIRD PARTY INFORMATION		
	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.	-	314
14.	DOCUMENTS ON DISPLAY		
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:		
	(a) the memorandum and articles of association of the issuer;	-	316

INFORMATION INCORPORATED BY REFERENCE		2013 DDR (page no.)	2014 DDR (page no.)
Annex IX of the European Regulation 809/2004/EC			
	<p>(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;</p> <p>(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>		

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (each a **Condition**, and together the **Conditions**) will be as follows:

The issue outside the Republic of France of the €250,000,000 fixed to reset rate subordinated notes due 2047 (the **Notes**) issued by SCOR SE, a *société européenne* with a share capital of 1,512,224,741.93 Euros, whose registered office is located at 5 avenue Kléber, 75016 Paris, France, registered with the trade and companies register of Paris under number 562 033 357 RCS Paris (the **Issuer**), was decided by Mr. Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer (*Président du Conseil d'administration et Directeur Général*) of the Issuer on 2 June 2015 acting pursuant to resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer adopted on 5 May 2015. A fiscal, paying and calculation agency agreement (the **Agency Agreement**) dated as of 3 June 2015 has been entered into in relation to the Notes between the Issuer and BNP Paribas Securities Services, as fiscal agent, principal paying agent and calculation agent (together with any substitute fiscal agent, the **Fiscal Agent**). Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Fiscal Agent.

1. DEFINITIONS

1.1 Definitions

For purposes hereof, the following definitions shall apply:

Account Holder shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Clearstream Banking *société anonyme* (**Clearstream**) and Euroclear Bank S.A./N.V. (**Euroclear**).

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, confirming that the funds raised through the issue of the Notes must not, or must no longer, be recorded as "debt" pursuant to IFRS, or any other accounting standards that may replace the IFRS, for the purposes of the consolidated financial statements of the Issuer.

Actual/Actual (ICMA) means:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - (a) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - (b) the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

Base Call Price equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to their Redemption Date.

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchanges settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in Paris and a TARGET 2 Settlement Day.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the entire proceeds of the Notes as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under Existing Regulations or, as the case may be, Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Compulsory Interest Payment Date means each Interest Payment Date prior to which, at any time during a period of six (6) months prior to such Interest Payment Date, a Compulsory Interest Payment Event occurred; provided, however, that this Interest Payment Date is not a Mandatory Interest Deferral Date.

Compulsory Interest Payment Event means any of the following events:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares or a payment on any Equity Securities that was required under the terms of such Equity Securities); or
- (ii) a redemption, repurchase or acquisition of any Equity Securities (save for acquisitions resulting from the hedging of stock options, other management or employee benefit plans, or convertible securities of the Issuer or an agreement entered into with an investment service provider to enhance the liquidity of the Equity Securities in accordance with the conditions set forth by market regulations or any other transactions contemplated under the then applicable buy-back programme (*programme de rachat d'actions*) of the Issuer).

Conditions to Redemption means the conditions to redemption set out in Condition 6.10 (*Conditions to Redemption*).

Day Count Fraction means Actual/Actual (ICMA).

Deeply Subordinated Obligations means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 350,000,000 6.154% undated deeply subordinated notes issued on July 28, 2006 are Deeply Subordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

Existing Regulations means, from the Issue Date to (but excluding) the date of entry into force of Solvency II Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of entry into force of Solvency II Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and

construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

First Call Date means 5 June 2027.

Group means the group of insurance undertakings of the Issuer as construed under Existing Regulations or, as the case may be, Solvency II Regulations. At the date hereof, the Group includes the Issuer and its subsidiary undertakings and participating interests as consolidated in accordance with IFRS.

IFRS means the International Financial Reporting Standards as implemented in the European Union.

Interest Payment means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4.

Interest Payment Date means 5 June in each year, commencing on 5 June 2016 to, and including, the Redemption Date.

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Rate Period means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Issue Date means 5 June 2015.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, notwithstanding the occurrence of a Compulsory Interest Payment Event, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable);
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and
- (iii) (with effect from the date of entry into force of Solvency II Regulations) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Margin means 3.20 per cent. *per annum*.

Minimum Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

Noteholder means the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

Optional Interest Payment Date means an Interest Payment Date which is not otherwise a Mandatory Interest Deferral Date or a Compulsory Interest Payment Date.

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's USD 100,000,000 subordinated step-up floating rate notes due 2029, EUR 100,000,000 subordinated step-up floating rate notes due 2020, EUR 250,000,000 fixed to reset rate undated subordinated notes, CHF 650,000,000 fixed to floating rate undated subordinated notes, CHF 250,000,000 fixed to floating rate undated subordinated notes CHF 315,000,000 fixed to floating rate undated subordinated notes, and CHF 125,000,000 fixed resettable undated subordinated notes are Ordinarily Subordinated Obligations.

Principal Amount means the principal amount of each Note being €100,000.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency II Regulations.

Rate of Interest means (i) from and including the Issue Date to but excluding the First Call Date, 3.25 per cent. *per annum* and (ii) from and including the First Call Date, the relevant Reset Rate of Interest.

Rating Event means at any time, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) on or after the Issue Date of at least one (1) agency among Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., Moody's Investors Services, Fitch Ratings and A.M. Best Company, the equity content previously assigned by such rating agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such rating agency at or around the Issue Date.

Redemption Date means the effective date of redemption of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

Regulatory Deficiency means:

- (i) before the entry into force of the Solvency II Regulations, the solvency margin of the Issuer or its Group falls below 100 percent of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations; or
- (ii) following the entry into force of the Solvency II Regulations, the own funds regulatory capital (or whatever the terminology employed by Solvency II Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the terminology employed by Solvency II Regulations) of the Issuer or its Group and either a deferral of interest (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify as at least "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement (as defined in Solvency II Directive) or Minimum Capital Requirement; or

- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Reset Date means the First Call Date, the 10th anniversary thereof and each subsequent 10th anniversary of the previous 10th anniversary thereof.

Reset Rate means the 10-year Swap Rate determined on the day falling two Business Days prior to the first day of each relevant Interest Rate Period (each an **Interest Rate Determination Date**).

Reset Rate of Interest means a rate *per annum* equal to the then applicable Reset Rate plus the Margin.

Scheduled Maturity Date means 5 June 2047, if the Conditions to Redemption are satisfied and otherwise as soon thereafter as the Conditions to Redemption are satisfied.

Solvency II Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which has been or must be transposed under the law of its jurisdiction by the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

Solvency II Regulations means, as from (and including) the date of entry into force of the Solvency II Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

TARGET 2 Settlement Day means any day on which TARGET System is operating.

TARGET System means the Trans-European Automated Real-time Gross settlement Express Transfer system.

10-year Reference Bank Rate means the percentage rate determined on the basis of the 10-year Swap Rate Quotations provided by at least five leading swap dealers in the interbank market (the **Reference Banks**) to the Fiscal Agent at approximately 11:00 a.m. (Central European time), on the relevant Interest Rate Determination Date. If one quotation is provided, the 10-year Reference Bank

Rate will be such quotation. If two or more quotations are provided, the 10-year Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the 10-year Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable 10-year Reference Bank Rate shall be equal to the last 10-year Swap Rate available on the Screen Page as determined by the Fiscal Agent.

10-year Swap Rate means the mid-swap rate for a term of 10 years as displayed on Reuters screen “ISDAFIX2” as at 11:00 a.m. (Central European time) (the **Screen Page**). In the event that the 10-year Swap Rate does not appear on the Screen Page on the relevant Interest Rate Determination Date, the 10-year Swap Rate will be the 10-year Reference Bank Rate on such Interest Rate Determination Date.

10-year Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap which (i) has a term of 10 years commencing on the first day of the relevant Interest Rate Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating rate leg based on the 6-month EURIBOR rate (calculated on an actual/360 day count basis).

2. DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes will be issued on the Issue Date in dematerialised bearer form (*au porteur*) in a denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

3. STATUS OF THE NOTES

- (a) The principal and interests (including any outstanding Arrears of Interest and Additional Interest Amount) on the Notes constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
 - (ii) *pari passu* with any Ordinarily Subordinated Obligations of the Issuer; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

- (b) The subordination provisions of the Notes are governed by Article L.228-97 of the French *Code de commerce*.
- (c) There will be no negative pledge in respect of the Notes.

4. INTEREST

4.1 General

- (a) Subject to Condition 4.3 (*Interest Deferral*), the Notes bear interest on their Principal Amount (i) at a fixed rate of 3.25 per cent *per annum* from and including 5 June 2015 (the **Issue Date**) to, but excluding 5 June 2027 (the **First Call Date**), and (ii) thereafter, from and including the First Call Date to, but excluding, the Redemption Date, the Notes bear interest on their Principal Amount at the Reset Rate of Interest, payable annually in arrears on each Interest Payment Date.
- (b) The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Rate of Interest on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder.
- (c) Interest from (and including) the First Call Date:
 - (i) The amount of interest payable shall be calculated by applying the Reset Rate of Interest to the Principal Amount on the first Interest Payment Date following the First Call Date and on any subsequent Interest Payment Date.
 - (ii) The Fiscal Agent will cause the Reset Rate and Reset Rate of Interest for each Interest Rate Period to be notified to the Issuer and to the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed (by no later than the first day of each Interest Rate Period) and notice thereof to be given to the Noteholders in accordance with Condition 10 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.
- (d) If interest is required to be calculated for a period other than an Interest Period, such interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest Euro cent, with half of a Euro cent being rounded upwards.
- (e) On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the Condition 4.3 (*Interest Deferral*) below.

4.2 Fiscal Agent

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Fiscal Agent and appoint a substitute Fiscal Agent provided that so long as any of the Notes remain outstanding there shall at all times be a Fiscal Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Fiscal Agent or failing duly

to determine the Reset Rate and Reset Rate of Interest for any Interest Rate Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Luxembourg interbank market to act in its place. The Fiscal Agent may not resign its duties or be removed without a successor having been appointed.

- (b) Notifications etc. to be final and binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) by the Fiscal Agent as calculation agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Noteholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent as calculation agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4 (*Interest*).

4.3 Interest Deferral

- (a) Optional Deferral of Interest Payments

Subject to Condition 4.3(b), the Issuer may, at its option, elect to defer in full or in part the payment of interest otherwise due and payable on any Optional Interest Payment Date in respect of the Interest Period ending on such date, by giving a notice to such effect in accordance with Conditions 4.3(e) and 10 (*Notices*) (the **Deferral Notice**). Upon and subject to the Issuer giving a valid Deferral Notice, the Issuer shall not have any obligation to pay any interest on an Optional Interest Payment Date and such non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose and shall not give Noteholders any right to accelerate the Notes.

Any interest in respect of the Notes which has not been paid on an Optional Interest Payment Date will be deferred and shall constitute **Optional Deferred Interest** and shall be payable as outlined below.

- (b) Mandatory Deferral of Interest

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Mandatory Deferred Interest** and shall constitute, together with Optional Deferred Interest, **Arrears of Interest** and shall be payable as outlined below.

- (c) Arrears of Interest

All Arrears of Interest (together with the corresponding Additional Interest Amount) may, subject to the fulfilment of the Conditions to Settlement, at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;

- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest with respect to the relevant Interest Period and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Fiscal Agent as calculation agent applying the relevant Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest and Additional Interest Amounts, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

(d) Partial Payment of Arrears of Interest and Additional Interest Amounts

If amounts in respect of Arrears of Interest and Additional Interest Amounts become partially payable:

- (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (ii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

(e) Notice of Deferral and Payment of Arrears of Interest and Additional Interest Amounts

If practicable under the circumstances, the Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10:

- (i) of any deferral of any interest under the Notes on any Interest Payment Date, which relates to Optional Deferred Interest or Mandatory Deferred Interest; and
- (ii) of any date upon which amounts in respect of Optional Deferred Interest and/or Mandatory Deferred Interest shall become due and payable.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

This notice will not be a condition to the deferral of interest. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

4.4 Compulsory Interest Payments

The Issuer shall, on each Compulsory Interest Payment Date, for so long as the compulsory interest provisions apply, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amount thereon) at such time.

5. PAYMENTS

5.1 Method of Payment

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will be made in Euros by credit or transfer to a Euro-denominated account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders shall be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer or the Fiscal Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euros, or any currency conversion or rounding effect in connection with such payment being made in Euros.

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). The Issuer (or a paying agent, if applicable) shall be permitted to make any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or an intergovernmental agreement between the United States of America and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) and the Issuer will have no obligation to pay any additional amounts or otherwise indemnify a Noteholder for any withholding or deduction, notwithstanding any other provision in the Conditions.

5.2 Payments on Business Days

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent

The name of the initial Fiscal Agent and its specified office are set forth below:

Fiscal Agent

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or appoint additional or other agents or approve any change in the office through which any such agent acts, provided that there will at all times be a Fiscal Agent having a specified office in a European city. The Issuer undertakes that it will ensure that it maintains a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In the absence of wilful default, bad faith or manifest error, no liability to the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Subject to Condition 6.10 (*Conditions to Redemption and Purchase*) below and to the Prior Approval of the Relevant Supervisory Authority, unless previously redeemed or purchased and cancelled as provided for below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon), on the Scheduled Maturity Date.

6.2 Optional Redemption

The Issuer will have the right to redeem all but not some only of the Notes, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

6.3 Redemption for Tax Reasons

- (a) The Notes may be redeemed at the Base Call Price at the option of the Issuer in whole, but not in part, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes.
- (b) If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, at the

Base Call Price, upon giving not less than seven (7) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Condition 10 (*Notices*), provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date is past, as soon as is practicable thereafter.

- (c) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Base Call Price, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (x) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (y) an opinion of independent legal advisers of recognised standing to such effect.

In each case subject to Condition 6.10 (*Conditions to Redemption and Purchase*) below and to the Prior Approval of the Relevant Supervisory Authority.

6.4 Redemption for Rating Reasons

If the Issuer determines at any date after the Issue Date that a Rating Event has occurred with respect to the Notes, the Issuer may, having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders in accordance with Condition 10 (*Notices*), elect, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price. Prior to the election of the Issuer to redeem the Notes as aforesaid, the Issuer shall deliver to the Fiscal Agent a certificate signed by a recognised expert confirming that such Rating Event has occurred.

6.5 Redemption for Regulatory Reasons

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, at the Base Call Price, provided that the due date for redemption shall be no earlier than the last day falling on or after the date on which the proceeds of the Notes can no longer be included at least in the tier two own funds regulatory capital.

6.6 Redemption for Accounting Reasons

If the Issuer determines at any date after the Issue Date that an Accounting Event has occurred with respect to the Notes, the Issuer may elect, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price, provided that the due date for redemption of which notice may be given hereunder shall be no earlier than the last day prior to the date on which the proceeds of the Notes must not, or must no longer, be recorded as "debt" pursuant

to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

6.7 Clean-up Redemption

The Issuer may elect, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty per cent) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election (a **Clean-up Call**).

6.8 Purchases

Subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, the Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

6.9 Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.10 Conditions to Redemption and Purchase

The Notes may not be redeemed or purchased pursuant to any of the redemption or purchase provisions referred to above if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption or (ii) such redemption would itself cause a Regulatory Deficiency, except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase (the **Conditions to Redemption**).

In addition, as from the entry into force of Solvency II Regulations, the Notes may not be redeemed or purchased pursuant to Conditions 6.3 to 6.8 respectively, prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

Except as otherwise indicated above, any redemption or purchase shall have been notified by the Issuer having given not more than sixty (60) nor less than thirty (30) calendar day's prior notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

6.11 Notice of deferral of redemption

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 of any deferral of the redemption of the Notes. This notice will not be a condition to the deferral of redemption. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

7. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If French law should require any such deduction or withholding, the Issuer shall, to the extent permitted by law, pay such additional amounts as may be necessary so that each Noteholder, after such deduction or withholding, will receive the full amount then due and payable on each Note in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, as the case may be:

- (i) Other connection: to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, by reason of his having some connection with the Republic of France other than the mere holding of the Note; or
- (ii) Savings Directive: where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU adopted by the European Council on 24 March 2014, as further amended or any other Directive) implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings of income, or any law or treaty implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) Excess interest paid to a shareholder of the Issuer: to, or to a person acting on behalf of, a beneficiary who is liable to such taxes in respect of such Notes, solely by reason of (x) his being a shareholder of the Issuer who declared or notified, or is under an obligation to declare or notify his shareholding in the Issuer to the *Autorité des marchés financiers* or the Issuer, under applicable law or the bylaws (*statuts*) of the Issuer and (y) the payment of interest or any payment being made to him at a rate in excess of the limit set forth in the French *Code général des impôts* (Article 39, 1, 3°) for the deduction of interest paid to shareholders of a borrowing company; or
- (iv) Non-cooperative State or territory: if the Notes do not benefit from any exception provided in the *Bulletin Officiel des Finances Publiques - Impôts* BOI-INT-DG-20-50-20140211, no. 990 and 550, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, BOI-IR-DOMIC-10-20-20-60-220150320 no. 10 and BOI-ANNX-000364-20120912, no. 20 and when such withholding or deduction is required to be made by reason of interest and other revenues on such Notes, being (x) paid to an account held in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou territoire non-coopératif*) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III, 119 bis and 238 A of the same code; or
- (v) Payment by another paying agent: to, or to a third party on behalf of, a beneficiary who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union; or
- (vi) Payment more than thirty (30) calendar days after the Relevant Date: to, or to a third party on behalf of, a beneficiary more than thirty (30) calendar days after the Relevant Date except to the extent that such beneficiary would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been an Interest Payment Date.

As used herein, the **Relevant Date** in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10 (*Notices*).

8. VARIATION AND SUBSTITUTION OF THE NOTES

- (a) If a Capital Disqualification Event, a Rating Event or an Accounting Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.
- (b) The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.
- (c) Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) in accordance with Condition 10 (*Notices*) and to:
 - (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
 - (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency II Regulations;
 - (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
 - (iv) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged Notes or varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and
 - (v) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.
- (d) **Qualifying Equivalent Securities** means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or

variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions contained in Condition 4 (*Interest*) or, as the case may be, Condition 6 (*Redemption and Purchase*);
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

9. EVENTS OF DEFAULT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

10. NOTICES

Any notice to the Noteholders will be valid if published, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that stock exchange so require in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange website (www.bourse.lu) or, if any such publication is not practicable, or the Notes are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

In addition, notices required to be given to the Noteholders pursuant to these Conditions may also be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared in substitution for the

publications as aforesaid if prior approval is obtained from the competent authority of any stock exchange on which the Notes are listed. Any such notice shall be deemed to have been given on the third Business Day following delivery of the notice to the relevant clearing system.

11. LISTING

The Issuer will use its reasonable efforts to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to maintain such listing during the whole life of the Notes (the last trading day will be the third Business Day prior to the date on which the Notes will be fully redeemed).

12. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and any Additional Interest Amounts) in respect of Notes will become void unless presented for payment within a period of presently ten (10) years (in the case of the principal) and within five (5) years (in the case of interest) from the appropriate relevant due date for payment thereof.

13. NOTEHOLDER'S MEETING

13.1 The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

The Masse will be governed by those provisions of the French *Code de commerce* with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65 II, R.228-63, R.228-65, R.228-67, R.228-69 and R.228-72 of the French *Code de commerce*, as summarised and supplemented by the conditions set forth below.

13.2 Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

13.3 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors, its *Directeurs Généraux*, its statutory auditors and its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

M. Antoine LACHENAUD

MCM Avocat
10 rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the initial Representative, the replacement Representative shall be:

M. Philippe MAISONNEUVE

MCM Avocat
10 rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the Representative, a replacement representative will be elected by a meeting of the general assembly of Noteholders.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal Agent.

13.4 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

13.5 General Assemblies of Noteholders

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two (2) months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 10 (*Notices*) not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

13.6 Powers of General Assemblies

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

In accordance with Article L.228-65 of the French *Code de commerce*, a general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders,

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares and that no amendment to the status of the Notes may enter into force until the consent of the Relevant Supervisory Authority has been obtained in relation to such amendment. However, any modification of the Conditions of the Notes may only be made after the Relevant Supervisory Authority has declared that it does not object to such modification, in accordance with Article A.334-1, III, 3° of the French *Code des assurances*.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Assembly will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Assembly.

13.7 Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 (*Notices*) not more than ninety (90) calendar days from the date thereof.

13.8 Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the (15) fifteen-calendar-day period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Fiscal Agent and at any other place specified in the notice of meeting.

13.9 Expenses

The Issuer will pay all duly documented expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved

upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

14. FURTHER ISSUE

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

15. GOVERNING LAW AND JURISDICTION

The Notes are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes. Furthermore, it is the intention of the Issuer to finance the call of the balance of the USD subordinated step-up floating rate notes due 2029 and of the EUR subordinated step-up floating rate notes due 2020, on 25 June and 6 July 2015 respectively, through the proceeds of the Notes.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer, its activities and its financial conditions, please refer to the Cross-Reference List set out in the section "*Documents Incorporated by Reference*" of this Prospectus.

RECENT DEVELOPMENTS

The following recent press releases have been published by the Issuer since the filing of the 2014 DDR:

The asset management company SCOR Global Investments continues to strengthen its organisational structure

On 23 April 2015, the Issuer announced that SCOR Global Investments (SCOR GI), the SCOR group's asset management company, was continuing to strengthen its central functions with key appointments in its Risk Control, Compliance and Internal Control unit and changes to the composition of its Executive Board.

Eric Talleux has been appointed Chief Risk Officer (CRO). He is in charge of Risk Control, Compliance and Internal Control. Raphaëlle Poupon has also joined the SCOR Global Investments as Compliance and Internal Control Officer (CICO), reporting to Eric Talleux.

SCOR Global Investments' Executive Board has expanded and now includes - alongside Benjamin Ayache, Chief Operating Officer, and Fabrice Rossary, Chief Investment Officer - Olivier Nolland, Head of Sales and Marketing, and Eric Talleux, Chief Risk Officer. The Executive Board is chaired by François de Varenne.

Eric Talleux, Chief Risk Officer

Eric Talleux, 45, has joined SCOR Global Investments as Chief Risk Officer. He reports to François de Varenne, Chief Executive Officer of SCOR GI. Eric heads the Risk Control, Compliance and Internal Control unit and is in charge of continuing to develop SCOR GI's supervision of its business, and maintaining the standard of excellence associated with that business.

Before joining SCOR GI, Eric spent five years at Lyxor AM where he was successively Head of Asia Development in Hong Kong, Head of Volatility Management and then Head of the Risk Control, Compliance and Internal Control department. He was made a member of the Lyxor AM management committee in 2013. Prior to this, he worked at SGAM and then SGAM AI in Paris and Singapore, as a fund manager and discretionary volatility manager. He began his career at Banque Paribas as a rate derivatives trader, and was in charge of the FRF rate desk and then the EUR swaptions and caps and floors desk in London. Before joining SGAM, he was a proprietary convertible bond trader.

Eric is a graduate of the *Ecole Polytechnique* and the *Ecole Nationale de la Statistique et de l'Administration Economique*.

Raphaëlle Poupon, Compliance and Internal Control Officer

Raphaëlle Poupon, 39, has joined SCOR Global Investments as Compliance and Internal Control Officer. She was previously a consultant to investment service providers, specialising in regulatory compliance, and was also an asset management company and investment fund auditor at KPMG for nearly 14 years.

Raphaëlle is a graduate of the *Institut Supérieur de Gestion* (Paris).

2015 April Renewals: SCOR Global P&C increases premiums by 5.8% while limiting the price decrease to -1.2%

On 29 April 2015, the Issuer announced that during the 1 April 2015 renewals, SCOR Global P&C's gross written premiums had increased from EUR 374 million to EUR 396 million, i.e. an increase of 5.8% at constant exchange rates at 31 December 2014. Using current exchange rates at 31 December 2013 and at 31 March 2015 respectively, premiums increase from EUR 361 million to EUR 451 million, representing growth of 25%.

The premiums up for renewal at 1 April represent around 10% of the total annual volume of P&C and Specialty Treaty premiums, the main markets concerned being Japan, the United States and India.

The April renewals confirm the market trends witnessed in January in terms of competitive environment, cedants' reinsurance purchase drivers, price changes and terms & conditions.

In this context, SCOR Global P&C has made good use of its positioning and growth strategy in emerging markets such as India, of its client-focused initiative in the United States and of its close relationships with global insurers, as part of its strategic initiative.

The price decrease observed at 1 April 2015 remains contained at -1.2%, 75% of the renewed portfolio being composed of proportional treaties, which still benefit from increasing prices on the primary insurance market (although these increases are slowing down in the United States). From January to April 2015, the overall price decrease remains limited to the level reported in January, i.e. -0.7%, thanks to the relatively low weight of the April renewals in the SCOR Global P&C book. This satisfying performance is due to the diversification of the SCOR Global P&C portfolio and to the quality of its client relationships, which facilitates active portfolio management.

In view of the 1 April 2015 renewals, which take into account the cancellation of contracts by one of the three major Japanese insurance groups, and despite the lower expected profitability of the relatively limited volume of business renewed in April, SCOR Global P&C confirms its 94% normalised net combined ratio assumption for 2015.

The premiums up for renewal at 1 April are distributed between P&C Treaties (71%) and Specialty Treaties (29%) in the three geographical areas: Asia (55%), Americas (30%) and EMEA (15%).

The main developments at the 1 April 2015 renewals are as follows:

- For **P&C Treaties**: gross premiums are up by 5% at constant exchange rates to EUR 278 million. The strengthening of SCOR Global P&C's positions on several emerging markets, and the signing of a major contract with a global insurer based in the United States, more than offset the non-renewal of contracts by a group representing two clients in Japan.
- For **Specialty Treaties**: gross premiums are up by 8% at constant exchange rates to EUR 117 million, thanks in particular to the development of the Agriculture portfolio on the Indian market, and to the growth of the Engineering specialty in Asia.

SCOR's Combined General Meeting of 30 April 2015 adopts all the proposed resolutions

The Combined General Meeting of SCOR was held on 30 April 2015 in Paris and was chaired by Mr. Denis Kessler, Chairman and Chief Executive Officer of SCOR.

All the proposed resolutions were adopted by SCOR's shareholders by a very large majority, including payment of a dividend of EUR 1.40 per share for the 2014 financial year. The coupon date was set at 5 May 2015 and the dividend was paid on 7 May 2015.

The resolution voting results are on line at:

<http://www.scor.com/en/annual-general-meetings-archive.html>.

First quarter 2015 results - SCOR delivers high quality net income of EUR 175 million and annualised ROE of 12.1%

On 6 May 2015, the Issuer announced that SCOR had delivered a strong start to the year, thanks to the rigorous implementation of its strategic plan and the profitable growth of both its Life and P&C business engines. SCOR is on track to achieve the targets set out in its strategic plan "Optimal Dynamics".

- **Gross written premiums** reach EUR 3,124 million, up 17.0% at current exchange rates compared to 2014 (+5.1% at constant exchange rates). This significant growth is driven by the contribution of the two business engines, SCOR Global P&C and SCOR Global Life:
 - SCOR Global P&C gross written premiums increase by 16.3% at current exchange rates (+5.2% at constant exchange rates) to EUR 1,398 million;
 - SCOR Global Life gross written premiums reach EUR 1,726 million, up by 17.7% at current exchange rates (+5.0% at constant exchange rates).
- **SCOR Global P&C** delivers strong Q1 2015 technical profitability with a net combined ratio of 89.1%, compared to 88.9% in Q1 2014, in an environment of low natural catastrophe losses.
- **SCOR Global Life's** technical margin stands at 7.2% for the first three months of 2015, compared to 7.3% for the same period in 2014.
- SCOR Global Life's **Market Consistent Embedded Value** (MCEV) reaches EUR 4.7 billion in 2014 (EUR 25.50 per share), up 6.2% compared to 2013.
- **SCOR Global Investments** achieves an enhanced 3.5% return on invested assets thanks to its active portfolio management, in an historically low yield environment.
- **Group net income** reaches EUR 175 million in the first quarter of 2015, an increase of 30% compared to 2014. The annualised Return on equity (ROE) stands at 12.1%.²
- **Shareholders' equity** increases by 12% over the quarter to reach EUR 6,415 million at 31 March 2015, compared to EUR 5,729 million at 31 December 2014, translating into a book value per share of EUR 34.35 at 31 March 2015, compared to EUR 30.60 at 31 December 2014. The strong net income contribution and very strong foreign exchange impact (of around EUR 414 million) were the main drivers for the increase.
- **SCOR's 2015 solvency ratio**³, as defined by the 2014 internal model, stands at 224%, marginally above the optimal range as defined in the "Optimal Dynamics" plan.
- **SCOR's financial leverage** decreased to 20.8% at 31 March 2015, compared to 23.1% at 31 December 2014.

² The ROE calculation method was adjusted to take into account material foreign exchange rate movements that do 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.

³ This estimate is based on the 2014 internal model, taking into account the available capital at year-end 2014 divided by the SCR as at that date, allowing for planned business in 2015. The internal model will be subject to a review and approval process conducted by the ACPR over the coming months.

SCOR Group Q1 2015 key financial details:

In EUR millions (rounded, at current exchange rates)	First quarter 2015 results		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Gross written premiums	3,124	2,669	17.0%
Group cost ratio	5.15%	4.98%	0.17 pts
Net return on invested assets	3.5%	2.6%	0.9 pts
Annualized ROE*	12.1%	11.2%	0.9 pts
Net income**	175	135	29.6%
Shareholders' equity	6,415	5,162	24.3%
P&C Combined ratio	89.1%	88.9%	0.2 pts
Life technical margin	7.2%	7.3%	-0.1 pt

(*) The ROE calculation method was adjusted to take into account material foreign exchange rate movements that do not occur evenly throughout 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. (**) Consolidated net income, Group share.

In the first quarter of 2015, SCOR Global P&C delivers excellent technical profitability, with a net combined ratio of 89.1%

SCOR Global P&C key figures:

In EUR millions (rounded, at current exchange rates)	First quarter 2015 results		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Gross written premiums	1,398	1,202	16.3%
Combined ratio	89.1%	88.9%	0.2 pts

SCOR Global P&C posts gross written premium growth of +16.3% at current exchange rates (+5.2% at constant exchange rates) to EUR 1,398 million in the first three months of 2015, driven by USD-based growth, particularly with Global Clients and thanks to the Client Focus Initiative in the US market, and with expected profitability at target.

In the first three months of 2015, SCOR Global P&C records excellent technical profitability with a net combined ratio of 89.1%, driven by:

- an excellent net attritional loss ratio of 56.1%, with a year-on-year improvement of 1.0 pt resulting from active portfolio management;
- a low level of net cat losses of 1.7%, with Storm Niklas being the only material event and accounting for EUR 20 million, mostly from Germany;
- a commission ratio at 24.7%, with the change in the portfolio mix towards proportional business contributing to about two thirds of the year-on-year increase.

The normalised net combined ratio (with a natural catastrophe budget of 7%) stands at 94.4%. For the full year, SCOR Global P&C reaffirms its normalised net combined ratio assumption of 94%.

Confirming the market trends observed in January in terms of competitive environment, cedants' reinsurance purchase drivers, price changes and terms & conditions, SCOR Global P&C delivered premium growth of 5.8% at constant exchange rates at its 1 April 2015 renewals⁴ while limiting the decrease in prices to -1.2%.

⁴ See press release of 29 April 2015

For the full year 2015, SCOR Global P&C expects to achieve approximately EUR 5.3 billion in gross written premiums, as stated in the press release relating to the January 2015 renewals⁵.

SCOR Global Life continues to combine strong technical performance with steady franchise growth in the first quarter of 2015

SCOR Global Life key figures:

In EUR millions (rounded, at current exchange rates)	First quarter 2015 results		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Gross written premiums	1,726	1,467	17.7%
Life technical margin	7.2%	7.3%	-0.1 pts

SCOR Global Life gross written premiums stand at EUR 1,726 million in the first quarter of 2015, up 17.7% at current exchange rates compared to the same period last year (+5.0% at constant exchange rates), resulting from:

- The first significant Longevity transaction underwritten in the Canadian market⁶, demonstrating SCOR Global Life's ability to leverage its success in the UK longevity market;
- Expansion of SCOR Global Life's footprint in Asia, both in Financial Solutions and new protection business in the region as presented during the Investor Day in 2014;
- Growth in Protection key markets, with the technical margin fully in line with expectations.

SCOR Global Life records a robust technical margin of 7.2%, above the "Optimal Dynamics" assumption, thanks to the good performance of the in-force portfolio during the quarter.

2014 Market Consistent Embedded Value for SCOR Global Life⁷ increases by 6.2% to EUR 4.7 billion (or EUR 25.50 per share), which validates the long-term strength of the biometric portfolio.

SCOR Global Investments delivers a very strong return on invested assets of 3.5%, in an historically low yield environment

SCOR Global Investments key figures:

In EUR millions (rounded, at current exchange rates)	First quarter 2015 results		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Total investments	27,119	22,731	19.3%
• of which total invested assets	18,087	14,539	24.4%
• of which total funds withheld by cedants	9,032	8,192	10.3%
Return on investments*	2.9%	2.4%	0.5 pts
Return on invested assets**	3.5%	2.6%	0.9 pts

(*) Annualized, including interest on deposits (i.e. interest on funds withheld).

(**) Annualized, excluding interest on deposits (i.e. interest on funds withheld).

⁵ See press release of 10 February 2015

⁶ See press release of 3 March 2015

⁷ See press release of 6 May 2015

In an exceptionally low yield environment, SCOR Global Investments continues its policy of progressively rebalancing its portfolio during the first quarter of 2015 while selectively increasing the duration of the fixed income portfolio, in line with the indications given in the "Optimal Dynamics" plan.

Cash and short-term investments represent 5% of invested assets at 31 March 2015 (excluding funds withheld by cedants), stable compared to 31 December 2014. The duration of the fixed income portfolio stands at 4.1 years (excluding cash) at 31 March 2015, compared to 4.0 years at 31 December 2014 and 3.8 years at 31 March 2014.

The stable average rating of AA- bears witness to the quality of the fixed income portfolio. As at 31 March 2015, expected cash flow on the fixed income portfolio over the next 24 months stands at EUR 5.3 billion (including cash and short-term investments), facilitating dynamic management of the reinvestment policy.

During the first quarter of 2015, invested assets generated a very strong financial contribution of EUR 149 million. The active management policy employed by SCOR Global Investments has enabled the Group to record capital gains of EUR 73 million in Q1 2015, coming mainly from the equity portfolio.

The return on invested assets stands at 3.5% for the first three months of 2015. Taking account of funds withheld by cedants, the net rate of return on investments stands at 2.9% for the first quarter of 2015.

Invested assets (excluding funds withheld by cedants) stand at EUR 18,087 million as at 31 March 2015, and are composed as follows: 4% cash, 82% fixed income (of which less than 1% are short-term investments), 3% loans, 3% equities, 4% real estate and 3% other investments. Total investments, including EUR 9,032 million of funds withheld, stand at EUR 27,119 million at 31 March 2015, compared to EUR 24,854 million at 31 December 2014.

1 - P&L Key figures Q1 2015 (in EUR millions, at current exchange rates)

	Q1 2015		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Gross written premiums	3,124	2,669	17.0%
P&C gross written premiums	1,398	1,202	16.3%
Life gross written premiums	1,726	1,467	17.7%
Net investment income	180	132	36.4%
Operating results	287	210	36.7%
Net income ¹	175	135	29.6%
Earnings per share (EUR)	0.95	0.73	29.5%
Operating cash flow	62	-101	n/a

1: Consolidated net income, Group share.

2 - P&L Key ratios Q1 2015

	Q1 2015		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Variation
Return on investments ¹	2.9%	2.4%	0.5 pts
Return on invested assets ^{1,2}	3.5%	2.6%	0.9 pts
P&C net combined ratio ³	89.1%	88.9%	0.2 pts
Life technical margin ⁴	7.2%	7.3%	-0.1 pts
Group cost ratio ⁵	5.15%	4.98%	0.17 pts
Return on equity (ROE) ⁶	12.1%	11.2%	0.9 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 do 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.

3 - Balance sheet Key figures as at 31 March 2015 (in EUR millions, at current exchange rates)

	Key Figures		
	As at 31 March 2015	As at 31 December 2014	Variation
	(Unaudited)	(Unaudited)	
Total investments ^{1,2}	27,119	24,854	9.1%
Technical reserves (gross)	27,865	25,839	7.8%
Shareholders' equity	6,415	5,729	12.0%
Book value per share (EUR)	34.35	30.60	12.3%
Financial leverage ratio	20.8%	23.1%	-2.3 pts
Total liquidity	1,209	940	28.6%

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.

SCOR Global Life Embedded Value increases 6.2% to EUR 4.7 billion in 2014 (EUR 25.5 per share), continuing to provide the Group with significant earnings and strong capital repatriation

On 6 May 2015, the Issuer announced that SCOR Global Life was presenting excellent Market Consistent Embedded Value (MCEV) figures for 2014, continuing to enhance the strength of its franchise through its major position in many markets.

SCOR Global Life 2014 MCEV – Key items:

- MCEV reaches EUR 4.7 billion, representing a return on MCEV of 7.2% per annum, thanks to total MCEV earnings of EUR 321 million.

- The Value of New Business amounts to EUR 325 million, compared to EUR 340 million in 2013, with a new business margin⁸ of 4.3% compared to 5.4% in 2013. Allowing for the impact of an exceptionally strong volume of financial solution transactions in 2013, the value generated by new business in 2014 has progressed favourably, driven by the development of the franchise as per the "Optimal Dynamics" plan.
- SCOR Global Life returns EUR 326 million of cash to the Group, of which approximately EUR 160 million consists of cash distributions from capital optimization following the acquisition of Generali USA.
- The MCEV not recognised under IFRS increases from EUR 1,571 million in 2013 to EUR 1,834 million in 2014. This increase is mainly driven by new business written in 2014 and foreign exchange developments.
- After capital repatriation, the MCEV increases by 6.2% to EUR 4.7 billion or EUR 25.5 per share in 2014, from EUR 4.5 billion or EUR 24.1 per share in 2013.

The strength of SCOR Global Life's business model is confirmed, with biometric focus providing low MCEV sensitivity to interest rates and financial markets compared to most primary life insurers.

Appointments at SCOR

On 19 May 2015, the Issuer announced several appointments within the central Group functions.

Laurent Brémond has joined the Group as Group Human Resources Director, reporting to Denis Kessler, Chairman & Chief Executive Officer. He is based in Paris.

Laurent Brémond (47) is a graduate of the London School of Economics. He also holds a Master's degree from the Paris IX Dauphine University. He began his career at Schlumberger, where he alternately held operational HR and specialist roles, based successively in the United Kingdom, Venezuela, France, the United States and Colombia. Regional and then Divisional Human Resources Director at Invensys, based in France and the United States, he subsequently became Human Resources and Communications Director of the Faiveley Transport Group, based in Paris.

Spencer Alridge has been appointed Group Chief Compliance Officer, reporting to Romain Launay, General Secretary, with effect from 1 June 2015. He is based in Charlotte, North Carolina.

Spencer Alridge (48) is a graduate of the University of Illinois (B.A.) and George Washington University (J.D.) and is a member of the North Carolina Bar and the South Carolina Bar (inactive). He began his career in 1992 at law firms in Charlotte, North Carolina as a civil litigator in private practice. In 2002 he joined the Transamerica Reinsurance legal department where he first managed global litigation and arbitration, and then law and compliance for non-U.S. business operations in Asia-Pacific and Latin America, rising to Deputy General Counsel in 2007. He also became responsible for the U.S. claims adjudication unit from 2006-2009 and again beginning in 2015. After SCOR acquired the Transamerica Reinsurance business in 2011, he continued to be responsible for Latin American and Canadian legal matters with SCOR Global Life Americas, where he also assumed responsibility for non-U.S. reinsurance treaty units in 2014.

⁸ The ratio of the value of new business and the present value of new business premiums.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1. EU SAVINGS DIRECTIVE

Under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The rate of such withholding tax equals 35 per cent. The changes referred to below will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

2. FRANCE

2.1 Withholding Tax

The following is a basic summary of certain withholding tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer or are affiliated with the Issuer within

the meaning of article 39,12 of the French Code général des impôts. Persons who are in doubt as to their tax position should consult a professional tax adviser.

Payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax provided under Article 125 A III of the *Code général des impôts* unless such payments are made in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non Cooperative State**), in which case, a 75 per cent. withholding tax is applicable (subject to exceptions, certain of which are set forth below, and to the more favourable provisions of an applicable double tax treaty). The 75 per cent. withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, nor the Deductibility Exclusion nor the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such non-deductibility, will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70, BOI-IR-DOMIC-10-20-20-60-20150320 no. 10 and BOI-ANNX-000364-20120912 no. 20, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

- (a) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (b) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non Cooperative State.

The Notes which will be, at the time of their issue, admitted to the clearing operations of Euroclear France and, upon their issue and thereafter, admitted to trading on the regulated market of the Luxembourg Stock Exchange, will benefit from the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 of the same *Code* as a result of the Deductibility Exclusion.

Pursuant to Article 125 A I of the French *Code général des impôts* and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

2.2 EU Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

3. LUXEMBOURG TAXATION

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes. Please note that Luxembourg, as of 1 January 2015, switched from the withholding system to the exchange of information system.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

3.1 Non Luxembourg tax resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

From January 1, 2015 Luxembourg applies the exchange of information procedure provided for under the Luxembourg laws of June 21, 2005 (or the relevant accords entered into by Luxembourg and certain dependent and associated territories of EU Member States) for interest payments made through a paying agent established in Luxembourg.

3.2 Luxembourg resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of

Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg or certain foreign residual entities established in an EU Member State or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to 10 per cent. withholding tax.

When used in this section, "interest", residual entity", and "paying agent" have the meaning given thereto in the law of 21 June 2005 as amended.

4. UNITED STATES OF AMERICA

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (a) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (b) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Participating FFI (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017.

The United States and France have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the **IGA**). Pursuant to the IGA, an FFI in France could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI may not be required to withhold under FATCA or the IGA (or any law implementing the IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary, "withholding foreign partnership, or "withholding foreign trust" regimes). Under the IGA, a Reporting FI is still be required to report certain information in respect of its account holders and investors to the French government.

The Issuer expects to be treated as a Reporting FI pursuant to the IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would not be required to deduct FATCA Withholding from payments it makes in the future. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (a) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (b) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional

amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

SUBSCRIPTION AND SALE

BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch (the **Joint Bookrunners and Joint Lead Managers**) and Commerzbank Aktiengesellschaft and Natixis (the **Co-Lead Managers**, and together with the Joint Bookrunners and Joint Lead Managers, the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 3 June 2015 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 99.375 per cent. of the total principal amount of the Notes, less a combined management and underwriting commission agreed between the Issuer and the Managers. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General selling restrictions

No action has been taken or will be taken by the Managers that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

Each of the Managers has represented, warranted and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended as the case may be) or any part of it or any other offering material relating to the Notes, and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such purchases, offers or sales. None of the Managers who have complied with such representation shall have any responsibility for any breach of such representation by another Manager.

None of the Managers will offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of the Prospectus or any offering materials relating to the Notes by each of the Managers will be made on the same terms.

Neither the Issuer nor any of the Managers represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. Terms used in this paragraph and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Each of the Managers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Managers, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

United Kingdom

Each of the Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

Prospective investors are informed that (a) the Prospectus has not been approved by the *Autorité des marchés financiers*, (b) such prospective investors may only take part in the transaction solely for their own account as provided in articles D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier* and (c) that the Notes may not be further distributed directly or indirectly to the public in France otherwise than in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and traded on the Luxembourg Stock Exchange Regulated Market.
2. The estimate of the total expenses related to the admission of the Notes to trading is €6,540.
3. The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 124456894. The International Securities Identification Number (**ISIN**) for the Notes is FR0012770063. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg and the address of Euroclear France is 66 rue de la Victoire, 75009 Paris.
4. Except as disclosed in this Prospectus on pages 88 to 95, there has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2014.
5. There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2014.
6. Except as disclosed in the 2014 DDR on pages 287 to 288, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of approval of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
7. The issue of the Notes was decided by Mr. Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer (*Président du Conseil d'administration* et *Directeur Général*) of the Issuer on 2 June 2015 acting pursuant to resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer adopted on 5 May 2015.
8. There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
9. At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Notes between the duties of the members of the Board of Directors to the Issuer and their private interests and/or their other duties. The Managers are paid commissions in relation to the issue of the Notes. Any such Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
10. To the knowledge of the Issuer, no person involved in the issue of the Notes has an interest material to the Issue.
11. For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (a) this Prospectus;
 - (b) the Agency Agreement;

- (c) the *statuts* of the Issuer;
- (d) each of the Documents Incorporated by Reference.

The Prospectus will be published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (www.scor.com).

12. The statutory auditors of the Issuer are Mazars (Tour Exaltis, 61, rue Henri Regnault, 92075 Paris-La Défense Cedex, France) and Ernst & Young Audit (Tour Ernst and Young, 11, faubourg de l'Arche, 92037 Paris-La Défense Cedex, France) (both entities are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). Ernst & Young Audit and Mazars are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* which is supervised by the *Compagnie Nationale des Commissaires aux Comptes*. They have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2013 and 31 December 2014.
13. The yield of the Notes, calculated from the Issue Date to the First Call Date is 3.314 per cent. *per annum*. It is not an indication of future yield.

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