SOLVENCY AND FINANCIAL CONDITION REPORT

AS OF 31 DECEMBER 2024

SCOR EUROPE SE

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EXECUTIVE SUMMARY

INTRODUCTION

This document, the Solvency and Financial Condition Report ("SFCR") for SCOR Europe SE ("SCOR Europe", or "the Company"), presents information on SCOR Europe and its solvency position as at December 31, 2024 and has been prepared in accordance with Solvency II regulations (Solvency II Directive 2009/138/EC of the European Parliament of November 25, 2009, the Delegated Regulations of the European Commission of October 10, 2014 supplementing the Directive, the EIOPA Guidelines on Reporting and Public Disclosure EIOPA-BoS-15/109). SFCR appendices include key financial information in the standard format of Solvency II public Quantitative Reporting Templates.

The SFCR of SCOR Europe is available at www.scor.com and has also been submitted to the *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR").

The Solvency and Financial Condition Report includes the following chapters, which are summarized below:

A. Business and performance;
B. System of governance;
C. Risk profile;
D. Valuation for solvency purposes;
E. Capital management.

Within this report, the figures have been presented in thousands of currency units to improve readability. Tables containing figures in this report are presented in thousands of currency units in accordance with the Delegated Regulations. Certain reclassifications and changes have been made to prior year financial information to conform to the current year's presentation. This report is available in English and French.

References to additional details included in the following publicly available documents have been made throughout the report:

- SCOR's strategic plan for 2024-2026, "Forward 2026", available at www.scor.com/en/press-release/scor-launches-its-new-strategic-plan. With "Forward 2026", SCOR will drive value creation for its shareholders, clients, employees, and for society as a whole. The Group maintains a controlled risk appetite and disciplined underwriting as it acts on business opportunities created by the supportive market conditions, fueling growth on its diversified and equally weighted P&C and L&H portfolios;
- 2024 *Document d'Enregistrement Universel* – the Universal Registration Document (URD) of SCOR SE, including the consolidated financial statements of SCOR Group and unconsolidated corporate financial statements of SCOR SE (*Etats financiers non consolidés de SCOR SE*), filed with the French financial markets authority (*Autorité des marchés financiers* – "AMF") and available on SCOR's website www.scor.com/en/financial-information;
- SCOR Group SFCR available on SCOR's website www.scor.com/en/regulated-information.

Business and Performance

With effect from January 1, 2019, SCOR Europe SE, a 100% directly owned subsidiary of SCOR SE, underwrites new and renewed non-life ("P&C") insurance business relating to risks located in EEA.

Since January 1, 2020, the UK branch of SCOR Europe is carrying non-life insurance risks from certain lines of business located in the UK and, to the extent permitted by applicable regulation, outside the EEA and the UK.

In July 2022 SCOR Europe SE established a new branch in Germany to carry out non-life insurance activities in Germany by virtue of the EU passporting regime (freedom of establishment).

- SCOR Europe is subject to supervision by the French insurance supervisor authority (*Autorité de Contrôle Prudentiel et de Résolution* – "ACPR");
- The SCOR Europe UK branch is subject to supervision by the UK insurance supervisory authorities (Prudential Regulatory Authority - PRA and Finance Conduct Authority -FCA);

SCOR Europe is regulated by the "Solvency II" European Directive which applies since January 1, 2016, having been transposed into national law in all relevant European jurisdictions.

SCOR Europe is part of the SCOR Group which is the world's 6th largest reinsurer[1] serving more than 5,000 clients from its three regional management platforms, or organizational platforms: EMEA, Americas and Asia-Pacific.

SCOR Europe is a non-life insurance company carrying a well-diversified portfolio by line of business and operates internationally with the main risk locations being continental Europe.

The table below presents the underwriting performance:

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1 By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2024".

SCOR Europe SE in EUR thousands	December 31, 2024	December 31, 2023
Gross written premiums	307,903	295,732
Net technical result	37,297	19,676
Internal Management expenses	(38,297)	(29,028)
Net underwriting result	**(1,000)**	**(9,352)**

In 2024, SCOR Europe achieved a net underwriting result of EUR (1,000) thousand compared to EUR (9,352) thousand in 2023.

System of governance

SCOR Europe is a European Company (*Societas Europea*) registered with the Paris Trade and Companies Register, under registered number 840 024 509 and its registered office is at 5 avenue Kléber, 75116 Paris.

SCOR Europe is subject to applicable French laws and regulations (including, but not limited to, the French Commercial Code, the French Monetary and Financial Code and the French Insurance Code) and is supervised by the *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR").

SCOR Europe has established in July 2022 a branch in Germany which is subject to German law and regulations and authorized to carry out non-life insurance activities in Germany by virtue of the European passport (freedom of establishment). SCOR Europe's UK branch is authorized to carry out non-life insurance activities in the UK and subject to UK law and regulations. Since January 1, 2021, SCOR Europe's UK Branch had operated under the UK Financial Conduct Authority's (FCA) Temporary Permissions Regime (TPR), under the supervision of the UK Prudential Regulatory Authority and the FCA. In November 2023, the UK Branch received permanent authorization to operate within the United Kingdom.

The Board of Directors of SCOR Europe aims to achieve as high a standard as possible in its governance framework and aligns itself as closely as is possible with the structures and framework established within the SCOR Group.

Risk profile

SCOR Europe regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation or its results (or capacity to reach objectives) and considers that no significant risk other than those disclosed in the Risk profile chapter of this report exists.

SCOR Europe has identified the following categories of risks:

- underwriting risks related to the P&C (re)insurance business: these risks are accepted on the basis of their estimated risk-adjusted profitability and provisions are maintained in the balance sheet to cover the estimated ultimate liability for losses and adjustment expenses on reported and unreported claims incurred at the end of each accounting period, net of the corresponding estimated recoveries;
- market risks: the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market prices or macroeconomic variables;
- credit risks: which are related to borrowers and counterparties failing to fulfil their contractual obligations;
- liquidity risks : the risks of not having sufficient financial resources available to meet obligations as they fall due, or only being able to secure them at excessive cost;
- operational risks: which are inherent to all businesses, mainly come from risks related to systems, staff, processes, the legal/regulatory environment, risks related to external fraud and cyber-attacks;
- strategic risks: refer to risks related to strategic decisions and the strategic positioning of the company, which can arise as a result of either the strategy itself, from external risks or from internal risks. Thus, emerging risks could also impact the success of the strategy of SCOR Europe.

These risks, described in the Risk profile chapter, are managed through a variety of mechanisms in SCOR Group's ERM (Enterprise Risk Management) framework, adopted in SCOR Europe's approach to risk management.

Valuation for solvency purposes

Solvency II requires SCOR Europe to produce an economic balance sheet (subsequently referred to as EBS) representing a market view of its assets and liabilities as at the reporting date. The Solvency II regulations require the EBS to include assets valued at the amount for which they could be exchanged between knowledgeable and willing parties in an arm's length transaction and liabilities valued at the amount for which they could be transferred, or settled, between knowledgeable and willing parties in an arm's length transaction. In addition, liabilities are not adjusted to take account of the credit standing of the reporting entity.

The details of the valuation principles applied in the EBS, including the differences between the valuation principles and those applied in the financial statements, are outlined in Chapter D – Valuation for solvency purposes of this report.

In the EBS, both assets and liabilities relating to in-force business are recognized at market-consistent values, which constitute the valuation for solvency purposes. SCOR Europe's EBS as at December 31, 2024, has been prepared based on the assumption that SCOR Europe will continue as a going concern, in line with the preparation of the financial statements. SCOR Europe prepares financial statements in accordance with French GAAP.

The preparation of the EBS requires management to make certain judgments, assumptions and estimates. These affect the reported amounts of assets and liabilities and the additional disclosures. Management reviews these estimates and assumptions periodically, based on past experience and other factors. The actual outcome and results could differ substantially from estimates and assumptions made. The most material financial statement captions for which SCOR Europe use estimates and assumptions are insurance reserves, receivables and liabilities relating to insurance operations, the fair value and impairment of financial instruments, and deferred taxes (to the extent permitted).

Capital management

SCOR Europe's goal is to manage its capital in a prudent manner, by maximizing profitability, while maintaining compliance with regulatory solvency.

SCOR Europe considers all its basic own funds, identified in line with Solvency II rules and resulting from economic adjustments as available and eligible to cover the Solvency Capital Requirement ("SCR").

The regulatory solvency position of SCOR Europe is assessed using the Solvency II Standard Formula.

At December 31, 2024, SCOR Europe had EUR 89,958 thousand eligible own funds ("EOF") to cover EUR 60,222 thousand Solvency Capital Requirement ("SCR").

SCOR Europe is a fully owned subsidiary of SCOR SE and therefore belongs to the SCOR Group. It operates in various countries and currencies and benefits from international shared services and expertise of the SCOR Group, and capital support from its parent SCOR SE.

SCOR Europe SE in EUR thousands	**December 31, 2024**
Eligible Own Funds (EOF)	89,958
Solvency Capital Requirement (SCR)	60,222
Minimum Capital Requirement (MCR)	14,600
Solvency ratio	**149%**
Gross written premiums	307,903

SCOR Europe's Eligible Own Funds are split between Tier 1, Tier 2 and Tier 3.

SCOR Europe SE Eligible Own Funds structure as at December 31, 2024 in EUR thousands	**Tier 1**	**Tier 2**	**Tier 3**	**Total**
Total available eligible own funds	**82,498**	**-**	**7,460**	**89,958**
Total eligible own funds to cover the SCR (after limit deductions)	**82,498**	**-**	**7,460**	**89,958**
Total eligible own funds to cover the MCR (after limit deductions)	**82,498**	**-**	**-**	**82,498**

The position of the company shows that it is adequately capitalized for the activities undertaken.

SCOR Europe SE Eligible Own Funds structure as at December 31, 2023 in EUR thousands	**Tier 1**	**Tier 2**	**Tier 3**	**Total**
Total available eligible own funds	**39,048**	**-**	**8,145**	**47,193**
Total eligible own funds to cover the SCR (after limit deductions)	**39,048**	**-**	**8,145**	**47,193**
Total eligible own funds to cover the MCR (after limit deductions)	**39,048**	**-**	**-**	**39,048**

A. BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 OVERVIEW OF SCOR EUROPE

A.1.1.1 NAME AND LEGAL FORM

SCOR Europe SE ("SCOR Europe", or the "Company") is a European Company (Societas Europaea).

Registered office of SCOR Europe and contact information

5 avenue Kléber

75016 PARIS

Tel : +33 (0)1 58 44 70 00

Fax : +33 (0) 1 58 44 85 00

www.scor.com

E-mail : scor@scor.com

SCOR Europe has established a branch in the UK located at 10 Lime Street, London EC3M 7AA and a branch in Germany located at Goebenstrasse 1, 50672 Cologne.

A.1.1.2 SUPERVISORY AUTHORITIES FOR SCOR EUROPE AND SCOR GROUP

SCOR Europe is a member of the SCOR Group.

The Group's principal regulators in France are the Autorité des Marchés Financiers ("AMF"), which is the French financial market regulator, and the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"), which is the French (re)insurance supervisory authority located :

4 place de Budapest

CS 92459

75436 PARIS CEDEX 09

SCOR Europe German branch established in July 2022 is subject to German law and regulations and authorized to carry out non-life insurance activities in Germany by virtue of the European passport (freedom of establishment).

Since January 1, 2021, SCOR Europe UK branch's regulators are the Prudential Regulatory Authority (PRA) and the Finance Conduct Authority (FCA).

A.1.1.3 STATUTORY AUDITORS

Auditors for SCOR Europe are as follows:

Name
Forvis MAZARS Represented by Maxime Simoen Tour Exaltis – 61, Rue Henri Regnault 92075 Paris-La Défense cedex, France CRCC of Versailles

A.1.1.4 SIGNIFICANT SHAREHOLDERS

SCOR SE is the immediate parent company of SCOR Europe SE (100% of control and interest). SCOR SE is domiciled in France.

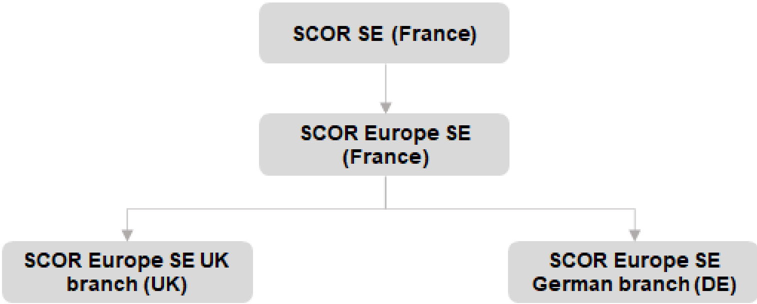
A.1.1.5 LEGAL AND ORGANISATIONAL STRUCTURE OF SCOR EUROPE

Organizational structure of the Group and description of Group operating companies

The Group parent company is SCOR SE, domiciled in France. SCOR SE together with its consolidated subsidiaries, forms the world's sixth largest reinsurer and is listed on the Euronext Paris regulated market.

For further details refer to section A.1.1.5 – Governance, organizational and legal structure of the Group; Organizational structure of the Group and description of Group operating companies of the SCOR Group SFCR at www.scor.com.

Legal and organizational structure of SCOR Europe SE



A.1.2 BUSINESS DESCRIPTION

A.1.2.1 LINES OF BUSINESS AND GEOGRAPHICAL AREAS

The business written by the Company is mainly in speciality insurance large corporate segment. SCOR Europe has a well-diversified book by line of business (property, energy, engineering, liability, offshore, credit & surety, aviation, space, etc), and by geographical spread operating internationally with the main locations being continental Europe.

SOLVENCY II LINES OF BUSINESS

Under Solvency II, insurance and reinsurance obligations are analyzed by specifically defined lines of business.

The material lines of SCOR Europe's business are as follows:

- Fire and other damage to property;
- Marine, aviation and transport;
- General liability;
- Credit & Suretyship.

For further information on SCOR Europe's underwriting and performance by Solvency II lines of business, please refer to section A.2 Underwriting performance.

A.1.2.2 SIGNIFICANT BUSINESS AND OTHER EVENTS IN THE PERIOD

Capital increase

In order to comply with regulatory solvency requirements, the Company carried out three capital increases during the 2024 financial year by creating and issuing 37,000,000 new shares with a par value of €1 each:

- the first, on March 19; 2024, in the amount of EUR 20,000,000;
- the second on April 4, 2024 for EUR 7,000,000; and
- the third on December 18, 2024 in the amount of EUR 10,000,000.

The share capital of SCOR Europe SE was EUR 112,700,000 at December, 31 2024.

A.2 Underwriting performance

A.2.1 UNDERWRITING RESULTS BY LINE OF BUSINESS

SCOR Europe's business area is Specialty Insurance and supported by two business enablers:

- P&C Solutions;
- P&C Business Operations.

SCOR Europe SE	As at December 31, 2024		
French GAAP in EUR thousands	Net technical result[1]	Internal management expenses[2]	Net underwriting result
Marine, aviation and transport insurance	5,629	(7,227)	(1,598)
Fire and other damage to property insurance	7,841	(11,714)	(3,873)
General liability insurance	10,758	(8,844)	1,914
Credit and suretyship insurance	13,308	(4,778)	8,530
Non-proportional casualty reinsurance	221	(15)	206
Non-proportional marine, aviation, transport reinsurance	(10)	(1)	(11)
Non-proportional property reinsurance	(568)	(712)	(1,280)
Other	118	(5,006)	(4,888)
Total	**37,297**	**(38,297)**	**(1,000)**

[1] In net technical result, claims expenses (ULAE) are reclassified from claims to expenses.

[2] Includes all management expenses.

In 2024, SCOR Europe achieved a net underwriting result of EUR (1,000) thousand compared to EUR (9,352) thousand in 2023.

SCOR Europe SE	As at December 31, 2023		
French GAAP in EUR thousands	Net technical result [1]	Internal management expenses [2]	Net underwriting result
Marine, aviation and transport insurance	8,291	(6,892)	1,399
Fire and other damage to property insurance	2,397	(9,037)	(6,640)
General liability insurance	4,508	(7,791)	(3,283)
Credit and suretyship insurance	3,075	(3,014)	61
Non-proportional casualty reinsurance	(60)	(63)	(123)
Non-proportional marine, aviation, transport reinsurance	(253)	-	(253)
Non-proportional property reinsurance	1,610	(469)	1,141
Other*	108	(1,762)	(1,654)
Total	**19,676**	**(29,028)**	**(9,352)**

[1] In net technical result, claims expenses (ULAE) are reclassified from claims to expenses.

[2] Includes all management expenses

A.2.2 UNDERWRITING RESULTS BY GEOGRAPHICAL AREA

Gross written premiums for the financial year ended December 31, 2024 amounted to EUR 307,903 thousand.

In 2024, SCOR Europe generated approximately 94% of its gross written premiums in EMEA region, notably the EEA and UK, 4.8% of its gross written premiums in the Americas and 1.2% of its gross written premiums in Asia-Pacific.

SCOR Europe SE	As at December 31, 2024			
French GAAP in EUR thousands	EMEA	Americas	Asia-Pacific	Total
Gross written premiums	289,577	14,697	3,629	307,903
Net technical result [1]	33,394	3,217	686	37,297
Internal Management expenses [2]	(37,134)	(1,050)	(113)	(38,297)
Net underwriting result	**(3,740)**	**2,167**	**573**	**(1,000)**

[1] In net technical result, claims expenses (ULAE) are reclassified from claims to expenses.

[2] Includes all management expenses.

SCOR Europe SE	As at December 31, 2023			
French GAAP in EUR thousands	EMEA	Americas	Asia-Pacific	Total
Gross written premiums	282,153	11,355	2,224	295,732
Net technical result [1]	17,841	1,508	327	19,676
Internal Management expenses [2]	(28,071)	(678)	(279)	(29,028)
Net underwriting result	**(10,230)**	**830**	**48**	**(9,352)**

[1] In net technical result, claims expenses (ULAE) are reclassified from claims to expenses.

[2] Includes all management expenses.

A.3 Investment performance

A.3.1 INVESTMENT INCOME AND EXPENSES

SCOR Europe is fully embedded in the SCOR Group Investment Management process. For more details, please see section A.3 – Investment performance of the SCOR Group SFCR at www.scor.com.

A.3.1.1 INVESTMENT INCOME AND EXPENSES BY ASSET CLASS

SCOR Europe's portfolio positioning is risk averse as a result of the Company's decision to focus on underwriting risks and limit other risks such as market risks. The invested assets portfolio is mainly invested in corporate bonds, government bonds and Mutual funds. The duration of the fixed income portfolio is around 3.7 years, and the average rating is "AA- ".

SCOR Europe SE

French GAAP in EUR thousands	**2024**	**2023**
Revenues from securities	-	-
Revenues from other investments	2,943	1,505
Other revenues	645	315
Realized gains	5,489	8,206
Total investment income	**9,077**	**10,026**
Management and financial costs	332	303
Other investment expenses	330	353
Realized losses	3,137	10,452
Total investment expenses	**3,799**	**11,108**

Total investment income net of management expenses stands at EUR 5,278 thousand as at December 31, 2024, compared to EUR (1,082) thousand as at December 31, 2023.

The foreign exchange impact for the year is EUR 3,090 thousand as at December 31, 2024, compared to EUR (1,833) thousand as at December 31, 2023. SCOR Europe has followed the group process of hedging material currency imbalances each quarter (see section C.3.2.3 – Management of currency risk).

A.3.2 INVESTMENT GAINS AND LOSSES RECOGNISED IN EQUITY

Not applicable to SCOR Europe under French GAAP.

A.3.3 SECURITISED INVESTMENTS

Not applicable to SCOR Europe.

A.4 Performance of other activities and any other information

No material income and expense were incurred by SCOR Europe over the reporting period other than income presented above in sections A.2 Underwriting performance and A.3 Investment performance.

A.5 Any other information

No material change has occurred in SCOR Europe's business and performance, other than presented above in sections A.1 Business, A.2 Underwriting performance and A.3 Investment performance, since the end of the 2024 financial year.

B.SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

B.1.1 GENERAL GOVERNANCE PRINCIPLES

The Board of Directors of SCOR Europe aims to achieve as high a standard as possible in its governance framework and aligns itself as closely as is possible with the structures and framework established within the SCOR Group.

SCOR Europe is wholly owned by SCOR SE and fully integrated into the group and divisional organizational structure of the SCOR Group. For more information on the SCOR Group please refer to section B.1.1 – General governance principles of the Group SFCR on www.scor.com.

B.1.2 LEGAL STRUCTURE OF SCOR EUROPE

Legal structure of the company

SCOR Europe SE ("SCOR Europe", or the "Company") is a European Company (*Societas Europaea*) incorporated in France, under registered number 840 024 509 R.C.S. Paris and its registered office is at 5 avenue Kléber, 75116 Paris.

SCOR Europe has established a branch in the UK located at 10 Lime Street, London EC3M 7AA and a branch in Germany located at Goebenstrasse 1, 50672 Cologne.

SCOR Europe is governed by the provisions of Council Regulation (EC) No. 2157/2001, dated October 8, 2001 on the Statute for a European Company and by applicable French laws and regulations (including, but not limited to, the French Commercial Code, the French Monetary and Financial Code and the French Insurance Code). SCOR Europe's branches in the UK and Germany are subject to applicable local laws and regulations.

The articles of association of SCOR Europe set forth its corporate purpose and the fundamental rules of its governance.

In compliance with Article L. 225-51-1 of the French Commercial Code and SCOR Europe's articles of association, the management of the Company is carried out under his responsibility by the Chief Executive Officer (CEO).

SCOR Europe is supervised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR").

The Company has been authorized by the ACPR to carry out non-life insurance activities in France. Besides, SCOR Europe is authorized to carry out non-life insurance activities:

- within the European Economic Area pursuant to the European passporting regulation (freedom of services)
- in other countries where it has obtained a license or where the provision of (re)insurance is not subject to local licensing requirements.

SCOR Europe's Germany branch is subject to German law and regulations and authorized to carry out non-life insurance activities in Germany by virtue of the European passport (freedom of establishment).

SCOR Europe's UK branch is authorized to carry out non-life insurance activities in the UK and subject to UK law and regulations. Since January 1, 2021, SCOR Europe's UK Branch had been operating under the UK Financial Conduct Authority's (FCA) Temporary Permissions Regime (TPR), under the supervision of the UK Prudential Regulatory Authority and the FCA. It has obtained full UK authorization in November 2023.

B.1.3 BOARD OF DIRECTORS

B.1.3.1 MISSIONS, DUTIES AND RESPONSIBILITIES

The missions, duties and responsibilities of SCOR Europe's Board of Directors, the rules governing its composition and its operations, as well as the rights and obligations of Directors derive from applicable laws and regulations, from the articles of association of the Company and from the Internal Regulations of the Board.

The Board of Directors may exercise all the powers vested in it by French laws and regulations.

In accordance with European law governing European Companies and applicable French law, the principal responsibility of the Board of Directors is to define the strategic orientations of SCOR Europe and to ensure their implementation in accordance with its corporate interest, taking into consideration the social and environmental aspects of its activity. The Board controls the management of the Company.

With the exception to powers explicitly reserved to shareholders in the Shareholders' Meetings, being noted that the sole shareholder of SCOR Europe is SCOR SE, and within the limits of the corporate purpose, the Board addresses all matters related to the Company's performance. The Board convenes the Shareholders' Meetings and takes decisions regarding business issues concerning the Company. It designates the CEO and the other persons effectively running the Company. It meets with the key function holders for SCOR Europe at least annually. It takes part in the sound and prudent management of the Company. If applicable, it proposes any statutory change that it considers appropriate. It regularly reviews, in relation to the strategy it has defined, the opportunities and risks, as well as the measures taken accordingly. To this end, the Board of Directors receives all the information needed to carry out its tasks, notably from the executive officers. It is informed each quarter by management of the financial position, cash position and commitments of the Company. In accordance with legal provisions, it approves the financial statements, proposes dividends, and makes investment and financial policy decisions. It is informed about market developments, the competitive environment and the most important issues at hand, including in the field of corporate social and environmental responsibility. It approves the Own Risk and Solvency Assessment (ORSA) report and takes it into account when it makes any decision likely to have a significant impact on the Company. It approves certain policies as well as the Solvency and Financial Condition Report (SFCR) and the Regular Supervisory Report (RSR). The Board also carries out the verifications and controls it deems necessary.

B.1.3.2 COMPOSITION RULES

Members of the Board of Directors are appointed or dismissed by a decision of the shareholders, being noted that the sole shareholder of SCOR Europe is SCOR SE.

SCOR Europe's articles of association provide that the Board of Directors is composed of no fewer than three and no more than eighteen members. The Board of Directors cannot by itself increase the number of its members.

Under French law, a director may be an individual or a legal entity for which an individual is appointed as permanent representative, except for the Chairman, who must be an individual. Pursuant to the French Commercial Code, the permanent representative of a legal entity is subject to the same conditions, obligations and civil and criminal liabilities as if he or she was Director in his or her own name, without prejudice to the joint and several liability of the legal entity he or she represents.

The term of office of the Directors appointed or renewed, as set forth in SCOR Europe's articles of association, shall not exceed six years. Under SCOR Europe's articles of association, Directors may hold office until the age of 77. A Director who reaches the age of 77 while in office has to retire at the expiry of the next Annual General Meeting. Directors are elected by the shareholders and serve until the expiry of their respective term, or until their resignation, death or removal, with or without cause, by the shareholders.

Vacancies on the Board of Directors may, under certain conditions, be filled by the Board of Directors, pending the next Shareholders' Meeting.

The Board of Directors' composition is guided by the following principles:

- application of best in-class corporate governance practices;
- appropriate number of Board members in order to allow meaningful individual participation;
- diversity of expertise;
- professional experience.

Directors are subject to Fit and Proper requirements as defined by the Group Fit and Proper Policy which has been adopted by SCOR Europe.

As more precisely set out in the Fit and Proper Policy, no person can be appointed as a member of the Board if he/she does not fulfil Fit and Proper requirements including:

- relevant professional qualifications, knowledge and experience, combining a broad set of skills and experience adequate to enable sound and prudent management;
- proof of good repute and integrity;
- completed "Fit and Proper Test" as per the SCOR Group Fit and Proper Policy.

As of December 31, 2024, the Board of Directors was composed of four members.

B.1.3.3 OPERATIONS OF THE BOARD

The Board of Directors adopted Board Internal Regulations in order to enhance or specify the rules governing the Board of Directors.

The Board of Directors meets at least four times a year.

The convening procedures, the holding of meetings and other details of the Board of Directors operations are set by the applicable laws and regulations, by the articles of association of SCOR Europe SE and by its Internal Regulations.

The Board of Directors is responsible for considering the appropriateness of a committee structure and may create any committee(s), whether ad hoc or permanent, assisting the Board of Directors in the preparation and examination of selected matters. The Board of Directors appoints and dismisses the members of such committee(s) as it deems fit.

Directors are required to comply with applicable law and SCOR Europe SE's articles of association.

Under French laws and regulations, Directors are liable for violations of French legal or regulatory requirements applicable to European Companies, violation of a company's articles of association or mismanagement. Directors may be held liable for such actions both individually and jointly with other Directors.

As of December 31, 2024, the Board of Directors had not created any Board committees.

B.1.3.4 THE CHAIRMAN OF THE BOARD

The Board of Directors elects a chairman from among its members.

The Chairman is responsible for organizing and directing the work of the Board of Directors.

B.1.3.5 CHIEF EXECUTIVE OFFICER ("CEO")

In compliance with the provisions of the French Commercial Code and the Company's articles of association, the Board of Directors of the Company has appointed the Chief Executive Officer, who is an individual and may be assisted by a Deputy Chief Executive Officer.

Responsibility for the general management of SCOR Europe lies with the CEO, who according to SCOR Europe's bylaws may be the Chairman of the Board of Directors or another individual elected by the Board of Directors and bearing the title of Chief Executive Officer (CEO).

According to French law, the CEO is vested with the most extensive powers to act on behalf of the Company in all circumstances. He is granted with all necessary responsibilities by the Board of Directors to fulfil the functions and tasks in conjunction with the general management of the Company and represents SCOR Europe towards third parties. His exercise of such powers and responsibilities is limited to the corporate purpose of the Company and is subject to the powers specifically conferred to the Board of Directors or the Shareholders' Meeting as per legal or regulatory provisions or the bylaws of the Company.

The CEO is entitled to delegate any of his powers vested in him to any member of the Executive Management team or any other person specifically granted from time to time. Directors and senior managers are responsible for cascading information about strategy and policy down to their direct reports, who cascade the information further – to their direct reports and so on throughout the organization's hierarchy. In turn, the lower levels of the organization report to and are accountable to the higher levels of the organization.

The CEO is responsible for the implementation of the Board approved strategy and objectives of SCOR Europe and exercises the general management of the entire business of the Company and its branches. He has overall management responsibility for the organizational, operational and financial performance of SCOR Europe.

To carry out the functions and tasks, the CEO is supported by the SCOR Europe Executive Management team, Executive Management committees as well as committees and dedicated teams of experts of the SCOR Business Solutions organization of the P&C business unit or any member thereof, any relevant persons or bodies from the wider P&C business unit and/or the SCOR Group.

B.1.3.6 EXECUTIVE MANAGEMENT COMMITTEES

Executive Management committees have been set up by the CEO of SCOR Europe to facilitate bottom-up reporting, coordination of the action with other functional entities of the SCOR Group and involvement of the main stakeholders in significant decisions concerning SCOR Europe. As of December 31, 2024, the CEO of SCOR Europe was supported by the following Executive Management Committees:

- Management Committee including the UK branch Management Committee;
- Investment Committee;
- Product Oversight Committee.

The work of these Executive Management committees covers SCOR Europe and (as applicable) its branches in Germany and the UK.

Other management committees may be created as appropriate or necessary.

The mission, composition rules and operating rules of these committees are laid out in their respective terms of references.

In addition, SCOR Europe benefits from and is included in the work of certain management committees of the P&C business unit and the Group.

B.1.3.7 FOUR EYES PRINCIPLE AND FIT AND PROPER REQUIREMENTS

SCOR Europe commits to high "Fit and Proper" standards and is committed to having "the right person in the right place" to conduct business.

The SCOR Group Fit and Proper Policy defines standards adapted to the category of work performed by each individual and this Policy has been adopted by SCOR Europe.

Pursuant to Article L 322-3-2 of the French Insurance Code, SCOR Europe must apply the "Four Eyes Principle", which specifies that it must be effectively run by at least two persons.

The "persons effectively running" SCOR Europe are subject to Fit and Proper requirements as set out by the Group Fit and Proper Policy (see Section B.2 – Fit and Proper requirements).

The Chairman of the Board of Directors and the CEO were designated by the Board of SCOR Europe as a person effectively running SCOR Europe.

In the event of absence or impediment of a person effectively running SCOR Europe SE for more than two months, due to death, critical illness or any other cause, resulting in the inability of that person to perform his/her duties, the Board of Directors shall be convened within one month to designate a temporary or a permanent replacement as person effectively running the Company so as to ensure the continuity of the effective management of the Company.

B.1.3.8 KEY FUNCTIONS

The four key governance functions defined by the French Insurance Code contribute to the implementation of an effective system of governance that provides for sound and prudent management.

Key functions may be outsourced to other entities, in accordance with the rules laid out in the Group Outsourcing Policy. See section B.7 – Outsourcing for further details.

Roles and Responsibilities

For further information on roles and responsibilities of key functions, please refer to the sections below dedicated to this subject, in particular section B.3 – Risk management system, section B.4 – Internal control system and Compliance function, section B.5 – Internal Audit and section B.6 – Actuarial function.

Free from influence

The key function holders carry out their duties in an objective, fair and independent manner. They shall be free from any influence that could impair the performance of their duties.

They operate under the ultimate responsibility of the Chief Executive Officer.

Each key function holder has a sufficiently high rank in the organization and is in a position to conduct his/her activities in an independent manner. The standing and authority of the key function holders in the main management governing bodies that are relevant with respect to their role allow them to execute their tasks with the level of independence required as set forth by the French Insurance Code. In addition, key function holders interact regularly with the Board members and with the persons effectively running the company.

Access to the Board

The key function holders are heard at least once a year by the Board of Directors of SCOR Europe, or one of its specialized Committees (if any).

Besides, the Board of Directors of SCOR Europe and its specialized Committees (if any) may contact the key function holders at their discretion, upon request from their respective Chairmen.

Designation, Fit and Proper requirements and notification requirements

SCOR Europe's key function holders are designated by the CEO of SCOR Europe. They are subject to specific Fit and Proper requirements which are set out in the Fit and Proper Policy (see section B.2 – Fit and Proper requirements). Upon designation, key function holders are notified to the ACPR.

Access to information and records

Key function holders are able to communicate on their own initiative with any staff member and to obtain access to any relevant information to carry out their responsibilities. In the event key function holders face difficulties in accessing relevant information, they shall refer the issue to the CEO of SCOR Europe for arbitration.

Interactions with other key function holders

The key function holders interact with one another, especially in order to exchange information relevant to each other's areas of competence.

For further information on these areas of competence, refer to the respective dedicated sections below, in particular section B.3 – Risk management system including the Own Risk and Solvency Assessment (ORSA), section B.4 Internal Control System and Compliance function, section B.5 Internal Audit and section B.6 Actuarial function.

B.1.4 MATERIAL CHANGES IN THE GOVERNANCE IN 2024

There have been no material changes to the governance framework during 2024.

B.1.5 MATERIAL TRANSACTIONS WITH SHAREHOLDERS, PERSONS WHO EXERCISE A SIGNIFICANT INFLUENCE OR WITH MEMBERS OF THE AMSB

B.1.5.1 MATERIAL TRANSACTIONS AT SCOR EUROPE LEVEL

Material transactions with shareholders

As set out in section A.1.1, SCOR SE is the immediate parent company of SCOR Europe (100% of control and interest).

SCOR Europe has a business relationship with SCOR SE, including:

- parental guarantee agreement with SCOR SE, guaranteeing SCOR Europe's payment obligations under its (re)insurance contracts;
- various outsourcing agreements relating to the provision of services including, but not limited to, investment management services.

For more information on transactions with SCOR SE refer to Note 5.2.6 in SCOR Europe's 2024 Financial Statements.

Material transactions with persons who exercise a significant influence

Related party transactions according to the IFRS accounting standard IAS 24

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercises significant influence over the other party in making financial or operational decisions.

SCOR Europe's related parties include also:

- key management personnel, close family members of key management personnel, and all entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members;
- associates.

SCOR Europe has several business relationships with related parties, in addition to those with SCOR SE as noted above. Transactions with such parties are made in the ordinary course of business and on substantially the same terms and conditions as those prevailing at the same time for comparable transactions with other parties.

For more information on transactions with related parties refer to Note 5.2.6 in SCOR Europe's 2024 Financial Statements.

Key management personnel are those individuals having responsibility and authority for planning, directing and controlling the activities of SCOR Europe. SCOR Europe considers that members of the Board constitute key management personnel for the purposes of IAS 24.

Material transactions with members of the AMSB (Administrative Management Supervisory Board)

As described in section B.1.3, SCOR Europe's Board is composed of Directors employed by the SCOR Group. They do not receive director's fees in respect of their directorship.

B.1.6 COMPENSATION POLICY AND PRACTICES REGARDING THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND EMPLOYEES

SCOR Europe has adopted the Group Compensation Policy. All employees governed by the Policy are employed by Group undertakings and their services are provided to the Company under various service agreements.

B.1.6.1 COMPENSATION POLICY OF THE MEMBERS OF THE BOARD OF DIRECTORS

SCOR Europe's Board is composed of Directors employed by the SCOR Group. They do not receive director's fees in respect of their directorship. No direct retirement contribution or commitment has been paid or made for the benefit of these employees, in their capacity as members of the Board of Directors of SCOR Europe.

B.1.6.2 GENERAL PRINCIPLES OF THE GROUP COMPENSATION POLICY

For further details refer to section B.1.6.2 – General principles of the Group Compensation Policy of the SCOR Group SFCR at www.scor.com.

B.1.6.3 MAIN COMPONENTS OF THE COMPENSATION BY STAFF CATEGORY

For further details refer to section B.1.6.3 – Main components of the Compensation Policy by staff category of the SCOR Group SFCR at www.scor.com.

B.2 Fit and Proper requirements

SCOR Europe complies with and adheres to the Fit and Proper standards of the SCOR Group which are embedded in the SCOR Group Fit and Proper Policy. These standards consist of Fit and Proper principles, and criteria to be used to assess whether a person could be considered as Fit and Proper. The Policy also includes an assessment process to be complied with. The SCOR Group Fit and Proper Policy has been adopted by SCOR Europe. These elements are further detailed below.

B.2.1 OBJECTIVES AND GENERAL PRINCIPLES

SCOR commits to high "Fit and Proper" standards.

Standards are adapted to the category of work performed by each individual.

A person is considered as Fit and Proper when he or she fulfils the following requirements at all times:

- his or her educational background, qualifications and professional experience are adequate to enable sound and prudent management (fitness) and;
- he or she is of good repute and integrity (propriety). SCOR assumes that an individual is proper if there is no obvious evidence suggesting otherwise. Some criminal, civil or disciplinary sanctions are antagonistic with meeting propriety requirements, with no possible remediation. Such sanctions can occur both in an individual's private life and professional activities.

Fit and Proper standards must be met at all times. Triggering events may require interim reassessments between annual evaluations.

B.2.2 SCOPE OF SCOR'S FIT AND PROPER PRINCIPLES

Standards are adapted to the work performed by each individual. Fit and Proper standards are defined hereinafter for the following categories:

- category A: Board members (hereafter "Directors") and Chief Executive Officers of legal entities subject to the Solvency II Directive or where the Board includes external Board members. This category also includes "persons effectively running the company" under the Solvency II Directive;
- category B: key function holders (actuarial, internal audit, risk management and compliance) under the Solvency II Directive;
- category C: employees in the European Insurance Distribution Directive (IDD) scope (employees of insurance and reinsurance undertakings who are located in the EU and directly involved in insurance or reinsurance distribution activities in relation to risks and commitments within the European Union, as well as persons within the management structure responsible for insurance or reinsurance distribution);
- category D: Board members or employees of SCOR entities operating in jurisdictions not subject to Solvency II where local Fit and Proper requirements apply to them;
- category E: other staff.

Fit and Proper standards apply to each individual for the tasks assigned to them.

Fitness standards for Board members are assessed collectively: in particular, the SCOR Europe Board is deemed to be fit if, for each subject matter, at least one member is individually fit.

B.2.3 FITNESS CRITERIA

SCOR considers that fitness is an appropriate mix of:

- relevant educational background and qualifications;
- relevant knowledge and professional experience.

B.2.3.1 EDUCATIONAL BACKGROUND AND QUALIFICATIONS

For further details refer to section B.2.3.1 – Educational background and qualifications of the SCOR Group SFCR at www.scor.com.

B.2.3.2 PROFESSIONAL EXPERIENCE

For further details refer to section B.2.3.2 – Professional experience of the SCOR Group SFCR at www.scor.com.

B.2.4 PROPRIETY CRITERIA

B.2.4.1 PROPRIETY ASSUMPTION

For further details refer to section B.2.4.1 – Propriety assumption of the SCOR Group SFCR at www.scor.com.

B.2.4.2 REMEDIATION

For further details refer to section B.2.4.2 – Remediation of the SCOR Group SFCR at www.scor.com.

B.2.4.3 TIME AVAILABILITY

For further details refer to section B.2.4.3 – Time availability of the SCOR Group SFCR at www.scor.com.

B.2.5 FIT AND PROPER ASSESSMENT PROCESS

For further details refer to section B.2.5 – Fit and proper assessment process of the SCOR Group SFCR at www.scor.com.

B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

The risk management principles, mechanisms and processes, described hereafter, are defined at Group level and applied consistently across the Group, in line with the proportionality principle, without prejudice to further and/or more stringent requirements from applicable laws, regulations or policies.

SCOR's risk management system is composed of two interconnected parts:

- the risk appetite framework, including risk appetite, risk preferences and risk tolerances;
- the Enterprise Risk Management (ERM) framework composed of various risk management mechanisms which help to ensure that the risk profile is dynamically optimized whilst remaining aligned with the risk appetite framework.

As part of SCOR Group, SCOR Europe has adopted the group-wide approach to risk management.

B.3.1 RISK APPETITE FRAMEWORK

SCOR's risk appetite framework is an integral part of the Group's strategic plan. It is approved by the Board of Directors and reviewed whenever a new strategic plan is approved, and continuously thereafter, based on recommendations from the Group's Executive Committee and the Board of Directors' Risk Committee. The Board of Directors may vary the amount and the composition of risk that the Group is prepared to take.

SCOR's risk appetite framework is an integral part of each strategic plan and maintains an upper mid-level risk profile under the Forward 2026 plan. It aims at striking an appropriate balance between risk, capital adequacy and return, while respecting SCOR's key stakeholders' expectations and consists of five complementary layers: strategic limit, risk preferences, risk tolerances, operational limits and limits per risk. In execution of its objectives, SCOR Europe's Board has set a risk appetite consistent with the Group's upper mid-level risk profile.

As an integral part of the SCOR Group, SCOR Europe contributes to the implementation of the Group's strategic plan and the principles of the Group's risk appetite framework, whilst developing its own risk appetite, preferences, and tolerances over time as its risk profile grows in maturity.

Strategic limit

SCOR Europe has a Solvency Ratio Comfort Level with a process to manage the Company's solvency position in line with the objectives of its Capital Management Policy. The Company maintains and monitors its regulatory capital and solvency position on the European Union's Solvency II Standard Formula basis. There are clear action and escalation rules depending on the solvency ratio with management estimates presented to the Board each quarter.

Risk preferences

Risk preferences are qualitative descriptions of the risks which SCOR Europe is willing to accept. SCOR Europe pursues an approach of thorough risk selection to optimize its risk profile and aims:

- to actively seek risk related to primary insurance, and to a limited extent facultative reinsurance risks, mostly mainstream risks covered in P&C with a focus on the large corporate segment within the SCOR Business Solutions division of SCOR's P&C business unit. Business is underwritten in accordance with the global applicable P&C underwriting guidelines. SCOR Europe is targeting a diversified portfolio in terms of business and geography covering various lines of business including property energy and non-energy, offshore and shipbuilding, casualty, cyber, credit & surety, inherent defect insurance, engineering, marine as well as space;
- to assume a moderate level of credit and market risk;
- to minimize its own operational and reputational risks;
- to select risks that are consistent with SCOR's ESG approach.

Risk tolerances

SCOR Europe uses various risk measures to define limits set out in order to ensure that the Company's risk profile remains aligned with its risk appetite. SCOR Europe uses various risk assessment measures to verify that its exposures remain within these limits. These measures can take several forms depending on the technical constraints or the level of information available and are based on either capital model outputs, scenarios or expert opinions:

- risk pools – for underwriting risks, mutually exclusive and collectively exhaustive aggregation of one or several lines of business with similar characteristics;
- footprints - a set of "what if" scenarios, designed to be both extreme and plausible and illustrate the economic impact of an event across the Company. No limit is set, the assessment and result of a footprint might trigger the adaptation of strategic or operational limits.

Operational limits

- underwriting - actionable limits with defined reporting thresholds on portfolio level;
- investments - the Company's investment guidelines define limits for invested assets. These limits cover strategic asset allocation and minimum average ratings.

Limits per risk

Granular limits stipulated in SCOR's P&C underwriting guidelines and SCOR Europe's investment guidelines. SCOR Europe underwriters must operate within the maximum capacities per risk as well as the P&C referral framework as set out in the global underwriting guidelines. Additionally, underwriters must ensure compliance with SCOR P&C portfolio aggregate capacities as specified in the underwriting guidelines by line of business *e.g.* Cyber, Terrorism or NatCat capacities. SCOR Europe's reinsurance treaty arrangements are set to manage the Company's retained risk exposures at portfolio level.

SCOR Europe has established a set of limits per risk, aligned with the globally approved underwriting guidelines and local approved investment guidelines. This is supplemented with limits by risk category and scenario analysis as part of the annual Own Risk & Solvency Assessment (ORSA) to measure the appropriateness of the solvency position considering the impacts on the Company's medium-term horizon capital needs under a baseline and adverse scenarios. In the event of breaching these limits, the Company's overall solvency may be affected, and different levels of management actions would be taken.

For further information on specific risk management strategies, processes and reporting on each risk category, see Chapter C – Risk Profile.

B.3.2 ERM FRAMEWORK

The Chief Risk Officer (CRO) area relies on an ERM framework composed of various risk management mechanisms as described in the following sections. These mechanisms are adapted to business units and legal entities, including SCOR Europe, when appropriate. Some mechanisms are only relevant at Group or business unit level and are not implemented specifically at the legal entity level, in line with materiality principles.

For further details refer to section B.3.2 – ERM framework of the SCOR Group SFCR at www.scor.com.

B.3.2.1 INTERNAL ENVIRONMENT

Dedicated departments from within SCOR's CRO area facilitate the definition and monitoring of the internal environment and the governance of risk management. A primary focus of the CRO area is to develop and manage ERM mechanisms and to promote ERM concepts throughout the Group, in addition to providing risk management challenge and support for (re)insurance underwriting and investments.

A key component of the governance of risk management is the establishment of Group policies and guidelines. These Group policies are not intended to enumerate all the rules governing SCOR's activities in the different countries in which the Group operates, but rather to establish certain principles intended to ensure that SCOR Group companies and employees share a common understanding of the Group's standards and that they work in compliance with these standards. When approved, these documents are all made available to employees on a platform fully dedicated to the policies in force and accessible via the SCOR intranet. As part of SCOR Group, SCOR Europe's Board of Directors approves adoption of group policies and local addenda as appropriate.

Refer to section B.1 – General information on the system of governance for further details on SCOR Europe's organization and governance structure.

B.3.2.2 SETTING OF OBJECTIVES

SCOR's strategic plans establish the Group's risk appetite framework from which SCOR Europe's objectives stem.

The Group Executive Committee defines the procedures for implementing the strategy and reviews the consistency of the operational plans or policies (*e.g.* underwriting, finance, retrocession, information technology) with the strategic plan.

The Group Executive Committee also ensures that there is an optimal capital allocation based on the risks taken considering the effects of diversification. Under the responsibility of the Group Chief Risk Officer, the Capital Shield Strategy sets risk limits to ensure a protection of the Group's capital in line with the strategic plan's objectives. The Capital Shield Strategy is approved and monitored by the Group Risk Committee and the Board Risk Committee.

The clarity and detailed description of strategic objectives and their implementation within the Group facilitates the identification, evaluation and control of risks, whatever their nature (e.g. underwriting risk, market risk, and operational risk), possibly caused by these objectives.

As an integral part of SCOR Group, SCOR Europe supports the execution of the SCOR Group's strategic plans. The Company's solvency and capital position is reported regularly to the Board of SCOR Europe which takes suitable capital actions as appropriate.

B.3.2.3 IDENTIFICATION AND ASSESSMENT OF RISKS

Different techniques and initiatives for identifying and assessing risks have been implemented to analyze risks from different angles and to deal with them in an exhaustive manner. These include:

- a risk information process: every quarter the Group Risk Committee and the Board of Directors review the "Group Risk Dashboard" which describes and assesses the major risks to which the Group is exposed. This report assembles various risk assessments from different identification and assessment processes for all risk categories. The risk dashboard is complemented by regular or ad-hoc memoranda on individual risks or subjects;
- a process for the monitoring of risk exposures compared to risk tolerances, i.e. the limits established in order to ensure that the Group's risk profile remains aligned with the risk level validated by SCOR SE's Board of Directors. The Group uses various risk measures to define these exposures, which are measured based on either model outputs and/or expert opinions, depending on the technical constraints and the level of information available. This includes:
    - a "risk pools" system that enables the Group to manage the annual aggregate exposure to each major risk. The objective is to avoid overconcentration of risk and hence maximize diversification benefits. Each underwriting risk pool is a mutually exclusive and collectively exhaustive aggregation of one or several lines of business with similar characteristics. The risk exposure is measured on a full economic basis (1 in 200 years return period) with the Internal Model and is limited to a percentage of the Group's available capital;
    - a "footprint scenario" system, designed to be both extreme and plausible and illustrate the economic impact of an event across the Group. No limit is set, the assessment and result of a footprint might trigger the adaptation of strategic or operational limits;
    - operational limits on underwriting and investments;
    - granular limits per risk stipulated in underwriting and investment guidelines.
- an emerging risks process which is part of SCOR's ERM Framework and is linked to other risk management methods such as the use of 'footprint scenarios'. Potential emerging risks are identified, and individual risk assessments are carried out by experts from the business units and the Group functions. Significant emerging risks are then reported to the Group Executive Committee and Board. SCOR, as a member of the CRO Forum, also actively participates and contributes to the CRO Forum Emerging Risks Initiative alongside other major insurers and reinsurers;
- SCOR's ORSA (Own Risk and Solvency Assessment), which provides SCOR SE's Board and those of the European legal entities regulated by the Solvency II Directive, the Group Executive Committee and senior management of these legal entities (including SCOR Europe) with forward-looking information on the respective risk and capital positions of the Group and legal entities;
- SCOR's internal model, which is deeply embedded in SCOR's risk management system and contributes to the assessment of risks. SCOR uses its internal model for determining economic capital. Its results are used to implement SCOR's underwriting and investment policies and guidelines.

Where relevant, the analyses from these processes are reported to the Group Risk Committee, the Board Risk Committee and the Board of Directors on a regular basis.

As part of SCOR Group, SCOR Europe is similarly organized with respect to identification, assessment and monitoring of risk, leveraging on the Group approach and outputs from global processes, but with some adaptations where appropriate. SCOR Europe's risk information process is based on local assessments for most risks while leveraging from group assessments where relevant such as for macro-economic risks. On a quarterly basis, SCOR Europe monitors the regulatory solvency position to take appropriate actions. Key risk indicators for main risk categories are monitored against the Company's risk tolerances. The Company uses the Solvency II Standard Formula for determining regulatory capital.

B.3.2.4 MAIN CONTROL ACTIVITIES

Because of its activities, SCOR Europe is exposed to many risks: (re)insurance related risks, market risks and other risks (e.g. liquidity, rating). These risks are detailed in Chapter C – Risk profile. These activities rely on the control mechanisms including adequate reporting mechanisms to the main governance bodies throughout the Group.

This section summarizes the principal activities and participants of risk control for the following important areas:

- key functions;
- activities related to (re)insurance;
- investments;
- accounting management.

The control activities described below are considered as the principal activities for controlling risks specific to those areas. In accordance with SCOR's internal control system approach, these control activities are performed on Group or Company level, on core business and investment process level, or on support process level.

Key functions

Four key governance functions, as defined by the French Insurance Code, play an important role in SCOR Europe's system of governance. These functions contribute to the implementation of an effective system of governance that provides for sound and prudent management.

This section summarizes the principal responsibilities of the Risk Management Function in SCOR. For more information on other key functions, please refer to Sections B.4.2 – Compliance function, B.5 Internal Audit function and B.6 Actuarial function.

Risk Management Function

SCOR Europe's risk management function is conducted within the organization of SCOR Group's risk management key function, performing its responsibilities with the involvement of other risk management departments where appropriate. The risk management function of the Group is composed of the following departments:

- Risk Coverage ensures the identification, assessment and monitoring of all risks, reviews the strategic plan from a risk perspective and supports the development of the Risk Appetite Framework as well as actions to ensure exposures remain within their limits. Risk Coverage maintains and enhances business proximity by providing risk expertise and in-depth analyses of risk across the Group;
- Prudential & Regulatory Affairs advises the Group on prudential regulations. It ensures the Group actively positions itself in relation to the different jurisdictions and requirements to which it is exposed, or could be exposed and continuously develops and promotes SCOR's leading risk management expertise through regular dialogue with internal and external stakeholders, including staff, clients, supervisors, the (re)insurance industry, academia and the public. Prudential and Regulatory Affairs also provides specialist expertise to SCOR colleagues via the Solvency II Center of Excellence and prepares the Group for the adoption of major new prudential regulations;
- Central Pricing sets in place an overarching governance framework for pricing methods, models and tools, defines consistent global pricing policy, parameters and assumptions, provides assurance through peer reviews for Pricing Risk Referrals on material transactions and selected deep dives in pricing approaches and parameter settings of critical lines of business;
- Risk Capital operates SCOR's internal model and provides a detailed quantitative analysis on the modeled range of changes in economic value. It provides reports to management on risk assessment and actively assists the Company in its various uses of the internal model. It ensures that regular external and internal risk reports are provided in line with defined governance;
- Risk Modelling ensures that the internal model is appropriate for SCOR's risk profile, proportionate and complete to the risks. It continuously improves and maintains the internal model by collecting change requests, proposing priorities, and implementing model changes. The team also provides analyses of change including sensitivity analyses and model documentation;
- the Group Chief Actuary and his team report to the Chief Risk Officer. See Section B.6 - Actuarial function for further information on the role and responsibilities of the actuarial key function.

The cooperation of SCOR Europe's risk management key function with the three other key functions (actuarial key function, internal audit key function and compliance key function) is ensured via regular interactions with the SCOR Europe teams performing the tasks in the scope of these functions.

Activities related to (re)insurance

The operating and control procedures concerning underwriting, pricing, administration of (re)insurance contracts and claims management are validated by SCOR P&C and are applied to all underwriting segments of SCOR Europe regardless of location.

For further information on how the main underwriting risks are managed, see section C.2 – Underwriting risks.

Investments

The Prudent Person Principle requires that the security, quality, liquidity and profitability of the portfolio as a whole be considered. This is enabled through the investment governance, strategy, operational framework and reporting and monitoring processes that SCOR implements.

For further details refer to section B.3.2.4 – Main control activities; Investments of the SCOR Group SFCR at www.scor.com.

Governance and principles

The Group has harmonized the principles governing the management of its assets based on three documents:

- "Group Policy on Invested Assets" which defines the Group's policy and governance in terms of asset management;
- "Group Sustainability Policy" which defines the main orientations of the Group's sustainability approach, primarily for invested assets;
- "Group Investment Guidelines" which specify the list of asset classes and financial instruments in which SCOR's portfolios can be invested, as well as the list of investment restrictions and concentration limits.

Together these documents set the rules to be applied by all internal and external asset managers on behalf of SCOR. They are complemented by SCOR Europe's investment guidelines, which specify the Company's investment universe of invested assets as well as concentration limits.

The Group Investment Committee meets at least once every quarter. Its role is to define the strategic and tactical asset allocation, in line with the Group's risk appetite and risk limits. At the local level, a designated person of SCOR Europe supervises the implementation of the investment strategy relating to the Company as well as the compliance of the portfolio positioning with local investment guidelines.

For more information on liquidity see section C.5 – Liquidity risks.

Investment strategy

As far as invested assets are concerned, SCOR's primary investment objective is to generate recurring financial income in accordance with the Group's risk appetite framework and sustainability preferences, and ensure that the Group:

- is able to meet its claims and expense payment obligations at all times, and;
- creates value for its shareholders in line with the objectives set out in the strategic plan,

while;

- preserving Group liquidity and solvency levels;
- protecting the capital;
- allowing the Group to operate on a day-to-day basis as well as over the long-term, and;
- contributing to SCOR's raison d'être;

in compliance with legal entities' investment regulations, risk appetites and regulatory capital requirements (level of capital and type of admissible assets), and Group and local investment guidelines. This strategy is reflected in SCOR Europe's local investment guidelines.

Operational framework

SCOR delegates the implementation of the investment strategy for its invested assets as determined by the Group Investment Committee to SCOR Investment Partners (SCOR IP). This relationship is put in place through a Master Investment Management Agreement ("MIMA") which includes the list of legal entities and the Group Investment Guidelines. SCOR IP may sub-delegate part of its investment services.

In case of local regulatory restrictions or due to the size of some investment portfolios, some legal entities may not be included in this framework. They should delegate the management of their invested assets to external asset managers through a strong selection process. When possible, SCOR IP will act as an investment advisor to these legal entities.

Reporting and risk monitoring

The Group Investment Office (GIO) is independently in charge of monitoring the compliance of the invested assets decisions with the Group and local Investment Guidelines, including the positioning of the portfolio vis a vis the strategic asset allocation. Breaches are reported independently to Group and local investment committees as well as to the Group Risk Committee. Major risk exposures are reported on a quarterly basis to the Group Risk Committee and the Group Investment Committee.

Regular meetings are held between the GIO and representatives of SCOR IP to review the portfolio positioning and the investment strategy and to decide on remediation actions to potential breaches.

Stress tests on the portfolios are performed at least on a quarterly basis by the GIO based on a set of potential scenarios on rates, credit, equity and inflation as well as on historical crisis parameters. Results are included in the Group Investment

Committee documentation. Additionally, on an ad hoc basis, climate change scenarios are run by the Chief ESG Officer team to assess the resilience of the invested assets to physical and transition risks linked to climate change.

The GIO is also in charge of record keeping, Group accounting and reporting processes on invested assets.

Accounting management

The Solvency II reporting process is built upon the group-wide IFRS reporting process and ensures quality and consistency of legal entity and Group solvency reporting. It therefore benefits from controls over the accounting and consolidation process, as presented in SCOR's 2024 Universal Registration Document, and their extension to solvency reporting.

B.3.2.5 INFORMATION AND COMMUNICATION

SCOR's 2024 Universal Registration Document is produced via a specific process that ensures the contribution of all relevant departments, and the consistency of the information provided. A final review is performed by members of SCOR SE's Executive Committee.

Similarly, for the Solvency and Financial Condition Report and other Solvency II reporting at local level, a specific process has been implemented to coordinate the contribution of all relevant Group and local departments and the consistency of the information provided. A final review is performed by senior management, members of the Executive Committee(s) and the Board(s), including those of SCOR Europe.

B.3.2.6 MONITORING OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEMS

The monitoring of the internal control and risk management systems is ensured by a number of complementary mechanisms with the support of several departments across the Group.

SCOR implements dedicated processes and tools to identify, assess and monitor its risk exposure on a regular basis and has dedicated risk management mechanisms in the three business units in order to evaluate the appropriateness and effectiveness of controls and propose risk management and mitigation measures. See Section B.3.2.3 – Identification and assessment of risks.

SCOR operates an Internal Control System Competence Center ("ICS-CC"). The core objective of the ICS-CC is to pool ICS expertise in order to foster a consistent ICS approach and application of ICS standards across the Group. For more information on the Internal Control System, see Section B.4.1 – Description of the internal control system.

In addition, and in accordance with its risk-based audit plan and through its periodic assignment, Group Internal Audit provides independent and objective assessments on the adequacy, effectiveness and efficiency of the internal control system for the scopes audited. Any findings lead to recommendations and management remediation actions, which are followed up by Group Internal Audit. When Group Internal Audit concludes that management has accepted a level of risk that may be unacceptable to the organization, it must discuss the matter with the Group Executive Committee. If the Head of Group Internal Audit determines that the matter has not been resolved, he/she must communicate the matter to the Audit Committee.

For more information, see Section B.5 – Internal Audit.

Furthermore, the Finance area manages the "internal management representation letters" process, which also incorporates certain points related to the internal control of accounting and financial reporting.

B.3.3 CAPITAL MODEL CONTRIBUTION TO THE ERM FRAMEWORK

SCOR uses its approved internal model to inform management decisions which involve risk management or solvency considerations. SCOR Europe is maintaining regulatory solvency capital on the Standard Formula basis under Solvency II. Similarly, SCOR Europe uses this capital model to inform management decisions which involve risk management or solvency considerations. The risk modules reported for the Standard Formula calculations include P&C underwriting and reserving risk, operational risk, market risk and counterparty default risk. For further information refer to Chapter E – Capital management.

SCOR Europe is exposed to other risks not included in the Standard Formula calculation including strategic risks, liquidity and emerging risks. These risks are not expected to have an immediate impact on the Solvency Ratio over a one-year time horizon and are monitored and managed through specific processes.

B.3.4 ORSA CONTRIBUTION TO THE ERM FRAMEWORK

SCOR's ORSA is a key mechanism of the Group's ERM framework and is an integral part of the risk management system. It leverages the Group's capital management and strategic planning processes, fully incorporated by SCOR Europe.

The ORSA provides forward-looking information on the respective risk and capital positions, of the Group and legal entities (including SCOR Europe), taking into account SCOR's strategy and risk appetite and includes:

- descriptions of the risk profiles and the main risks to which the Group and the legal entities are exposed;
- overviews of expected changes in the risk profiles over the ORSA time horizon; and

- prospective assessments of overall capital needs over the ORSA time horizon, considering SCOR Europe's business objectives and risk profile, including an analysis of any excess or shortfall in the Eligible Own Funds. For further information on capital management processes, see section E.1 – Own Funds.

SCOR performs the group-wide ORSA for the Group and its legal entities subject to Solvency II – including at the level of SCOR Europe – based on clearly defined principles and objectives, close cooperation between Group and legal entity teams and regular involvement of Group and legal entity senior management, as well as involvement of the Board of SCOR SE and the Board of SCOR Europe.

The ORSA process is embedded in SCOR Europe's system of governance and is taken into account on an on-going basis in the Company's decision-making process. Examples include Board consideration of capital requirements informing:

- strategic decisions;
- operating plans, for both short term and longer term;
- capital management, such as the projections of capital requirements and solvency positions under various scenarios over the ORSA time horizon;
- material initiatives where appropriate, to support the objectives of SCOR Group's strategic plan and the Company's business objectives.

The Board of the Company ensures the definition and implementation of the operating plan are closely aligned with its risk strategy, including the risk appetite framework and the capital planning exercise. In view of its business strategy, the Company identifies and assesses the risks involved in achieving this strategy over the length of its operating plan, revises ongoing adequacy of the risk tolerance limits and quantifies the major risks.

The risk mitigation strategy, including reinsurance planning, is also taken into account. The Company maintains a coherent reinsurance program that supports the adherence to the risk tolerance limits, provides protection to its capital and solvency, achieves an acceptable net risk exposure, and eventually enhances its ability to accept a diversified book of business without compromising its profitability expectations.

In addition, the business plan forms the central scenario (i.e. the most likely outcome from SCOR Europe's perspective) of the Company's capital planning exercise, through which the Company projects and monitors the amount of capital necessary to respect SCOR Group's strategic objectives over the planning horizon. This involves the projections of the Company's solvency capital requirements and eligible own funds under both the central scenario and adverse scenarios. These projections are not only assessed to ensure continuous compliance with the capital requirements, but also to establish an early warning system to identify changes in the risk profile. This enables the Company to plan possible remedial actions (e.g. change in reinsurance) and/or establish precautionary mitigation actions.

The ORSA is performed at least annually or more frequently when significant changes in the risk profile occur. The ORSA results are approved by the relevant Boards (see Section B.1.3 - Governance structure at Group).

The risk management principles, mechanisms and processes, described above, are defined at Group level and applied consistently at SCOR Europe level, in line with the proportionality principle, without prejudice to further and/or more stringent requirements from local applicable laws or regulations.

B.4 Internal control system

B.4.1 DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

SCOR Europe applies the Internal Control System (ICS) principles as defined at Group level and leverages on processes implemented across the Group. The ICS standards are embedded in the Group Policy on ICS. These standards consist of ICS principles and mechanisms to be applied to assess the effectiveness of the internal control system. The ICS is defined at Group level and applied consistently across the Group, in line with the proportionality principle, without prejudice of further and/or more stringent requirements from local applicable laws, regulations or policies.

Where deemed relevant and appropriate, SCOR Europe has adapted the processes defined at Group or business unit level or implemented its own local processes in order to reflect local specific requirements.

The core objective of the Internal Control System Competence Centre (ICS-CC) is to pool the ICS expertise in order to foster a consistent ICS approach and application of ICS standards across the Group. The ICS-CC consists of experts who work to coordinate the internal control formalization activities within the Group, its business units and entities (including SCOR Europe), and support the business process owners where necessary.

The ICS standards are applied based on the principle of proportionality. ICS processes have been documented accordingly, focusing on those considered the most critical. The ICS documentation is being maintained across the Group and regularly reviewed for continuous improvement. The approach used to develop and maintain the ICS is specified in the ICS Group Policy. The policy sets out the reference framework and details the Group principles, the responsibilities of the different participants in internal control and the quality requirements. The principal characteristics of the internal control system are as follows:

- a risk-based approach, i.e. addressing critical operational risks that, if not controlled, could significantly impact SCOR Group's franchise, balance sheet or statement of income and indirectly its solvency. The optimal risk response is obtained through appropriately designed key controls;
- on a process level, appointment of process owners responsible for documenting processes, identifying the related critical risks, defining the appropriate key controls and ensuring their deployment and application either at Group, business unit or legal entity levels. Process owners are also responsible for assessing processes, risks and key controls.
- monitoring, upon completion of the initial documentation, through a self-assessment procedure on the maturity (quality) of control processes based on pre-defined criteria set by their owners.

The monitoring of the internal control and risk management systems is ensured by a number of complementary mechanisms with the support of several departments across the Group.

SCOR implements dedicated processes and tools to identify, assess and monitor its risk exposures on a regular basis. In addition, SCOR implements dedicated risk management mechanisms across the three business units in order to evaluate the appropriateness and effectiveness of controls and propose risk-management and mitigation measures.

In addition, and in accordance with its risk-based audit plan and through periodic assignment, Group Internal Audit (GIA) provides independent and objective assessments on the adequacy, effectiveness, and efficiency of the ICS for the scopes audited. Any findings which lead to recommendations and management remediation actions are followed up by GIA.

B.4.2 COMPLIANCE FUNCTION

B.4.2.1 ORGANISATION OF THE COMPLIANCE FUNCTION

SCOR Europe is committed to ensure compliance with all applicable laws and regulations and the SCOR Group Code of Conduct wherever it conducts business. SCOR Europe holds itself to high standards when carrying on its business and at all times strives to observe the spirit as well as the letter of the law by continuously seeking to improve the effectiveness of its compliance management framework.

Compliance activities are mostly performed by the SCOR Europe Legal & Compliance function, which is supported in certain areas by the Group Compliance team, the Group Corporate Affairs Department and the P&C business unit Legal Counsels. There are also other departments responsible for specific areas (e.g., Prudential and Regulatory Affairs, Human Resources, Finance, IT Security), in line with the organizational structure of the SCOR Group.

At Group level and for Solvency II related legal entities, including SCOR Europe, Compliance function holders are responsible for the Compliance key function. At SCOR Europe the Compliance key function holder is heading the SCOR Europe Legal & Compliance team and is responsible for the Compliance function.

It is also the responsibility of all employees to abide by the laws and regulations relevant to their day-to-day activities and the SCOR policies and guidelines applicable to them.

B.4.2.2 POSITION AND INDEPENDENCE PRINCIPLES

At SCOR, the Compliance function both at Group and local level must operate free of any influences that may compromise its ability to perform its duties in an objective, fair and independent manner.

At SCOR Europe level, the Compliance key function holder has direct access to the Chairman of the Board of Directors and Chief Executive Officer and reports at least annually to the Board of Directors. Besides, the Board of Directors may hear the key function holder at its discretion.

The Compliance function has free and unfettered access to any records or staff member, as necessary to carry out its responsibilities.

B.4.2.3 COMPLIANCE FRAMEWORK

SCOR Europe follows a risk-based approach to compliance in accordance with the SCOR Group Compliance Policy which has been adopted by SCOR Europe. This involves identifying areas of high risk within SCOR Europe and prioritizing dedicated efforts and resources around these risks according to severity and probability, and establishing ongoing procedures aimed at prevention, detection and response.

Main compliance risk areas

Compliance risks may occur in connection with a failure to comply with applicable laws and regulations and with the SCOR Group Code of Conduct. SCOR Europe has identified the following as areas of special attention:

- laws and regulations specific to SCOR Europe's regulated (re)insurance activities, including authorization/licensing, solvency, risk management, corporate governance and reporting requirements, such as notably those stemming from the EU Solvency 2 Directive and the EU Insurance Distribution Directive (as transposed into national Member State law), relevant EU Commission Delegated Regulations, the French Insurance Code (Code des assurances) and Monetary and Financial Code (*Code monétaire et financier*), authorization and conduct requirements under UK laws and regulations applicable to SCOR Europe's UK branch, and applicable requirements from any other jurisdiction where SCOR Europe is carrying on regulated (re)insurance activities, including on a cross-border basis,

- business conduct compliance and ethics:
    - treating customers fairly,
    - Know-Your Customer, anti-money laundering & terrorism financing,
    - economic sanctions (e.g., sanctions & embargoes),
    - anti-bribery,
    - anti-fraud,
    - conflicts of interest,
    - data protection and privacy,
- anti-trust and competition law;
- discrimination and other HR-related matters;
- accounting and tax.

Prevention

Preventing compliance breaches includes:

- monitoring compliance-related regulatory developments, assessing their impact on SCOR and disseminating this information to the relevant governing bodies and employees;
- identifying, assessing and monitoring compliance risks;
- issuing compliance-related policies and guidelines;
- providing training to employees;
- providing advice to employees regarding specific compliance matters;
- implementing and maintaining compliance tools;
- maintaining a Code of Conduct awareness and confirmation process;
- introducing controls as part of SCOR's internal control system (ICS);
- providing reports on compliance matters.

Detection

Compliance breaches may be detected by any of the following:

- employee awareness: all employees are responsible for ensuring compliance with applicable laws, regulations and policies in their daily duties at all times;
- reporting Concerns process: the SCOR Group has established a process to allow employees and third parties to make good faith reports of suspected or actual misconduct on certain practices or actions that are believed to be inappropriate, unethical or illegal, as set out in more detail in the SCOR Group Policy on Reporting Concerns. SCOR is committed to investigate such allegations in a confidential and comprehensive manner and ensures that any person at the origin or otherwise concerned with the investigation will not retaliated against;
- controls as part of ICS procedures;
- cross-reviews, whereby an operational team operating in a different region from the entity subject to the review performs, checks and reviews compliance-related topics;
- audits conducted by the Internal Audit function;
- audits by external auditors (*e.g.* accounting and tax);
- operational loss events;
- complaints or litigation initiated by third parties against SCOR Europe.

Response

In response to compliance breaches, SCOR Europe aims to take appropriate corrective actions to mitigate the consequences of the breach, and to prevent further reoccurrences of similar breaches in the future.

Employees who are found in breach of, or fail to comply with, applicable laws or regulations or the principles set out in applicable SCOR policies may be subject to disciplinary action in compliance with the laws applicable in the country of employment and/or may be subject to criminal/regulatory proceedings.

In addition, the Group Remuneration Policy which has been adopted by SCOR Europe includes a reference to compliance with the Code of Conduct as a performance condition to be satisfied.

B.5 Internal Audit

B.5.1 GENERAL PRINCIPLES

SCOR Europe Internal Audit's audit universe of potential areas within its scope includes all functions and operations carried out by SCOR Europe. SCOR Europe Internal Audit has no direct operational responsibility or authority over any of the activities it can review. Accordingly, SCOR Europe Internal Audit does not develop or install systems or procedures, prepare records, take the place of management who owns and makes decisions to manage its respective risks, or engage in any other activity which it can review.

SCOR Europe Internal Audit assists the Board of SCOR Europe in providing independent, objective assurance and consulting services designed to assess the adequacy, effectiveness and efficiency of SCOR Europe's governance, policies and guidelines, risk management, and internal control system, as well as compliance of operations with applicable policies and guidelines, in order to ensure the safeguarding and integrity of SCOR Europe's assets (e.g. financial assets, human resources, systems and data), to ensure the effective use of resources and identify opportunities for process improvement.

B.5.2 ORGANISATION

SCOR Europe outsources internal audit services to SCOR SE. The Head of Internal Audit hold the key function for both SCOR SE and SCOR Europe, and the Irish entities SGRI and SI. The principles and organization as defined and implemented at Group level by Group Internal Audit apply fully to the Internal Audit function for SCOR Europe.

Planning, Auditing and Monitoring: SCOR Europe's Internal Audit Plans are reviewed and approved by the Board of SCOR Europe and are integrated in the Group Internal Audit Plan. The Head of Group Internal Audit leads the internal audit department activities globally in order to avoid silo effects and ensure that (i) the same audit framework and methodologies are applied group-wide for each audit engagement and recommendations monitoring, (ii) the auditors' assignments are based on skills in line with the audit objectives, benefiting from the Group Internal Audit full resource and comply with rotating principles.

B.5.3 INDEPENDENCE PRINCIPLES

Within SCOR Group, the Head of Group Internal Audit, being also the key function holder for SCOR Europe SE, reports directly to the Group CEO, and functionally to the Chairman of the Audit Committee of the Board of SCOR SE, to provide the necessary independence, and allow it the greatest possible freedom of investigation, while at the same time ensuring the effective and timely implementation of its recommendations and management actions. The SCOR Europe key function holder has no other operational roles or responsibilities within SCOR Europe and within the Group. The Chairman of the Audit Committee of the Board of SCOR SE approves decisions regarding the SCOR Europe key function holder's appointment and removal and make appropriate inquiries to ensure that audits are performed within an appropriate scope with adequate resources and might steer SCOR Europe Internal Audit's activities in a specific direction.

The Head of Group Internal Audit submits a written report to the Group Board Audit Committee of the Board of SCOR SE at least annually on the organizational independence of the Group Internal Audit function. If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment. This principle is applied in the same manner for SCOR Europe.

SCOR Europe Internal Audit must and does have unrestricted access to all information, people, relevant systems and data regarding audit assignments and consulting projects, including easy access to and open communication with the audited department and management.

B.6 Actuarial function

B.6.1 IMPLEMENTATION OF THE ACTUARIAL FUNCTION

An actuarial key function has been defined for the Group and all legal entities subject to the Solvency II Directive, including SCOR Europe. These key functions are conducted under the responsibility of a key function holder.

The role of the actuarial key function is to:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;

- inform the Administrative, Management and Supervisory Body (AMSB) of the reliability and adequacy of technical provisions;
- oversee the calculation of technical provisions in case of insufficient data of appropriate quality inducing the use of appropriate approximations, including case-by-case approaches, in the calculation of best-estimates;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements;
- contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements, and to the own risk and solvency assessment; and
- produce an annual written actuarial function report submitted to the Management, the Board and/or related committees on actuarial matters of the Group and the corresponding legal entities. The report includes a description of tasks undertaken by the actuarial key function, an opinion on the technical provisions overall underwriting policy and the adequacy of reinsurance arrangements, a description of any deficiency and recommendations on how such deficiencies can be remedied.

This role is undertaken by the Actuarial Function Holder (AFH) supported by members of the reserving teams, with the involvement of other teams within SCOR (Underwriting teams, Retrocession teams, Modelling teams, Capital Management Department).

The actuarial key function holder for SCOR Europe is in charge of coordinating the implementation of Solvency II standards related to the actuarial key function throughout SCOR Europe.

The cooperation with the three other key functions (risk management, internal audit and compliance key functions) is ensured via quarterly interactions with the teams performing the tasks in the scope of these functions.

B.6.2 SCOR EUROPE – INFORMATION ON THE ACTUARIAL FUNCTION

SCOR Europe's actuarial function is organized along the lines of the actuarial function of the Group.

B.7 Outsourcing

B.7.1 OUTSOURCING PRINCIPLES AND ORGANISATION

For further details refer to section B.7.1 – Outsourcing principals and organization of the SCOR Group SFCR at www.scor.com.

B.7.2 MAIN ACTIVITIES OUTSOURCED TO EXTERNAL SERVICES PROVIDERS

As of the date of this report, Critical or Important Functions outsourced by SCOR Europe to external service providers include the following:

- underwriting and claims handling activities of certain "Change of Ownership" risks assumed by SCOR Europe have been outsourced to specialized underwriting and claims handling agencies located in Norway. Regular monitoring and review of these outsourced activities is ensured by a specialized SCOR underwriting manager;
- underwriting and claims handling activities of certain transactional risks assumed by SCOR Europe have been outsourced to a specialized agency located in Germany / Ireland; regular monitoring and review of these outsourced activities is ensured by a specialized SCOR underwriting manager;
- underwriting and claims handling activities of certain trade credit risks have been outsourced by SCOR Europe to a specialized underwriting and claims handling agency located in France. A SCOR underwriting manager specialized in the review of these risks monitors this relationship closely, through attendance at regular technical meetings, reporting, and audits.

These outsourcing relationships are documented through adequate outsourcing agreements and closely monitored by the designated person of SCOR Europe in charge of monitoring.

B.7.3 MAIN INTRAGROUP OUTSOURCING ARRANGEMENTS

The SCOR Group operates with regional functions to service its network of local subsidiaries, branches and representative offices in the region and SCOR Europe is situated within the EMEA regional function.

SCOR Europe, does not have any employees as all French based employees of SCOR are employed by SCOR SE in France and all Germany based employees are employed by SCOR SE's branch in Germany. UK based employees are employed by a SCOR SE UK subsidiary. These employees provide services (notably underwriting and claims) to SCOR entities operating in the EMEA regional function, of which SCOR Europe is one.

As a result, certain critical or important functions are outsourced to the SCOR staff responsible for carrying out tasks in support of the execution of the critical or important function.

These outsourcing relationships between SCOR Europe and other SCOR entities are documented through adequate outsourcing agreements and closely monitored by (i) the key function holders of SCOR Europe for the specific key functions, or (ii) a duly designated person in charge of monitoring.

As of the date of this report, critical or important functions outsourced by SCOR Europe to internal service providers include the following:

- the Risk Management, Internal Audit, Compliance and Actuarial function is outsourced to fellow group undertakings. These outsourcing relationships are documented through appropriate outsourcing agreements and closely monitored by the SCOR Europe key function holders of the respective functions;
- certain underwriting and claims activities of SCOR Europe which are considered as critical or important functions are outsourced to fellow Group undertakings. These outsourcing relationships are documented through adequate outsourcing agreements and closely monitored by a designated person of SCOR Europe;
- the asset management activities, considered as critical or important function, are outsourced by SCOR Europe to a fellow Group undertaking. This outsourcing relationship is documented through the adequate outsourcing agreement and closely monitored by a designated person of SCOR Europe;
- IT, considered as critical or important function, is outsourced, to a fellow Group undertaking. This outsourcing relationship is documented through appropriate outsourcing agreements and closely monitored by the designated person of SCOR Europe. Certain IT systems and services are then outsourced by the fellow Group undertaking (which pools and manages the IT needs of SCOR entities worldwide) to large IT companies.

B.8 Other material information regarding the system of governance

No other material information is reported regarding SCOR Europe’s system of governance, other than that presented in sections B.1 – General information on the system of governance to B.7 – Outsourcing.

C.RISK PROFILE

C.1 Introduction

C.1.1 GENERAL INTRODUCTION

SCOR Europe regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation, or its results (or capacity to reach objectives). However, SCOR Europe faces risks other than those described below: additional risks and uncertainties not currently known to SCOR Europe, or that are currently deemed to be immaterial, may also have a material adverse impact on the Company's business, financial condition, results of operations or cash flows. If the risks disclosed in this section were to occur, they could potentially have a significant impact on SCOR Europe's business, present and future revenues, net income, cash flows, financial position and solvency ratio. The Company has identified the following categories of risks:

- underwriting risks;
- market risks;
- credit risks;
- operational risks;
- strategic risks (including liquidity risks – see section C.5 – Liquidity risks).

These risks, further described in this chapter, are managed through a variety of mechanisms in SCOR Group's ERM framework, adopted in SCOR Europe's approach to risk management.

SCOR Europe's ERM framework is further described in:

- Section B.1 – General information on the system of governance for a description of the role of the administrative and management bodies involved in the risk management system and related control functions;
- Section B.3 – Risk management system including the ORSA for a wider description of the Group risk management system as well as the role of the main stakeholders involved in risk management and relevant procedures and control activities.

SCOR is also exposed to liquidity shock risks that arise from short -term liquidity needs. While SCOR considers this risk to be a subcategory under strategic risks, for the purpose of this report, liquidity risks and the management thereof are described in a dedicated section, see Section C.5 – Liquidity risks.

SCOR Europe may also be exposed to emerging risks, which include new threats or constantly changing current risks with a high degree of uncertainty. They may arise from the numerous changes to the environment in which SCOR Europe operates, such as changes in professional practices or in legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions.

Emerging risks may adversely affect SCOR Europe's business due either to a change in interpretation of the contracts leading to extensions of covers beyond policyholders' expectations (*e.g.* due to the inapplicability or interpretation of certain clauses) or by increasing the frequency and/or severity of claims. Such risks may also lead to higher than expected fluctuations in macro-economic indicators such as interest rates and price levels, or disruptions in financial markets, further impacting the Company's business. In addition, emerging risks may also have a direct impact on SCOR Europe's operations, for instance by generating unexpected additional expenses.

Environmental, social and governance (ESG) trends may also give rise to sustainability risks that could negatively impact SCOR Europe's business and operations. In particular, major environmental and social issues such as global climate change and environmental degradation have the potential to create new risks or exacerbate existing risks within the risk categories identified above. Risks that arise from ESG trends are also referred to as "sustainability risks". For more information on SCOR Europe's exposure to sustainability risks, please see section C.7.1.5 – Sustainability risks.

Despite the implementation of risk management mechanisms across the Group to mitigate significant impacts, it cannot be guaranteed that these mechanisms will achieve their intended purpose. Many of SCOR's risk management methods rely on historical market behaviors, statistical models based on past data, or expert judgment. Consequently, these methods may not fully anticipate future exposures, which could be substantially greater than estimated, especially in unstable or volatile markets and environments. Additionally, other risk management methods involve analyzing information about markets, clients, natural catastrophes, and other relevant matters that are publicly available or otherwise accessible to SCOR. This information may not always be accurate, complete, up-to-date, or properly evaluated. Therefore, the Group cannot exclude the possibility that SCOR's risk exposure may exceed defined risk tolerance limits due to incorrect estimation of these risk exposures. If the risks disclosed in this section were to occur, they could potentially have a significant effect on SCOR Europe's present and future business, cash flows, eligible own funds and solvency position.

As mentioned in section B.3.3 – Capital Model contribution to the ERM framework, the risk modules reported for the Standard Formula in SCOR Europe's capital calculation include P&C underwriting and reserving risk, market risk including interest rate risks and currency risks, counterparty default risk, operational risks and potential adjustment for the loss absorbing capacity of deferred tax. For further information on risks included in SCOR Europe's capital calculation see Chapter E – Capital Management.

SCOR Europe is exposed to other risks not included within the Solvency II Standard Formula capital calculation including strategic, liquidity and emerging risks. These risks are not expected to have an immediate impact on the Solvency Ratio over a one-year time horizon and are monitored and managed through specific processes.

For quantitative information on all risk categories, including changes over the reporting period, see Section E.2.1 – Solvency Capital Requirement.

C.1.2 SENSITIVITY ANALYSIS

SCOR Europe has established risk management processes to monitor the evolution of its risk profile and the expected impact on solvency, for instance when it considers material new initiatives. As part of its ORSA process, SCOR Europe assesses the expected financial and capital impact of a range of severe but possible adverse scenarios, including combinations of severe events over the medium-term horizon. This enables the adequacy, resilience, and sensitivity of the current and planned solvency positions to be tested and possible management actions to be identified. Bespoke sensitivity studies are conducted at the request of Management and the Board.

The minimum capital requirement that meets the regulator's solvency requirement is calculated quarterly and presented annually to the Board. Deviations to the business plan are monitored to ensure that, in the case of large movements or significant changes in the portfolio, the capital figures are stress tested and also presented to the Board. SCOR Europe produces and evaluates scenarios, providing comfort that the impact of such events on SCOR Europe's current solvency would be limited. These include the analysis of adverse scenarios in the own risk and solvency assessment process.

Sensitivity to underwriting risk (SCOR Europe's most significant risk) is evaluated through a variety of mechanisms explained in section C.2.1.6 – Management of underwriting risks related to P&C business. These include the analysis of adverse scenarios in the own risk and solvency assessment process. Through its invested assets being dominated by bonds, SCOR Europe is sensitive to interest rate and spread risk.

C.2 Underwriting risks

As an insurer SCOR Europe underwrites and manages various P&C (re)insurance risks. SCOR Europe accepts these risks based on their estimated risk-adjusted profitability and maintains reserves on its balance sheet to cover the 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. Deviations from these estimations or the occurrences of infrequent but severe events can negatively impact SCOR's financial results and stability.

The frequency of claims, their severity, the actual payments made, the development of long-tail claims (whether litigated or not), and external factors (such as those listed below), are all beyond SCOR Europe's control.

Additionally, SCOR Europe is dependent on the quality of underwriting by its clients in the case of limited inwards facultative reinsurance business and on the quality of third-party claims management as well as data in certain circumstances. Faced with these uncertainties, the Company seeks to ensure that sufficient reserves are in place to cover its liabilities. Other external factors such as professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions create uncertainties and may adversely affect SCOR Europe's business due to either interpretations of the contracts leading to unintended extensions (*e.g.* through inapplicability or interpretation or overriding of contract clauses) or by increasing the frequency and/or severity of claims beyond what was anticipated at the time of the underwriting.

SCOR Europe's underwriting risk exposure is mitigated by diversification across a large portfolio of (re)insurance contracts as well as careful business selection, implementation of underwriting guidelines, centralized underwriting management, use of retrocession and other risk transfer arrangements and proactive claims handling as well as underwriting, claims and administration audits at client companies.

For further details on reinsurance protection, see Section C.2.3 – Reinsurance and other risk mitigation techniques.

Consistent with the Group's strategy of selective market and business unit development, SCOR Europe seeks to maintain a portfolio of business risks that is strategically diversified geographically, by line and class of business and over time (short and long-tail). The volatility of risks is reduced by careful business selection, pricing, implementation of underwriting guidelines, the use of reinsurance and other risk transfer arrangements and proactive claims handling as well as underwriting, claims and administration audits at client companies.

C.2.1 P&C BUSINESS

SCOR Europe writes direct insurance, primarily on a business-to-business basis to cover large corporate risks through the SCOR Business Solutions domain of SCOR's P&C business unit, as well as joint ventures with third parties and other SCOR Group entities. The portfolio is diversified geographically, insuring risks globally with the main locations being continental Europe. SCOR Europe has a well-diversified line of business portfolio covering all major lines, with the most material being property, credit and surety, inherent defect insurance and liability. P&C risks refer to risks related to pricing and reserving assumptions of property and casualty (re)insurance. P&C risks include the following subcategories:

- man-made risks;
- natural catastrophe risks;
- claims development risks;
- contractual and behavioral risks;
- P&C production cost risks.

Of these, SCOR Europe considers man-made, natural catastrophe risks and claims development risks to be the most significant. The following subsections provides more information on each of the subcategories.

In line with the Group's initiative to grow its managing general agent (MGA) business in EMEA, a portion of the Company's portfolio, around one quarter of the total premium volume in 2024, is written by MGAs on behalf of SCOR Europe under delegated underwriting authority agreements. MGAs provide the Company with access to niche expertise and distribution that complements the existing wholesale broker and direct client relationship model. SCOR has dedicated systems, risk management and due diligence processes in place and guidelines for assessing MGA partnerships, in order to ensure alignment of interests as a key principle.

The target market of the MGA business, small and medium-sized enterprises (SMEs) as well as in limited cases niche retail insurance, differs from the traditional market, large corporates, served by the Company. While not material to the overall portfolio, retail business exposes the Company to a potentially higher level of consumer duty conduct risk, for which dedicated processes are in place.

More information on the dedicated risk management processes is provided in Section C.2.1.6 – Management of underwriting risks related to the P&C business.

For quantitative information on P&C underwriting risks, refer to Section E.2 – Solvency Capital Requirement and Minimum Capital Requirement.

The subsequent sections provide more information on the main underlying risks linked to SCOR Europe's underwriting business.

C.2.1.1 NATURAL CATASTROPHES

SCOR Europe's property business is exposed to multiple insured losses arising from single or multiple natural peril events. Natural catastrophes, such as hurricanes, typhoons, windstorms, floods, hail, severe winter storms and earthquakes can generate material insured losses in property, engineering and possibly other lines of business.

The most material natural catastrophes to which SCOR Europe is exposed include windstorms, earthquakes and floods arising in Europe.

In modelling losses, natural catastrophe models focus on property damage and consequential business interruption losses triggered when a natural catastrophe affects the insured's property. Sophisticated tools are used to model the underlying physical phenomena and their impact on the Company's risk profile.

SCOR Europe manages its gross exposure to catastrophes through a coherent reinsurance program.

C.2.1.2 MAN-MADE RISKS

SCOR Europe's property and casualty business covers various lines of business which are exposed to insured losses that arise from accidental and intentional human actions and decisions. These risks encompass a wide range of potential events, including personal and industrial accidents, corporate malpractices, terrorism, cyber-attacks, and other human-induced incidents that can lead to financial losses. Man-made events can lead to either of or a combination of property and casualty losses and can thus impact all lines of businesses, depending on the type of events, except for pure natural catastrophe covers.

Man-made risks cover both the general risk of inadequate pricing as well as the risk of rare but catastrophic losses. Man-made catastrophes can impact both short-tail and long-tail lines of businesses.

SCOR Europe's property business is also exposed to multiple insured losses, arising from single or multiple man-made events. The short-tail lines of business mostly exposed to man-made catastrophes are property (excluding natural catastrophes), engineering, marine, aviation and space.

Man-made catastrophes refer to negligent or deliberate human actions, *e.g.* large explosions and/or fires at major industrial site or acts of terrorism. These events can have major consequences on businesses, property and lives; acts of terrorism can often target large cities and key landmarks such as international airports and governmental facilities. SCOR Europe is exposed to single or multiple terrorist attacks through some contracts and national terrorism pools.

Long-tail lines of business, such as casualty lines (including general liability, professional liability and financial lines), inherent defect and construction warranty can also be subject to large loss events, which can vary from systemic liability events caused by the negative impacts of commonly used materials on human health (with asbestos as a typical example) to massive product liability losses emanating from items produced by a single manufacturer. Casualty events can also be triggered by a single disastrous event (*e.g.* Deepwater Horizon oil rig explosion), or cyber-related events, which may also simultaneously lead to material losses on property or other lines of business.

Casualty catastrophes are likely to emerge gradually, and the full extent of the losses is often not known for a significant length of time. This leads to loss estimates being uncertain, especially in the early stages of loss emergence.

C.2.1.3 INADEQUATE PRICING

SCOR Europe's business is exposed to the risk of inadequate prices, particularly in soft market environments with terms and conditions resulting in insufficient premium to cover claims costs and profitability requirements. This can arise from a variety of causes such as the application of underwriting guidelines being inconsistent with market conditions, contract wordings being misleading, pricing mechanisms not reflecting all risks adequately, adverse court decisions/developments and/or changes in the legal environment. This is particularly relevant for long-tail lines of business and multiple year contracts such as casualty, inherent defect insurance and political and credit and surety.

C.2.1.4 CLAIMS DEVELOPMENT RISKS

SCOR Europe's business, in particular long-tail lines of business, such as casualty lines (including general liability, professional liability and financial lines), credit and surety, inherent defect and construction warranty are exposed to the risk of material reserve deterioration (or long-tail reserve deterioration). This is due to the time required for claims materialization and settlement.

Long-tail reserve deterioration occurs when the frequency and severity of claims are higher than assumed in the initial calculation of the Best Estimate Liabilities (BEL). For casualty business the frequency and severity of claims and the related amounts of indemnities paid can be affected by several factors. One of the most significant factors is claims inflation, mainly influenced by general economic inflation and the changing regulatory and legal environment, as well as in societal behaviors, including developments in legislation and litigation (often referred to as "social inflation") such as the recent revival statutes enacted by certain US states. Such legislative changes allowing previously time-barred claims to be brought up again in legal suits, or changes extending the statute of limitations retroactively, can materially impact the frequency and severity of claims on long-tail business lines.

For further information on risks related to technical provisions, please see Section C.2.2 – Risks related to technical provisions.

C.2.1.5 OTHER RISKS

Contractual and behavioral risks

These risks arise from ambiguities, inconsistencies, or gaps in contract language that can lead to disputes, misunderstandings, and potential financial losses. The subcategory also includes risks stemming from contractual terms and conditions that give clients, for inwards contracts, or reinsurers, for ceded contracts, rights and options, such as recapture rights. Recapture rights allow clients to terminate or modify (re)insurance agreements under certain conditions. These contract features can lead to unexpected changes in the (re)insurance portfolio, affecting the Company's ability to predict and manage risks effectively.

P&C production cost risks

P&C production cost risks covers the risk that expenses and other costs related to assuming and managing business are higher than assumed, thereby negatively impacting the profitability of SCOR Europe. This includes various expenses and operational expenditures necessary to manage insurance policies effectively, the cost of the capital required to write the business as well as taxes. Expenses are exposed to inflation, which poses a risk that the actual incurred expenses may exceed the amounts assumed during pricing or reserving.

Risk concentrations

The accumulation of risks, such as by regions, by lines of business or by exposure to individual events, may produce risk concentrations. Material concentration of risk in the business portfolio particularly relates to geographic accumulation of exposures to natural catastrophes. In terms of individual events, the largest concentrations of exposures are related to European Windstorms and man-made. In addition, systemic perils such as heightened global geopolitical and macroeconomic tensions have the potential to adversely impact SCOR Europe's business.

SCOR Europe produces its business through both brokers and direct relationships with clients. The risk for SCOR Europe is mainly the concentration of premiums written through a limited number of brokers or clients. A significant reduction in the business generated through these brokers or clients could potentially reduce premium volume and net income.

C.2.1.6 MANAGEMENT OF UNDERWRITING RISKS RELATED TO P&C BUSINESS

SCOR Group's CRO area and SCOR's P&C business unit, within which SCOR Europe operates, are organized to enable them to assess and control risks at each level of the business:

- SCOR Europe's new and renewal business incepts throughout the calendar year. Underwriting plans enable SCOR Europe to monitor and manage its inwards business. SCOR Europe's operating plan is informed annually by the executive management team of SCOR Europe, then approved annually by its Board of Directors;
- most of SCOR Europe's direct insurance underwriters work in the SCOR Business Solutions division, which operates worldwide. The division is dedicated to large corporate businesses and is geared to providing clients with solutions for coverage of large conventional risks;
- MGA and Reinsurance treaty underwriters may also provide support to SCOR Europe on small and medium size facultative risks and joint venture initiatives in their respective territories, within the limits of their individually delegated underwriting authority and the scope of underwriting guidelines;
- underwriting and pricing guidelines specify the underwriting capacities delegated to each underwriter in each entity for each line of business, as well as the underwriting principles and pricing parameters to be applied. These guidelines are subject to a regular review and approval process. SCOR's underwriting guidelines are more restrictive regarding certain areas with increased uncertainty, for instance on the claims activity or in the legal environment:
    - underwriting guidelines in place within the P&C business unit specify (i) the underwriting rules and principles to be complied with; (ii) the underwriting capacities individually delegated to the underwriters in each of the markets and lines of business in which the Group operates; as well as (iii) the relevant maximum acceptable commitments per risk and per event and (iv) points of attention in the contract wordings, including recommended clauses for some aspects,
    - pricing guidelines and parameters apply to all business priced within the P&C business unit. These guidelines seek to ensure that the analyses provide: (i) a best estimate of the costs and profitability as well as the uncertainty surrounding estimates; (ii) assistance with underwriting decisions; and (iii) the suitable outputs needed for the risk management process. The guidelines aim to provide consistency and continuity across the organization while taking into account differences in the underlying risks. Parameters are revised at least once a year. Contracts that meet certain thresholds are subject to mandatory peer reviews that have to be performed and documented before pricing is completed;
- the underwriting teams are supported by a central Chief Underwriting Officer department. This department provides worldwide reinsurance and SCOR Business Solutions underwriting guidelines, policies regarding the delegation of capacity, underwriting support to specific lines of business or individual risks when required, ceding company portfolio analysis and risk surveys and is responsible for the monitoring and referral of non-standard business and for authorizing exceptions to the underwriting guidelines. This centralized underwriting management process allows for consistent application of underwriting guidelines throughout the Group;
- certain business opportunities going beyond the stipulations of the guidelines previously defined are subject to special referral procedures to ensure that decisions are taken at the appropriate management level. SCOR maintains clearly-defined referral processes escalating the decision on a business acceptance to the different management levels depending on the impact of the opportunity on SCOR Group's risk bearing capabilities. The different referral levels include global functions of the P&C business unit, the CRO area as well as SCOR's executive committee or the Group Underwriting Committee and SCOR's Board and SCOR Europe's Board, as appropriate;
- MGA and other delegated underwriting business are subject to dedicated processes and defined gross capacities. Dedicated committees are in place to review and approve any new business cases prior to binding of risk, subject to minimum due diligence requirements. All MGAs must operate to defined guidelines detailing the business to be accepted by SCOR and alignment of SCOR/MGA interests. Existing relationships are subject to regular audits and monitoring, with specific referral triggers in place to manage and approve changes in business or risk profile;
- pricing and modeling teams are responsible for the pricing of reinsurance business done at individual contract level, and for the insurance business. Guidelines, methods and tools are set and maintained centrally and are used by the local pricing teams across the SCOR offices. Delegation authorities specify criteria under which the underwriters may price certain contracts still subject to the use of the Pricing Guidelines and tools. Pricing actuaries work closely with underwriters and modelers by market or line of business. Pricing referral procedures are in place, triggering pricing reviews by different levels of Pricing & Modeling management as well as the CRO area depending on the size of the deal;
- Group-wide accumulations across lines of business are monitored by a dedicated team. Gross exposures to earthquake and storm risks are measured using proprietary vendor models from industry-leading catastrophe model suppliers, including Risk Management Solutions RiskLink® ("RMS") and AIR Worldwide Catrader® ("AIR"). These tools enable the Group to quantify its exposure in terms of a probable maximum loss ("PML") at various levels of probability for each peril and geographic location as well as the overall aggregate annual PML per peril, allowing for potential multiple events, providing information required to determine the appropriate level of reinsurance and other alternative risk transfer solutions (*e.g.* catastrophe bonds). MGA exposures to key

accumulations such as NatCat, Terrorism and Cyber, must be quantified prior to finalizing any MGA contract in any country where such capacity is monitored and controlled;

- in relation to climate change, SCOR regularly reviews its risk assessment through model calibration to reflect recent loss trends and the latest verified scientific research. This process includes a framework to assess the potential impacts of climate change over the long term. The governance of risk pricing is managed by the research & development and pricing and modelling teams, with any calibration validated by the Group's Accumulation Committee. Numerous studies on the impact of climate change have been conducted, and their findings have been incorporated into the model calibrations. However, the specific nature of the (re)insurance market, with yearly contract renewals, precents SCOR from pricing long-term physical risks associated with climate uncertainties. Despite this, stress-tests have been performed on the property portfolio based on forward-looking climate scenarios for presentation to regulatory bodies;
- in terms of managing climate transition risks, SCOR has already made certain underwriting commitments that are a strong step towards reducing the company's exposure to certain carbon-intensive sectors. In addition, SCOR has introduced referral procedures and environmental, social and governance (ESG) scoring components for the underwriting of insurance and facultative reinsurance within the mining and energy sectors;
- for non-NatCat business, per-risk accumulation limits are defined in the underwriting guidelines. Underwriting functions are responsible for the application of these guidelines within their business unit. Terrorism exposures are monitored on a worldwide basis as a fully integrated part of the Underwriting Management Framework;
- in order to mitigate its gross property exposure (impacted by NatCat events and large loss claim trends), SCOR Europe cedes a major portion of the risks it underwrites. See Section C.2.3 – Reinsurance and other risk mitigation techniques for further information;
- claims handling is performed by dedicated teams, which review, process and monitor reported claims. These teams are responsible for the implementation and overview of the overall claims handling and commutation management policy for the P&C business unit, implementing worldwide control and reporting procedures and managing commutation of portfolios and commitments. It supports and oversees the day-to-day activity and takes up the direct management of large, litigious, serial and latent claims as well as monitoring of claims handling delegated to third parties. In addition, periodic audits are conducted on specific claims and lines of business, and claims processing and procedures are examined with the aim of evaluating their claims adjustment process, valuation of case reserves and overall performance. When needed, recommendations are given to underwriters and local management;
- risks specific to the administration of contracts are subject to checks performed at the subsidiary and branch level through the "Internal Control System" framework. The application of this framework is regularly controlled by Group Internal Audit. SCOR's Group Information System includes multiple automatic checks and additional tools;
- the adequacy of SCOR Europe's technical provisions is controlled based on specific procedures. For further information on how risks related to technical provisions are managed, see Section C.2.2 – Risks related to technical provisions;
- a review of technical results is performed on a quarterly basis;
- risk-related topics of the Company's underwriting business are discussed at dedicated quarterly meetings at several levels of SCOR Europe. SCOR Europe's Risk Management function is a contributor to the Company's regular Executive Management Committee meetings, responsible for overseeing and guiding the identification, management and monitoring of risks and defined mitigation actions with the Company's management;
- In-force portfolio reviews are conducted to provide independent technical assessments on the underwriting, pricing & modeling, reserving, technical accounting and claims handling of particular market areas, lines of business or portfolios, depending on the defined scope. The process to select the portfolios and areas in scope of the reviews is guided by a risk-based approach.

C.2.2 RISKS RELATED TO TECHNICAL PROVISIONS

SCOR Europe's technical provisions are established based on the information it receives from insurance and ceding clients, including their own assessments, 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 technical provisions process, SCOR Europe reviews available historical data and tries to anticipate the impact of various factors such as change in laws and regulations, judicial decisions, social and political attitudes, and changes in general economic conditions.

Incorrect and/or incomplete information could have an adverse effect on the Company. Despite the audits it carries out on the companies with which it does business, SCOR Europe is therefore still dependent on clients' own data and in the case of limited inwards facultative reinsurance on cedents' technical provisions assessment.

As is the case for all other insurers, the inherent uncertainties in estimating technical provisions are compounded by the significant periods of time that often elapse between the occurrence of an insured loss and the reporting of the loss to the lead primary insurer and ultimately to the other insurers.

Another factor of uncertainty resides in the fact that some of SCOR Europe's activities are long-tail in nature such as professional indemnity insurance. SCOR Europe regularly revises its estimated potential loss exposure on such lines of business as credible experience emerges. The long-tail nature of these lines of business can lead to infrequent but material impacts on the financial statements from these revisions.

C.2.2.1 MANAGEMENT OF TECHNICAL PROVISION RISKS

With regards to technical provisions risk, SCOR Europe seeks high confidence in reserving adequacy based on the implementation of generally accepted actuarial methodologies, fit for purpose tools and robust processes, controls and reconciliation validated by extensive risk management actions, in particular on assumptions, expert judgment, model, data quality and results. This also includes independent internal and external reviews.

External consulting firms can be mandated to review certain aspects of the reserve calculation and thereby support internal analysis and validation.

Around its technical provisions risk, SCOR Europe has put in place a strict and robust corporate governance structure with transparent decision processes and several levels of local control. Additionally, the Actuarial Function Holder is in charge of providing an independent opinion on the adequacy of the technical provisions, as well as the independent validation and testing of actuarial tools, workflows, assumptions and processes linked to technical provisions. The Actuarial Function Holder issues recommendations to the Board with proposed remediation plans.

All these processes and controls tend to minimize the risk of inadequate technical provisions.

Solvency II Technical Provisions

The Solvency II technical provisions are composed of Best Estimate Liabilities (BEL) and the Risk Margin. The Group Actuarial Function coordinates the calculation of technical provisions across the Group. It relies upon the existing processes and controls described in the Group's Actuarial Function Report (AFR). SCOR Europe's processes and controls around technical provisions and its AFR are aligned with SCOR Group's. The AFR provides evidence that the duties of the Actuarial Function are being fulfilled, which are specifically to:

- coordinate the calculation of the technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- oversee the calculation of technical provisions in the cases set out in Article 82 of the Solvency II Directive;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions.

For further information on how technical provisions are valued, see Chapter D – Valuation for solvency purposes D.2 – Technical provisions.

The contribution of the actuarial function to the management of the risk on technical provisions includes additional specific controls:

- externally audited French GAAP reserves are the starting point for calculating the Solvency II technical provisions (before discounting). Thereafter, the adjustments made to move from IFRS reserves to the Solvency II technical provisions are reviewed internally and across functions according to the area of expertise of the appropriate stakeholders;
- SCOR Europe's risk margin is calculated annually by the Risk Management function (based on the Standard Formula solvency capital requirement calculation and is subject to review and validation by SCOR Europe's Actuarial Function Holder.

For further information on how the Actuarial Function contributes to the effective implementation of the risk management system, see Section B.6 – Actuarial function.

C.2.3 REINSURANCE AND OTHER RISK MITIGATION TECHNIQUES

As SCOR Europe retains a portion of its exposure to certain risks to reinsurers through reinsurance arrangements, its results may be impacted by the inability of the Company's reinsurers to meet their obligations. Under such reinsurance cover, the Company is still liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of the Company's reinsurers to meet their financial obligations could materially affect the Company's operating income and financial position.

In addition to facultative reinsurance arranged for some large accounts, the reinsurance protection program is set each year to ensure that SCOR Europe's retained risk profile complies with the Company's risk framework and to help the Company maximize its profitability while maintaining appropriate solvency including use of proportional and non-proportional covers and negotiation of reinstatement conditions. The risks faced by SCOR Europe through its reinsurance arrangements are minimized via use of highly rated reinsurance arrangements, including the majority of treaty protection purchased internally within the SCOR Group which in turn has organized a Capital Shield Strategy which aims at protecting the Group capital base with the use of diversified external retrocessions and risk mitigation instruments. SCOR Europe recognizes this dependence on an individual reinsurer, for which less benefit for diversification is available in the calculation of SCOR Europe's capital requirement, but provides risk mitigation via indirect external reinsurance for which main terms and conditions are mirrored in the Company's key intragroup reinsurance protections.

For further information on how credit risk related to reinsurers is managed, see Section C.4.1.2 – Credit risk related to (re)insured liabilities.

C.3 Market risks

For quantitative information on SCOR Europe's market risks, see Section E.2 – Solvency Capital Requirement and Minimum Capital Requirement. The presentation of SCOR Europe's assets giving rise to market and credit risks is provided in Section D.1 – Assets.

C.3.1 OVERVIEW OF MARKET RISKS

Market risk is the risk that the fair value for future cash flows of a financial instrument fluctuates because of changes in market prices or macro-economic variables.

This risk includes:

- interest rate risk;
- currency risk;
- credit spread risk; and
- inflation risk.

The Company's current investment guidelines restrict the investment universe to cash and cash equivalents and fixed income assets only and as such SCOR Europe is not directly exposed to equity and real estate risks.

For further information on credit risk, see to Section C.4 – Credit risks.

Market risks can also be influenced by various over-arching factors, including political, macro-economic, monetary, societal and environmental trends. Refer to Section C.7.1.5 – Sustainability risks for more information on risks related to climate change.

For further information on how macro-economic changes (such as changes in the general price level from its current trend) may impact SCOR Europe's assets, see Section C.7.1.2 – External environment risks.

C.3.1.1 INTEREST RATE RISKS

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument or (re)insurance contract fluctuates because of changes in interest rates. Interest rate fluctuations have direct consequences on both the market value and the return on SCOR Europe's fixed income investments.

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 actors. An increase in interest rates usually leads to a fall in the market value of fixed income securities that SCOR Europe holds.

On the other hand, during periods of declining interest rates, income from investments is likely to fall due to investment of net cash flows and reinvestments of redemptions at rates lower than those of the existing portfolio (dilutive effect of new investments). For callable bonds for which the issuer has an option to redeem earlier than the ultimate maturity, the probability of having to reinvest the early proceeds at lower interest rates is increased.

Interest rates can experience significant volatility as well as non-parallel changes in yield curves, which may result in simultaneous increases and decreases among different interest rate maturities. Given the current uncertainty regarding the future level of inflation, economic growth and the resulting central bank actions, interest rates volatility is likely to remain high in 2025.

SCOR Europe's underwriting business is also exposed to interest rate risk. The value of long-term liabilities, the risk margin and deposits with clients are subject to discounting. The discounting impact from a change in interest rates on assets and liabilities will offset to some extent depending on the Company's duration mismatch between assets and liabilities.

As such, changes in interest rates can affect the Eligible Own Funds, the Solvency Capital Requirement and the Solvency Ratio of the Company.

C.3.1.2 CURRENCY RISKS

Currency risk is the risk of loss arising due to adverse changes in volatility of foreign exchange rates. This could impact the value of SCOR Europe's assets (*e.g.* through direct investments in assets denominated in various currencies) and liabilities (*e.g.* (re)insurance contracts with liabilities denominated in specific currencies).

SCOR Europe publishes its financial statements in Euro, but part of its income and expenses, as well as of its assets and liabilities, are denominated in currencies other than Euro. Consequently, fluctuations in the exchange rates used to convert these currencies into Euro may have an impact on its reported net income and net equity. Some events, such as catastrophes, can have an impact on the asset-liability matching in a given currency, which can generate a temporary unmatched position which is not covered by natural hedging (assets kept in the same currency as liabilities) or by currency contracts or hedges.

C.3.1.3 EQUITY & REAL ESTATE RISKS

SCOR Europe currently has no direct exposure to the equity or real estate markets as per its investment guidelines.

C.3.1.4 CREDIT SPREAD RISKS

Credit spread risk on invested assets is the risk of incurring a financial loss rising from the change in market assessment of the counterparty risk of the financial instruments or counterparties. Credit spread variations could have a direct impact on the market value of fixed-income securities and loans. In the current macroeconomic there is increased risk of corporate downgrades and as such increased credit spread risk.

C.3.1.5 INFLATION RISKS

SCOR Europe's assets and liabilities can be exposed to both direct and indirect impacts from changes in the level or expectations of economic inflation (goods and services).

The business is exposed to the risk of a significant increase in the rate of inflation. The main risk relates to claims inflation being higher than estimated in the initial pricing or reserving, with a secondary risk relating to higher operating expenses than expected. For more information on these risks, see the subsections on claims development risks for the former and production cost risks for the latter in section C.2.1 P&C Business.

SCOR Europe's assets are also exposed to the risk of increased inflation or raised inflationary expectations, which would be accompanied by a rise in the yield curve with a subsequent reduction in the market value of its fixed income portfolios. Increased inflation could also have a negative impact 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 impact the value of equity exposure, though noting that SCOR Europe does not currently have direct exposure to equity risk. Any negative fluctuations in equity values or increases in the cost of claims would lead to a similar decrease in shareholders' equity.

A prolonged or significant decrease in the price level of goods and services, also referred to as deflation, usually associated with an economic slowdown, could also impact the Company in several ways. For example, the value of SCOR Europe's invested assets would be impacted if deflation is associated with a fluctuation in interest rates and corporate credit spreads. Another scenario could be that a fall in prices, leading to a decrease in premiums for a given amount of risk, combined with a decrease in organic growth due to the economic slowdown, would result in a drop in the volume of newly acquired premiums.

C.3.2 MANAGEMENT OF MARKET RISKS

C.3.2.1 OVERVIEW OF RISK MANAGEMENT OF ASSETS

SCOR Europe's investment strategy is prudent with assets held in cash and fixed income securities. The approach is defined in line with risk appetites and risk tolerance limits and considers the economic and market environment and the asset-liability matching process.

Investment Guidelines at Group and local levels, including SCOR Europe, outline the investment universe and limits, including concentration limits, in line with the objectives of the strategic plan. Local investment guidelines are approved by the Company's Board of Directors.

SCOR has outsourced the implementation of its investment strategy to its asset management company "SCOR Investment Partners SE" and to external asset managers. They are provided with the Company's Investment Guidelines.

Exposures to major risks are monitored at Group level on a weekly basis and stress tests measure the impact of parametric or footprint scenarios on the invested assets portfolio. These scenarios cover changes in interest rates, inflation, equities, credit spreads and the real estate market (noting SCOR Europe does not have direct exposure to equities or real estate). Analysis of portfolio sensitivity to major risks is an important management tool which is performed when making portfolio reallocation or hedging decisions.

In currency and geographic terms, SCOR Europe is exposed to Euro denominated assets with strong focus on fixed income. SCOR Europe's investment portfolio is risk averse as a result of the Company's maturity level and its decision to focus on underwriting risks and limit other risks such as market risk. The invested assets portfolio is significantly invested in bonds and with a spread that is appropriate to the underlying business.

C.3.2.2 MANAGEMENT OF INTEREST RATE RISKS

Interest rate risk is managed from a holistic point of view. SCOR Europe monitors the interest rate sensitivity in the Economic Balance Sheet (EBS) quarterly. Regular monitoring enables the exposure to be compared with risk tolerances.

SCOR Europe aims to maintain an appropriate mix of fixed and variable rate instruments. It also manages the maturities of interest-bearing financial assets.

Interest rate risk is managed within the Group primarily at two levels. At the level of each entity, the Group takes account of regulatory and accounting constraints. At the Group level, SCOR reviews its consolidated investment portfolios in order to identify the overall level of risk and return. It uses analytical tools which guide both its strategic allocation and local distribution of assets. Sensitivity of invested assets to changes in interest rates is analysed on a weekly basis.

C.3.2.3 MANAGEMENT OF CURRENCY RISKS

A variation in interest rates or exchange rates will impact the Eligible Own Funds. Such economic variation would also affect the SCR. The resulting impact on the solvency ratio from a variation in interest or exchange rates would depend on the relative variation of both EOF and the SCR.

From an IFRS perspective, SCOR Europe has a balance sheet hedging approach whereby there is an objective to match monetary assets and liabilities in each foreign currency with a prescribed tolerance, so that fluctuations in exchange rates have no material impact on the reported net income. The policy is to closely monitor the net monetary currency positions and, where appropriate, execute either cash arbitrages or future hedges.

C.3.2.4 MANAGEMENT OF EQUITY & REAL ESTATE INVESTMENT RISKS

SCOR Europe had no direct exposure to equity or real estate risk at year-end 2024.

C.3.2.5 MANAGEMENT OF CREDIT SPREAD RISKS

The Company applies strict limits in terms of asset concentration by asset class but also within a single asset class and actively diversifies its portfolio (by type of investment, by issuer, by country and by sector). The application of these limits and a minimum average credit rating of the fixed income portfolio also helps to mitigate the counterparty default risk arising from investments.

C.4 Credit risks

For quantitative information on credit risk, refer to section E.2 - Solvency Capital Requirement and Minimum Capital Requirement. The presentation of SCOR Europe's assets giving rise to market and credit risks is provided in section D.1 – Assets.

C.4.1 OVERVIEW OF CREDIT RISKS

Credit risks are risks related to borrowers and counterparties failing to fulfill their contractual obligations. This includes credit default risk which is the risk that one party to a financial instrument or other asset will cause a financial loss to the other party by unexpectedly failing to discharge, either partially or fully, an obligation. Credit risk also includes credit migration risk, which is the risk of incurring a financial loss due to a change in the value of a contractual agreement following unexpected changes in the credit quality of the Company's counterparties.

SCOR Europe is mainly exposed to the following credit risks or the accumulation of such risks in a single counterparty, the same sector of activity or the same country: from bond portfolios, receivables from reinsurers, funds withheld by clients, cash deposits at banks and default of members of pools in which SCOR participates. SCOR Europe is also exposed to credit risk through its credit and surety insurance portfolio in the form of underwriting losses which may accumulate under severe adverse economic conditions.

Credit risk is actively monitored and managed. The processes for managing the respective credit risks and the methods used to measure these risks are further described below. For further information on risk concentrations, see Section C.7.2 – Significant risk concentrations.

C.4.1.1 CREDIT RISK RELATED TO BOND AND LOAN PORTFOLIOS

A deterioration in the financial situation of an issuer (sovereign, public or private) or borrower can, for example, lead to its insolvency and to the partial or total loss of coupons and of the principal invested or lead to a loss in value.

This risk also applies to loan transactions in which the Company invests. A deterioration in the solvency position of a borrower may lead to a partial or total loss of the coupons and the nominal invested by SCOR Europe.

The financial situation of companies to which SCOR Europe is exposed through its invested asset portfolio could be affected by physical and transition risks from global climate change. Physical risks relate to exposures to climate-related extreme events (acute) or to global trends due to climate change (chronic). Transition risks mainly concern carbon-intensive industry sectors or companies working with carbon-intensive industries that may have stranded assets if new regulations are not anticipated.

SCOR Europe currently has no direct exposure to loans.

C.4.1.2 CREDIT RISK RELATED TO (RE)INSURED LIABILITIES

SCOR Europe has a low net retention of underwriting risks, transferring a significant part of the risk to reinsurance programs, primarily to affiliated entities in the Group, in exchange for the payment of premiums. The reinsurers assume the losses related to claims covered by the reinsurance contracts. If a reinsurer defaulted, or its financial situation deteriorated, SCOR Europe could lose part or all of the coverage provided by its reinsurer whereas the Company would retain its liability towards the insured for the payment of all claims covered under the underlying reinsurance contract. SCOR Europe could also lose receivables from the defaulting reinsurer (receivables are due to a timing difference between statement of accounts received and real payment due for positive balances).

C.4.1.3 CREDIT RISK RELATED TO FUNDS WITHHELD BY CLIENTS

SCOR Europe may be exposed to credit risk in relation to funds withheld by client companies in respect of insurance reserves which cover its liabilities. However, withholding these amounts does not in principle discharge SCOR Europe of its liability towards the clients in cases where it is unable to recover all or part of these amounts in the event of a client default or a deterioration in the financial situation of that client. In principle, it is therefore possible that SCOR Europe will remain liable for claims due under the insurance treaty without being able to offset all or part of the corresponding deposits.

C.4.1.4 CREDIT RISK RELATED TO CASH DEPOSITS AT BANKS

SCOR Europe is exposed to the risk of losing all or part of any cash deposited with banks in the event that a bank is no longer able, due to insolvency, to honor its commitments (*e.g.* following liquidation). The current main risk for SCOR Europe is the significant concentration of deposits in a small number of banks. This risk is a direct result of SCOR's selection of the most stable banks.

C.4.1.5 OTHER CREDIT RISKS

Default of pool members

For special and highly-technical risk categories such as Terrorism, Nuclear, Aviation or Pollution, SCOR Europe participates in various market dedicated groups of insurers and reinsurers ("pools") aimed at pooling the relevant risks among the members of each group, which offers the best available expertise and risk sharing at market level. In the event of a total or partial default by one of the members of a group, in the cases of joint liability of the members, all or part of the liabilities of the defaulting member may need to be assumed.

SCOR Europe is also exposed to credit risk on its credit and surety portfolio in the form of underwriting losses which may materialize under severe adverse economic conditions.

C.4.2 MANAGEMENT OF CREDIT RISKS

Credit risk is actively monitored and managed. The processes for managing the respective credit risks and the methods used to measure these risks are further described below. For further information on risk concentrations, refer to section C.7.2 – Significant risk concentrations.

Management of credit risks related to bond portfolios

SCOR Europe mitigates the credit risks related to bond portfolios by careful analysis and selection of issuers, and by a policy of geographic sector diversification. The Company maintains its investment policy in high-quality assets and in countries with the lowest sovereign risk.

Exposure analyses are performed on a regular basis (sector, geographical area, counterparty and rating) and these enable critical risks to be identified and evaluated in order to take appropriate actions.

SCOR uses different approaches to assess climate-related risks and other sustainability risks in investment activities, including quantitative models and simulations, scenarios and stress-testing, and portfolio screening. SCOR excludes certain activities or issuers from its investment universe in line with its sustainable investing policy. The list of exclusions is communicated to all investment managers. New investments in excluded activities or issuers are prohibited, and the remaining positions are actively managed in order to accelerate their liquidation.

Management of credit risks related to (re)insured liabilities

The majority of the reinsurers that SCOR Europe cedes business to are affiliated SCOR entities. The Company regularly monitors its exposures to reinsurers by taking account of all relevant accounting balances as well as financial strength ratings.

Management of credit risks related to funds withheld by clients

The Company puts in place strong processes and controls to minimize risks associated with material joint business ventures. For instance, a SCOR representative as Board observer is sought in the most material relationships. Regular audits are scheduled as well as underwriting, pricing and actuarial reserving meetings with material joint venture clients. Additionally, regular claims, reserving and pricing reviews take place within the P&C business unit.

SCOR Europe favors deposit arrangements with the ability to offset liabilities against deposits with high legal certainty. Deposits with key clients are monitored regularly.

Management of credit risks related to cash deposits at banks

SCOR Europe selects bank counterparties according to their rating and credit quality, aligned with SCOR Group's Treasury procedures. Concentration risk from cash deposits at banks is mitigated through counterparty exposure limits. SCOR takes into consideration the public assistance (*e.g.* loans, guarantees of deposits, nationalizations) which certain banks may benefit from during a financial crisis, as they are important in the economy of their respective country.

For further information on how risks related to invested assets are managed, see Section C.3 - Market risk.

Management of other credit risks

In the event of joint liability of the members in pools in which SCOR Europe participates, the risk of default of other pool members is carefully monitored by the Company via the careful consideration of the financial situation of other pool members. This contributes to the application of sound and robust governance.

C.5 Liquidity risks

C.5.1 OVERVIEW OF LIQUIDITY RISKS

Liquidity risk is the risk of not having sufficient financial resources to meet obligations as they fall due, or only being able to secure them at excessive cost.

C.5.1.1 LIQUIDITY NEEDS

SCOR Europe needs liquidity to pay claims, commissions, operating expenses and declared dividends on its share capital. Without sufficient liquidity, the Company may be forced to curtail its operations, which would have a negative impact on its business. In the case of catastrophe claims, in particular, it may need to settle amounts which exceed the amount of available liquidity in a reduced timeframe.

Liquidity needs may also arise from increased collateral requirements, which may be required by some business organizations in case of SCOR Europe default (non-compliance with financial covenants, or in case of a significant decrease in SCOR Europe's rating, etc.), which would result in a deterioration of the Company's liquidity.

C.5.1.2 SOURCES OF LIQUIDITY

The principal internal sources of SCOR Europe's liquidity are (re)insurance premiums, cash flows from its investment portfolio and other assets, consisting mainly of cash or assets that are readily convertible into cash. SCOR Europe's ability to access sources of liquidity may be subject to adverse capital and credit market conditions. Liquidity risks are increased when capital and credit markets experience extreme volatility or disruption, as SCOR Europe may need to sell a significant portion of its assets quickly and on unfavorable terms, particularly, if current internal resources do not satisfy its liquidity needs. A catastrophic event that impacts financial markets and leads to large (re)insurance losses for SCOR Europe SE could result in material liquidity risks.

The availability of additional financing for SCOR Europe will depend on a variety of factors affecting the Group and SCOR SE, including market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, SCOR Group's credit ratings and credit capacity, as well as the possibility that clients or lenders could develop a negative perception of SCOR's (or SCOR Europe's) long- or short-term financial prospects if SCOR Europe were to incur large investment losses or if the level of business activity decreases due to a market downturn. Similarly, access to funds may be impaired if regulatory authorities or rating agencies take negative action that damage SCOR Group. The liquidity of several asset classes owned by SCOR Group may also be negatively impacted by changes in regulations or by non-conventional monetary policies. If so, these factors could prevent SCOR Europe from successfully obtaining additional financing on favorable terms.

C.5.2 MANAGEMENT OF LIQUIDITY RISKS

SCOR's liquidity position is closely monitored from two points of view: timing and transferability.

Timing

SCOR assesses liquidity risks arising from both short-term and long-term liquidity needs of the Group and legal entities. SCOR manages these risks via different mechanisms which consider:

- actions to be taken by the (re)insurance business areas to take into account both short-term and long-term liquidity risk; and
- the appropriateness of the composition of the assets in terms of nature, duration and liquidity in order to meet obligations as they fall due.

Short-term liquidity, or cash management, includes the day-to-day cash requirements under normal business conditions.

Liquidity considerations over the medium and long-term are assessed in a way which takes into consideration the possibility of various unexpected and potentially adverse business conditions where assets may not be sold for current market values. SCOR Group estimates the level of its immediately tradeable assets (i.e. non-pledged assets) which could be sold within a reasonable timeframe.

Transferability

In addition, SCOR monitors the level of transferability of immediately tradable assets between entities, depending on local and regulatory constraints.

The Group has also been granted credit facilities from several banks to support the reinsurance activities of various subsidiaries. The Group regularly adapts and renews these facilities to support its business needs.

Additional information on the timing of repayments and liquidity risk are included in the 2024 Universal Registration Document, Section 3.6 – Liquidity risks. Quantitative information on liquid assets of SCOR Group is provided in the 2024 Universal Registration Document, Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

C.5.3 EXPECTED PROFITS INCLUDED IN FUTURE PREMIUMS

SCOR Europe's expected profit included in future premiums (EPIFP) as at year-end 2024 amounts to EUR 100,3 million.

SCOR Europe's EPIFP includes premiums expected to be received in the future, less projections of loss, commissions and expenses, based on actual figures and actuarial estimates.

EPIFP results are produced by SCOR Europe for the purposes of QRT reporting. They are not used for internal processes regarding capital management, the details of which are provided in Chapter E – Capital management. EPIFP is now reported gross of retrocession due to reporting changes proposed by EIOPA and adopted in the Commission Implementing Regulation (EU) 2023/895 of April 4, 2023.

C.6 Operational risks

C.6.1 OVERVIEW OF OPERATIONAL RISKS

SCOR Europe's main operational risks are aligned with those of the Group and the SCOR Business Solutions division of the P&C business unit, as described in Section C.6.1 – Overview of operational risks in the SCOR Group's SFCR at www.scor.com.

For quantitative information on operational risk, see section E.2 – Solvency Capital Requirement and Minimum Capital Requirement. Operational risks are inherent to all businesses including SCOR Europe. SCOR Europe's operational risks are mainly from risks related to systems, staff, processes, the regulatory environment, risks related to external fraud and cyber-attacks.

A material operational risk, as seen by SCOR Europe management, is the Group risk and in particular the contagion risk from adverse developments in another Group company. SCOR Europe's executive management monitors this risk with Board oversight via shared governance with the P&C business unit.

C.6.1.1 RISKS RELATED TO STAFF

Risks related to staff can arise as follows:

- incidents due to mistakes or non-compliance with instructions, guidelines or policies; these could also be caused by additional strain on staff resulting from heavy backlog of tasks and multiple project involvements;
- malicious or fraudulent acts by internal staff mandated by SCOR Europe with authorized access to the Company's offices or systems or taking advantage of SCOR Europe's assets for personal gain, *e.g.* through the misappropriation of assets, intentional mismarking of positions or bribery;

- intentional damage to assets (including data) required by SCOR Europe to perform its operations by internal or external staff, which could lead to significant remediation costs (including those related to rebuilding databases or systems);
- the failure to attract or retain sufficient workforce resources to conduct SCOR Europe's operations;
- the failure to attract or retain key personnel or the loss of crucial information/skills concentrated in a single person, or of a whole team.

Through centrally provided SCOR Group services, the above could impact SCOR Europe.

C.6.1.2 RISKS RELATED TO SYSTEMS

Risks related to systems or facilities can arise as follows:

- a malfunction or a major breakdown, outages, or disruptions in SCOR's IT systems, thefts or data breaches and erroneous data processing can occur within SCOR's own environment or in a third-party providing services or data to SCOR Group, or in any system or facility which SCOR is providing to a third party;
- interruption of any of SCOR Group's IT systems leading to loss of data, delays in service or in a loss of efficiency of teams, which could lead to remediation costs, loss of contracts or damage to the Group's reputation. In addition, these incidents could increase other operational risks such as external fraud or human error (*e.g.* delay in the recognition of adverse business development). The interruption of these systems could damage commercial activities including underwriting, pricing, reserving, premium and claims payment, commercial support, and asset management.

Through centrally provided SCOR Group services, the above could impact SCOR Europe.

C.6.1.3 RISKS RELATED TO PROCESSES AND THIRD PARTIES

SCOR Europe's risk management policies, procedures and controls may not be appropriate or sufficient. In particular, any additional workload to the planned activities could reduce the effectiveness of some processes and controls. For example, the creation of a new entity, the development of a new line of business, or any other project, may lead to an accumulation of operational risks.

Some of SCOR Europe's processes are partially or fully outsourced, including in limited cases critical and important functions. Failed outsourced processes could lead to direct losses and other operational incidents. Refer to Section B.7 – Outsourcing for more information on the outsourcing framework and outsourced important or critical functions.

Since SCOR Europe remains responsible for commitments or services contracted, including for outsourced activities, an inappropriate client relationship management or inadequate level of service and/or product quality provided by the Company to its clients or breach of contract may lead to a loss of profitable business relationships.

A limited amount of SCOR Europe's business covers retail (specialty) insurance products, which exposes the Company more to conduct risk than more traditional commercial P&C SCOR Business Solutions services. While SCOR has dedicated processes in place to manage this risk, a failure of these processes to fully mitigate the risk could result in fines or litigation.

In addition, SCOR Europe may be involved in legal and regulatory developments due to third parties challenging the terms of a contract, which could lead to an unfavourable outcome.

For further details on the main current regulatory developments which may have an impact on SCOR Europe, please see section C.7.1.3. – Liquidity and funding risks development in the SCOR Group's SFCR at www.scor.com.

C.6.1.4 RISKS RELATED TO EXTERNAL EVENTS

SCOR Europe may be exposed to an unfavourable business environment such as evolving or additional regulatory constraints potentially hindering its business model.

Legal and regulatory risk in SCOR Europe's operating environment

As an international insurer, SCOR Europe must comply with national and international laws, regulations and applicable accounting standards. This includes all applicable economic trade sanctions, programs relating to anti-corruption, anti-money laundering, in addition to anti-terrorism laws, and laws and regulations applicable to its operations and insider trading. Laws and regulations applicable to SCOR Europe's operations refer *inter alia* to applicable economic trade sanction laws, regulations and directives of the European Union and its member states. Other directives with which SCOR Europe complies apply to anti-money laundering, corruption, terrorism financing and insider trading. Regarding anti-corruption laws and regulations, in particular, SCOR Europe must comply with the provisions of the French anti-corruption law Sapin II, Foreign Corrupt Practices Act (FCPA) and other laws such as the UK Bribery Act. Additionally, SCOR Europe must comply with regulatory requirements regarding data management (both SCOR's data and that of its clients), in particular the European Union General Data Protection Regulation (GDPR) enacted by the European Union. Additionally, SCOR Europe must comply with the economic trade sanction laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) and to certain laws administered by the United

States Department of State. In terms of operational resilience, SCOR (likewise SCOR Europe) must adhere to the requirements of the European Digital Operational Resilience Act (DORA) in force from the beginning of 2025.

The level of legal, regulatory, tax or accounting requirements depends on several factors including the type of business (*e.g.* primary insurance or reinsurance business), the location and the legal structure of SCOR Europe. The large number of different regulatory environments in which SCOR Europe operates, as well as changes in present and future regulations, increase the complexity and risks of the related processes. Any violation of laws, regulations or accounting requirements could expose SCOR Europe to fines, class actions with compensation payments, account reinstatements or business restrictions or reputational damage.

Following its application to the UK regulatory authorities, SCOR Europe's UK Branch received its formal authorization to operate within the United Kingdom on 7th November 2023. SCOR Europe continues to monitor developments in the legal and regulatory framework governing SCOR Europe's UK branch.

Other risks related to external events

Risks related to external fraud

SCOR Europe is exposed to external fraud which is characterized by the theft of certain Company assets by third parties or by clients. External fraud may be committed by various means including cyber-attacks and usually target cash, valuable assets, including financial assets, or data. Should an act of fraud succeed in bypassing the controls or protection measures in place, this could generate a direct loss for SCOR Europe and the Group.

Risks related to cyber-attacks

SCOR Europe is exposed to cyber-attacks which can be very diverse in their sophistication and execution. The main targets are system functions, data and cash management. Immediate repercussions include:

- systems could be slowed down, corrupted or stopped, potentially resulting in loss of productivity, corrupted data and remediation costs;
- funds could be stolen through fraudulent wire transfers;
- data could be stolen, deleted or corrupted, or made public in violation of SCOR's regulatory or contractual obligations.

Any of the above could inflict significant damage to SCOR Europe's systems or data, create a reputational risk, give rise to a breach of SCOR Europe's legal responsibility, and may also result in regulatory sanctions depending on the level of sensitivity of the data or system that is successfully attacked. A cyber-attack could also assist external fraudsters resulting in a financial loss.

C.6.2 MANAGEMENT OF OPERATIONAL RISKS

Process owners are responsible for managing operational risks within the processes. To meet high quality standards, the Group relies on highly qualified staff to manage processes and the risks within these processes.

In order to support the staff, SCOR has developed Internal Control System (ICS) standards. According to the ICS standards, process owners should be able to identify the critical operational risks within the processes assigned to their area of responsibility. The process owners design, implement and operate appropriate key controls and maintain the net risk exposure at or below an acceptable level of possible damage.

Experienced staff members collect relevant information and analyses on operational risks, on a qualitative and quantitative basis. The Group has also implemented dedicated regular risk reporting mechanisms in order to provide an overview of operational risks across the Group and legal entities including SCOR Europe.

In addition, through its assignments, Group Internal Audit (GIA) contributes to the oversight of operational risk management.

Outsourcing some activities or processes may improve or streamline some aspects of a process. Principles to properly manage potential operational risks stemming from outsourcing of certain functions are set out in dedicated policies and guidelines. For more information on outsourcing, refer to Section B.7 - Outsourcing.

On risks which may develop rapidly, such as cyber risk or external fraud, sanctions, cybercrime, SCOR adapts its risk management, for example by organizing specific training programs and sending regular warnings and detailed instructions to its employees.

Some operational risk is transferred in whole or in part through insurance covers to direct insurers as follows:

- the properties and other assets of SCOR and its subsidiaries are covered locally through property damage policies;
- risks which are mostly covered at Group level include civil liability risks related to the operation of the company caused by employees and real estate, professional liability risks, civil liability risks of directors and officers, and cyber risks.

Nevertheless, these insurance covers could prove to be insufficient, and some losses could fall into the scope of the exclusion clauses (or interpreted as such by the insurance company).

SCOR Europe leverages on processes and practices implemented at SCOR Group level and aims to minimize its own operational risk, which is intrinsic in the conduct of business and cannot be completely avoided. SCOR Europe's operational risks are regularly assessed through the Company's executive summary qualitative risk dashboard, reviewed by the Executive Management Committee and Board.

C.7 Other material risks

C.7.1 STRATEGIC RISKS

Strategic risks refer to risks related to strategic decisions and the strategic positioning of the Company. Strategic risks can arise as a result of either the strategy itself (such as the accumulation of or development of risks in lines of business or less known markets), from external risks (such as changes in laws and regulations), or from internal risks (such as certain causes of operational risk). Therefore, many of the risks discussed throughout Chapter C – Risk profile, in addition to emerging risks, could also impact the success of the strategy and achievement of SCOR Europe's objectives.

C.7.1.1 BUSINESS STRATEGY RISKS

Business strategy risk refers to the risks related to SCOR Europe's strategic positioning within SCOR's Group strategy. Business strategy risks directly impact the Company's ability to achieve its long-term goals and maintain its competitive edge. Strategic missteps can lead to financial losses, reduced market share, and damage to the Company's reputation. Given the dynamic nature of the (re)insurance industry, it is important for SCOR Europe to continuously adapt its objectives to changing market conditions and emerging trends.

SCOR's strategic plan, Forward 2026, focusses on accelerating economic value creation with contribution of all businesses over the next three years and on enhancing the platform to be future ready, through four value-creation levers: capital allocation and performance, risk partnerships, asset and liability management (ALM), and technology and data.

SCOR Group has set assumptions for the period 2025-2026 based on the IFRS 17 framework on various performance and growth indicators. However, there is a risk that these assumptions prove inadequate due to unexpected changes in the external or internal environment, an inadequate implementation of the strategy or the realization of the risks disclosed in Chapter C. Consequently, SCOR may not meet the financial and solvency targets set out in the strategic plan, potentially adversely affecting SCOR's business, revenue, net income, cash flows, financial position, and share price.

Management of business strategy risks

To manage business strategy risk, SCOR (likewise SCOR Europe) employs a comprehensive risk management framework that includes regular monitoring and assessment of strategic initiatives. SCOR Europe leverages its risk appetite framework, which defines the quantity and types of risks SCOR is willing to accept and sets risk tolerance limits. Additionally, SCOR's approach to risk and solvency management ensures that strategic decisions are aligned with the Company's risk appetite and long-term objectives. The implementation of the strategic plan is closely monitored, with adjustments made as necessary in response to changing market conditions and emerging risks.

C.7.1.2 EXTERNAL ENVIRONMENT RISKS

External environment risk refers to the risks related to the external environment that may influence SCOR Europe's strategy and its ability to achieve its objectives. This includes macro-economic risks, geopolitical risks, legal and regulatory developments and the competitive environment.

SCOR Europe's extensive geographical presence and diversified business mean that external environment risks are broad and encompass various factors that can impact the Company's operations and decisions. Macro-economic conditions such as inflation, interest rates, and economic growth directly affect the financial markets and the reinsurance industry. Geopolitical risks, including political instability and international conflicts, can disrupt business operations and impact market stability. Legal and regulatory developments can introduce new compliance requirements and impact the company's ability to operate efficiently. Additionally, the competitive environment within the (re)insurance industry is highly dynamic and necessitates that the Company continuously adapts to maintain its market position and profitability.

Macro-economic risks

Macro-economic risks refer to the uncertainties and potential adverse effects stemming from broad economic factors such as inflation, interest rates, economic growth, and financial market conditions. These risks can impact SCOR Europe's financial performance, investment portfolio, and overall business operations.

Macro-economic risks remain elevated at the start of 2025. The disinflation process observed over 2024 appears to be stagnating and the convergence of inflation towards 2% has considerably slowed. While business activity remains more elevated than expected in the US, the situation is more concerning in Europe and particularly in China. The main uncertainties relate to the implementation of the economic program and trade policy by the newly elected US administration. At the same time, current geopolitical tensions and public debts continue to contribute to the current high level of uncertainty.

Economic Cycle and Financial Crisis

The Group's results, likewise SCOR Europe's, could be significantly affected by the economic and financial situation in Europe and other countries around the world. In the event of extreme prolonged market events, such as global credit crises, SCOR could incur significant losses given its investment portfolio.

Inwards premiums could decline in an unfavorable macro-economic environment and profit margins could erode. An economic downturn could adversely affect the demand for SCOR Europe's products. Factors such as government and consumer spending, corporate 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 SCOR's business. The level of interest rates also plays a significant role in the total amount of reinsurance capital and hence capacity and prices; low interest rates lead to an inflow of alternative capital into the industry, contributing to a softening of the (re)insurance market.

SCOR Europe may also experience an increase in the incidence of claims, for example on its credit and surety portfolio, or be impacted by increased policy surrenders from policyholders, which could have an impact on the current and future profitability of its business.

Inflation

In addition to the indirect impacts of inflation or raised inflation expectations on interest rates and the economic environment mentioned above, SCOR Europe is also exposed to more direct impacts from inflation on its assets and liabilities. See section C.3.1.5 - Inflation risks for more information on the risks related to inflation.

Geopolitical Risks

Geopolitical risks could impact SCOR's and SCOR Europe's activities and result, both directly and indirectly in the short and medium term, while longer-term trends may impact strategy and the (re)insurance industry. Direct impacts might arise from conflicts, sanctions, or trade restrictions, leading to direct losses and restrictions in business operations and assets or further indirect negative impacts on economic conditions.

Longer-term trends like increased nationalism and the reversal of globalization could negatively impact the (re)insurance industry as a whole, and SCOR's strategy more specifically, as a result of an increased risk of conflict, higher trade and capital barriers, and a higher base level of inflation from reshoring of production and supply chains.

More local risks related to social and political instability are also relevant, particularly in emerging markets where these risks are prevalent. These risks could lead to significantly reduced business growth in target markets.

Despite a stabilization of the geopolitical environment to end 2024, driven by the impact of the newly elected US government and by the evolution of the situation in the Middle east, geopolitical instabilities and uncertainties remain elevated. The main uncertainties relate to the evolution of the relationships between US and China, as well as the evolution of the conflict in Ukraine and the way a potential peace agreement would be negotiated.

Legal and Regulatory Developments

Adverse changes in laws or regulations or an adverse outcome of any legal proceedings could negatively impact SCOR Group and SCOR Europe. SCOR is subject to comprehensive and detailed regulations and to supervision by the respective competent authorities in every country in which it operates. Some of these authorities are considering or may in the future consider tighter requirements and higher capital requirements, intended to further strengthen the protection of policyholders and/or financial stability, which could affect local solvency ratio and have a material adverse impact on the Group, including a restricted underwriting capacity and a higher cost of doing business. Supervisory authorities have broad administrative powers over many aspects of the reinsurance industry, and SCOR cannot predict the timing or form of any future regulatory initiatives. While the material uncertainties listed below relate to known legal and regulatory developments that generally follow a predictable timeline, the risk remains that some material changes may be proposed and enacted into law in a short and unpredictable timeframe.

Known regulatory uncertainties include those stemming from protectionist trends and the EU's ongoing Solvency II review. The Solvency II review is likely to introduce additional requirements for (re)insurance undertakings, such as additional internal model reporting to the supervisors and liquidity risk management planning, when applicable in 2027. The Insurance Recovery and Resolution Directive (IRRD), expected to be applicable in 2027, may lead to additional requirements and supervisory powers on recovery and resolution as well as industry funding of resolution financing mechanisms. The regulatory impetus on systemic regulation emerging from the International Association of Insurance Supervisors (IAIS) holistic framework and the Solvency II review may lead to additional liquidity risk management requirements, including scenario testing. Restrictions and additional reporting on internal model capital requirements may also emerge from the Solvency II review.

Restrictions on dividends may be re-imposed in future crisis situations, bearing in mind the global situation in 2020.

Increased regulatory scrutiny on reinsurance treatment in prudential capital may impact the terms on which it can be written.

As part of the IAIS common framework for Internationally Active Insurance Groups (IAIGs), the “ComFrame”, the IAIS has adopted the Insurance Capital Standard (ICS) in December 2024, which jurisdictions must implement within their local regulatory frameworks, such as Solvency II for SCOR. The IAIS will coordinate a baseline self-assessment by members in 2026 and initiate detailed jurisdictional assessments starting in 2027. These assessments might involve data collections, influence frameworks, and create additional constraints. The ICS implementation might also pose competition-related risks.

Changes in tax legislation and regulations, or in their interpretation, could have a negative impact on SCOR Europe’s performance, including its financial results and business model.

Future legal or regulatory developments related to environmental, social or governance (ESG) issues, particularly climate change or biodiversity loss may impact SCOR Europe’s business objectives. Tighter regulatory controls and/or government legislation introduced to significantly curb carbon emissions may in turn place restrictions on the business that SCOR can underwrite (*e.g.* carbon intensive industries such as coal first and foremost, but possibly extending to other non-renewable energy sectors over time).

The (re)insurance sector has been exposed in the past, and may be exposed in the future, to involvement in legal proceedings, regulatory inquiries and actions initiated by various administrative and regulatory authorities, as well as to regulations concerning certain practices adopted in the insurance sector.

Litigation Risks

SCOR Group is involved in court, arbitration and other formal or informal dispute resolution proceedings in its normal course of business. Particularly, large and material contractual agreements may expose SCOR to the risk of financial impacts in the event of non-performance of the contracts and related potential disputes. Based on its current assessment, SCOR considers that these proceedings should not pose a material risk to the Group. Separately, the arbitration proceedings initiated on November 10, 2022, by SCOR (via its Irish entities) against Covéa Coopérations regarding the retrocession agreements concluded pursuant to the settlement agreement of June 10, 2021 between SCOR and Covéa are ongoing and, at Covéa’s request SCOR SE is a party to this arbitration.

For further information on risks related to current legislation and regulations and their impact on SCOR Europe’s operations, see Section C.6.1.4 – Risks related to external events.

Competitive Environment

The (re)insurance sector is highly competitive. SCOR Group competes for business in the European, American, Asia-Pacific and other international markets with numerous international and domestic reinsurance companies, some of which have a larger market share than SCOR, greater financial resources, state backing, and, in certain cases, higher ratings from the rating agencies.

Consequently, SCOR Europe is exposed to the risk of losing its competitive advantage, particularly when available insurance capacity via traditional insurers or capital markets exceeds the demand from client companies. Competitors, particularly (re)insurers with higher ratings than SCOR Europe or competitors in alternative capital markets, may be better positioned to secure new contracts and gain market share. Competitors may also integrate innovative solutions into their operations, which can influence future reinsurance trends and potentially erode SCOR Europe’s competitive advantage.

The Group’s reputation is sensitive to developments within the (re)insurance sector. It can be impacted by adverse events concerning competitors or its own business activities, such as financial difficulties following a major market event. Reputational losses could further weaken SCOR’s competitive position.

Consolidated insurance entities may use their enhanced market power and broader capital base to negotiate price reductions for SCOR’s products and services and reduce their use of reinsurance, and as such, the Group may experience price declines and possibly underwrite less business.

External growth activities within the reinsurance sector could bolster competitors’ positions by allowing them to offer greater capacity or broader product offerings, thus gaining market share at SCOR’s expense.

Cyclicality of the business

The P&C sectors are cyclical. A softening of the (re)insurance market typically leads to reduced P&C (re)insurance premium volumes due to increased competition. This could potentially lead to a loss of profitability for SCOR Europe unless mitigated by other income streams.

Distinct trends and premium rate cycles affect various geographic markets and lines of business differently and independently. Insurance market cycles may also diverge from reinsurance market cycles. Maintaining a diversified portfolio that includes both reinsurance and insurance activities can help mitigate the effects of these cycles at the level of SCOR Group.

Management of External Environment Risks

These risks are monitored via a robust strategic planning approach and regular risk reporting mechanisms throughout the Group, including complementary risk analyses on *ad hoc* topics, where deemed necessary. Potential impacts on SCOR Europe’s risk profile are managed through a variety of dedicated and transversal risk management mechanisms. For more details on risk reporting mechanisms and the roles and responsibilities of SCOR Europe's main governance bodies, see Chapter – System of Governance including Section B.3 Risk management system including the ORSA.

For legal and regulatory developments, SCOR Europe leverages SCOR Group's extensive experience in managing risks related to continuous changes in laws and regulations. SCOR takes an active position in relation to the requirements to which it is exposed or could be exposed in the different jurisdictions where it operates, for example through associations and forums.

In particular, developments in existing or emerging prudential regulations (such as Solvency II, ComFrame and the regulations on systemic risk) are monitored at Group level by the Prudential and Regulatory Affairs Department. Regulations relating to corporate law and business compliance are monitored by the General Secretariat and, more specifically, by the Legal Department.

C.7.1.3 LIQUIDITY AND FUNDING RISKS

Liquidity and funding risks refer to the risks related to SCOR Europe's financial resources and corporate structure, including liquidity, solvency, capital, and own creditworthiness. This includes the risks related to the fungibility and transferability of the Company's existing liquidity and capital resources, the risks of impairment or shocks to these resources from external events or the realization of other risks described in Chapter C and the risks related to the availability of new or additional liquidity and capital resources when they are needed.

Liquidity Risk

Liquidity risks and the management thereof are described in Section C.5 – Liquidity risks.

Risks related to capital

SCOR's regulated entities, likewise SCOR Europe, must satisfy local regulatory capital requirements. There could potentially be some local regulatory constraints, which in certain circumstances could affect SCOR's ability to transfer capital from one entity to another, and in particular from one subsidiary or branch to another, or to the parent legal entity. This may have negative consequences for the entity concerned and could have a material adverse impact on SCOR.

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

- refinance maturing debt in a timely manner;
- access the capital needed to expand the Group's business;
- satisfy statutory and regulatory capital requirements and maintain a solvency ratio in line with its risk appetite framework.

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

Management of risks related to capital

Risks related to capital are managed via specific principles and processes throughout the Group. SCOR ensures maximum capital fungibility within the Group through:

- a reduced number of subsidiaries, which enhances fungibility while supporting local business presence. It is facilitated by the Societas Europaea (SE) structure supported by an efficient branch set up in Europe, enabling integrated supervision at Group parent company level through SCOR SE, focusing on communication with a limited number of supervisors with whom SCOR can share its global strategy, all while taking advantage of the benefits of diversification;
- integrated supervision of regulatory constraints at Group level and an optimal capital allocation.

SCOR efficiently manages its capital allocation and fungibility between subsidiaries within legal and regulatory constraints. SCOR is continuously leveraging, in its day-to-day business, various tools that are integral to the reinsurance business (such as intragroup reinsurance, intragroup financing, portfolio transfer, capital transfer or collateral posting).

Downgrade risk

The Group's reinsurance activities are affected by the way its existing and prospective clients perceive its financial strength, particularly through its ratings, as ceding companies choose to reinsure their risks with companies that have a satisfactory financial position. For further details on the current rating of the Group, see the 2024 Universal Registration Document, Section 1.2.4 – Ratings information. Due to parental support, the rating of SCOR's main subsidiaries, including SCOR SE, SGRI and SCOR Europe is aligned with that of the Group. Therefore, the downgrade risk of SCOR's main subsidiaries is equivalent to the downgrade risk of SCOR Group.

Impact on SCOR Europe's (re)insurance business

Some of the credit models or reinsurance guidelines of SCOR's client companies face regulatory capital requirements or depend on their reinsurers' credit rating. If SCOR's rating deteriorates, client companies could be forced to increase their capital requirement in respect of their counterparty risk on SCOR. This could result in SCOR Europe losing its competitive advantage.

Many of SCOR's reinsurance treaties, notably in the United States and in Asia and increasingly in Europe, contain clauses concerning the financial strength of SCOR and/or its operating subsidiaries, and provide the possibility of early termination if the rating of SCOR and/or its subsidiaries is downgraded. Early termination may also occur when the Company's net financial position falls below a certain threshold, or if it carries out a reduction in share capital.

Impact on SCOR Group's letters of credit

Many of SCOR Group's reinsurance treaties contain a requirement to put in place letters of credit (LOC) as a general requirement or when triggered by a downgrade of SCOR or one of its subsidiaries. In certain circumstances, the ceding company has the right to draw down on a LOC issued by a bank in SCOR's name.

Some LOCs issued by banks providing such facilities may be collateralized with securities. The value of the collateral can be different from the amount of the LOC. For some facilities, initial collateral requirements may be increased following a downgrade of SCOR's rating or if other conditions regarding its financial position are not met, impacting the Group's liquidity level. In the case of a LOC being drawn by a client company, the bank has the right to request a cash payment from this collateral, up to the amount drawn by the client company.

If a large number of LOCs were drawn simultaneously, SCOR could encounter difficulties in providing the total amount of required cash or fungible assets, *i.e*. exposing itself to a liquidity risk.

For more details on liquidity risks, see Section C.5 – Liquidity risks.

Management of downgrade risk

SCOR is currently rated by Standard & Poor's at "A+/Stable", by Fitch at "A+/Stable", by Moody's at "A1/Stable" and by AM Best at "A/Stable". A downgrade by one notch would have a limited impact on its future business development, its liquidity position or its capacity to raise funds. For further information on SCOR's current rating, see Section 1.2.4 Ratings information of the 2024 Universal Registration Document.

SCOR monitors its ratings assigned by the top four rating agencies via a dedicated team supervised by the Group Chief Financial Officer.

This team analyzes rating agencies' methodologies and reports published on SCOR and its main competitors in the reinsurance market in order to anticipate any potential rating actions. It also monitors specific qualitative and quantitative key performance indicators developed by the four main rating agencies and performs analyses of selected deterministic scenarios. The team also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

Risks related to the valuation of deferred tax assets

The recognition of deferred tax assets, i.e. the likelihood of recognizing sufficient future profits to offset losses, depends on the performance of each entity concerned as well as applicable tax laws, regulatory requirements and accounting methods. The occurrence of a number of events, such as actual operating earnings being lower than projections, losses continuing over a longer period than originally anticipated, changes in tax legislation, regulatory requirements or accounting methods could lead to the derecognition of some of the deferred tax assets for accounting and/or regulatory purposes.

Management of valuation risks related to deferred tax assets

Valuation risks related to deferred tax assets are managed through robust processes and controls throughout the Group.

For further information on how valuation risks are managed, see Section C.6 – Operational risks, Section B.4.1 – Description of the Internal Control System, and Section D.1 – Assets.

C.7.1.4 REPUTATION RISKS

Reputation risks are risks related to SCOR Europe's reputation, including its franchise and brands. Negative perceptions of the company's reputation by stakeholder can impact the company's market position, customer trust, and overall brand value. Reputation risks are generally not primary causes but rather a consequence of the realization of other risks described in Chapter C.

For SCOR Europe, reputation risks affect its ability to attract and retain clients, partners, and investors. A strong reputation provides a competitive advantage and is integral to the long-term success of the Group. Negative events, such as operational failures, regulatory breaches, or adverse media coverage, can damage reputation and erode stakeholder confidence, diminish market position, and adversely impact the Group's ability to achieve its financial objectives.

Management of reputation risks

To manage reputation risks, SCOR employs a comprehensive risk management framework that includes regular monitoring and assessment of potential reputation threats. The Group has established brand guidelines to ensure consistent and positive representation of the SCOR brand. SCOR also engages in proactive communication strategies to address any negative perceptions and reinforce its commitment to ethical practices and high standards of service.

C.7.1.5 SUSTAINABILITY RISKS

Sustainability risks refer to risks related to environmental, social, or governance (ESG) events or conditions that, if they occur, could cause an actual or potential negative impact on the company's value. These risks encompass a wide range of factors, including climate change, social responsibility, and governance practices. Climate change, in particular, could pose long-term risks to SCOR's activities and financial performance absent any adaptation in business strategy, while social and governance factors could impact the company's attractiveness, ethical standing and regulatory compliance.

SCOR has identified the following relevant ESG trends and matters:

- environment – climate change;
- environment – biodiversity and ecosystems loss;
- social – working conditions of own workforce;
- social – equal treatment in own workforce;
- governance – own business conduct.

SCOR has completed a materiality assessment on its impacts on and risks and opportunities arising from these sustainability matters before mitigation actions in line with the new European Sustainability Reporting Standards (ESRS). None of the material risks identified in this assessment are expected to have a material negative impact on SCOR's financial position or cash flow, nor on its financial performance over the next reporting period.

The rest of this section describes the risks related to the main sustainability matter, climate change.

Climate change as major sustainability risk

The most material effect of sustainability-related topics is linked to climate change. It is a major risk for societies as it raises the question of availability and affordability of property insurance against climate related extreme events. It is also a strategic concern for the reinsurance industry in its role of shock absorber, especially for those, as SCOR, operating in the P&C segment, offering protection against natural catastrophes. Risks related to climate change include climate physical and transition risks.

Climate change physical risks relate to the change in frequency and severity of extreme events resulting from increased average temperature. It is a trend that evolves at medium/long term horizons, even if impacts are already visible in today's climate-related events. There are a lot of uncertainties on how climate change will impact climate patterns in the future.

Climate change transition risks relate to the potential adverse consequences of changes in policies, regulation, or behaviors to limit GHG emissions in the atmosphere and transition to a low carbon economy.

Climate change risks related to P&C business

SCOR Europe's P&C business is exposed to transition risks, as a result of decreasing revenues stemming from (re)insurance of companies operating in high emitting sectors, following SCOR's commitment to Net Zero or due to a shift in its clients' and insureds' business models.

SCOR Europe's P&C underwriting business, particularly its property lines of business, is exposed to natural catastrophe risks, comprising the general underwriting risk related to natural catastrophes, including to climate events such as hurricanes, severe convective storms or floods. On the other hand, climate change physical risks, which comprises the potential risk of changes in the frequency and severity of climate events due to climate change, is not considered material for the P&C underwriting business. This is due to these trends evolving at medium to long-term horizon whereas the features of the reinsurance market, with one year contract and repricing at renewal, allow for reinsurers to annually adjust their prices and capacities.

For more information on SCOR Europe's approach to natural catastrophe risks and its management, please refer to section C.2.1 P&C Business.

Climate change risks related to investments

SCOR Europe's investment activities are exposed to transition risk – mainly in the form of stranded assets – and physical risk, both of which may impact the value of its investment portfolio.

SCOR uses the results of the climate stress tests applied to its fixed income, equities and real estate asset classes to assess the materiality of potential financial risks, be them physical risks or transition risks. The various scenarios translate climate change assumptions into macro-economic variables, enabling to stress test portfolios with existing tools. The magnitude of the results feed the process and can be complemented with internal assessment of physical risk on real assets, using SCOR's internal capabilities.

Management of Sustainability Risks

SCOR has established an integrated governance system to consider sustainability issues in relation to SCOR's business activities, investments, and operations. This system is structured around five core pillars:

- a general reference framework consisting of the SCOR's *Raison d'Être* and adherence to global initiatives supported by United Nations programs, supplemented where appropriate by subject-specific reference frameworks and transposed into standards (*e.g.* the Code of Conduct) and relevant Group activities;
- a structured governance framework, overseen by the Board of Directors and assisted by the preparatory work of its specialized committees;
- integrated initiatives, translated into operational measures in annual action plans, the implementation of which is periodically reported to the supervisory and management bodies;
- a risk management system shaped by the formal procedures in place and applied to the most relevant functional processes, building on the risk analyses performed and including the monitoring of trends and associated emerging and operational risks;
- a framework of performance conditions indexed to sustainability criteria, applied in a manner appropriate to the responsibilities exercised within the Company.

From a climate transition risk perspective as well as to address negative impacts from GHG emissions, SCOR has developed its *Theory of Change* by which the Group aims at reducing GHG emissions stemming mainly from its underwriting and investment activities. This has led to sectoral exclusions of companies or activities linked mainly to fossil energies, complemented with objectives to select best-in-class clients and investees. This means reallocating business capacities and investments to clients and investees engaged in their own transition to a low carbon economy. This also contributes to protecting the investment portfolio against the risk of decrease of asset valuation linked to investees' assets becoming stranded due to the transition to a low carbon economy.

C.7.1.6 DIVERSIFICATION AND CONCENTRATION RISKS

Diversification and concentration risks refer to the risks related to the composition of the risk profile, considering both the dependency and diversification across risks as well as the accumulation and concentration within risks. The risk includes uncertainties from estimated dependencies and diversification benefits as well as the risk of known or unknown accumulations and concentration of risks.

For SCOR Europe, diversification and concentration risks directly impact the company's ability to manage its overall risk exposure effectively. Diversification helps to spread risks across different areas, reducing the impact of any single risk and reducing overall results volatility. Conversely, concentration risks arise when there is an accumulation of the same or highly similar risks, which can lead to significant losses if those individual risks materialize.

C.7.2 SIGNIFICANT RISK CONCENTRATIONS

Risk concentrations mainly impact three categories of risk, individually or collectively:

- underwriting risks, in particular through catastrophes and other accumulation risks across lines of business or within certain geographical areas. For further information on SCOR Europe's exposure to catastrophes and how these risks are managed, see section C.2.1 – P&C business;
- market risks, in particular in case of major events impacting specific types of assets to which SCOR Europe is exposed. For further information on market risks and how they are managed, see section C.3 – Market risks;
- credit risks, in case of major events impacting certain types of counterparties or certain individual counterparties to which SCOR Europe is exposed, including accumulations with the credit and surety portfolio. For further information on credit risks and how they are managed, see section C.4 – Credit risks.

C.7.2.1 OVERVIEW OF CURRENT RISK CONCENTRATIONS

SCOR Europe aims to preserve a high level of diversification throughout its activities, while controlling exposure concentrations to a single counterparty, type of asset, geographical area or industry sector. Risk concentrations are monitored to ensure they remain in line with risk tolerances, i.e. below the limits set out in order to ensure that the Company's risk profile remains aligned with its approach to risk and its developing appetite. The approach to risk appetite aims to strike an appropriate balance between risk, capital and return, while respecting SCOR Europe's key stakeholders' expectations. For further information on the risk appetite framework and risk tolerances, see section B.3.1 – Risk appetite framework. Losses arising from such risk concentrations may also significantly increase SCOR Europe's liquidity needs. SCOR Europe assesses liquidity risks arising from a deviation from its liquidity needs over the short-, medium- or long-term. For further information on these risks and how they are managed, see section C.5 – Liquidity risks.

SCOR Europe recognizes its dependence on an individual intragroup reinsurer (SCOR SE), for which less diversification benefit is available in the calculation of the Company's capital requirement. This risk concentration is monitored. It is noted that SCOR's pooling of risk brings the benefit at Group-level of external reinsurance for which main terms and conditions are mirrored in the SCOR Europe's key intragroup reinsurance protections.

C.8 Any other information

No other material information is reported regarding SCOR Europe's risk profile other than presented above in section C.1 – introduction to C.7 – Other material risks.

D. VALUATION FOR SOLVENCY PURPOSES

Solvency II requires SCOR Europe to produce an economic balance sheet (subsequently referred to as "EBS") representing a market view of its assets and liabilities as at the reporting date. The Solvency II regulations require the EBS to include assets valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and liabilities valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction. In addition, liabilities are not adjusted to take account of the credit standing of the reporting entity.

The details of the valuation principles applied in the EBS, including the differences between the valuation principles and those applied in the financial statements, are outlined in this chapter.

In the EBS both assets and liabilities relating to in-force business are recognized at market-consistent values which constitutes the valuation for solvency purposes. SCOR Europe's EBS as at December 31, 2024, has been prepared based on the assumption that the Company will continue as a going concern, in line with the preparation of the financial statements. SCOR Europe prepares its financial statements under French GAAP.

The preparation of the EBS requires management to make certain judgments, assumptions and estimates. These affect the reported amounts of assets and liabilities and the additional disclosures. Management reviews these estimates and assumptions periodically, based on past experience and other factors. The actual outcome and results could differ substantially from estimates and assumptions made. The most material financial statement captions for which SCOR Europe uses estimates and assumptions are insurance reserves, receivables and liabilities relating to insurance operations, the fair value and impairment of financial instruments, and deferred taxes.

The EBS for SCOR Europe is presented in Quantitative Reporting Templates S.02.01 (see Appendix A). The relevant extracts of the EBS are included at the beginning of each of the following sections.

D.1 Assets

The table below presents the assets of SCOR Europe as in the EBS together with references to the relevant sections within this chapter explaining the valuation basis and methods used for Solvency II purposes.

Tab.01 - Assets

SCOR Europe SE Assets as at December 31, 2024 in EUR thousands	**EBS Solvency II**	**Section**
Deferred tax assets	**10,003**	**D.1.3**
Investments	**145,859**	
Bonds	142,311	D.1.1
Collective Investments Undertakings	-	D.1.1
Derivatives	3,548	D.1.1
Reinsurance recoverables	**439,809**	**D.1.2**
Non-Life and Health similar to Non-Life	439,809	
Deposits to cedents	**45**	**D.1.2**
Insurance and intermediaries receivables	**73,107**	**D.1.2**
Reinsurance receivables	**6,334**	**D.1.2**
Receivables (trade, not insurance)	**4,455**	**D.1.4**
Cash and cash equivalents	**36,512**	**D.1.1**
Any other assets, not elsewhere shown	**143**	
TOTAL ASSETS	**716,267**	

D.1.1 CASH AND INVESTMENTS, OTHER THAN PROPERTY AND PARTICIPATIONS

SCOR Europe SE			**As at December 31, 2024**
in EUR thousands	**EBS**	**Statutory French GAAP**	**Difference**
Equities	-	-	-
Bonds	142,311	144,320	(2,009)
Collective investments	-	-	-
Derivatives	3,548	3,539	9
Cash	36,512	36,347	165
Total investments and cash	**182,371**	**184,206**	**(1,835)**

Valuation for solvency purposes

Investments in the EBS include financial assets such as bonds (corporate bonds, government bonds, collateralized securities), collective investment undertakings, deposits, other investments and cash. SCOR Europe does not hold any assets in index-linked or unit-linked funds.

The economic value of financial assets that are traded in an active financial market is determined by reference to quoted market bid prices, at the close of business on the reporting date. Quotations are considered as active market prices if the quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker.

Financial assets valued using quoted prices comprise government, covered and agency bonds, corporate bonds, as well as short term investments. For derivative financial instruments, fair value is determined by reference to either published bid values, or values based on models prepared by internal and external experts using observable market inputs.

If quoted prices in active markets for identical assets or liabilities are not available, the following valuation methods may be used:

- quoted market prices in active markets for similar assets, with adjustments to reflect specific factors (including the condition or location of the asset or volume or level of activity in the markets within which the inputs are observed);
- other models based on market inputs; and
- models using inputs which are not based on observable market data.

As SCOR Europe is responsible for determining the economic value of its investments, regular analysis is performed to check whether prices received from third parties are reasonable estimates of market value.

The analysis includes: (i) a review of price changes made in the investment management systems; (ii) a regular review of pricing deviations between dates exceeding predefined pricing thresholds per investment category; and (iii) a review and approval of extraordinary valuation changes noted.

SCOR Europe may conclude that prices received from third parties are not reflective of current market conditions. In those instances, SCOR Europe may request additional pricing quotes or apply internally developed valuations. Similarly, SCOR Europe may value certain derivative investments using internal valuation techniques based on observable market data.

Bonds (government, corporate, structured notes, collateralized securities)

Structured products, other than securities issued by government agencies for which the market is considered active, hybrid and tier 1 and tier 2 corporate debt, private placements, inflation linked government assimilated bonds, specific and alternative investments are valued based on models prepared by internal and external experts using observable market inputs.

Collective investment undertakings

For some collective investment funds (unlisted) the economic value is determined by reference to values based on models prepared by internal and external experts using observable market inputs. The economic value of hedge funds managed by third parties is based on their net asset value (NAV) as issued by external asset managers. This NAV is regularly audited, at least annually.

Cash and cash equivalents

SCOR Europe applies the same definition of cash for both French GAAP and Solvency II reporting purposes, which means that cash includes cash, net bank balances and short-term deposits or investments which have maturity less than three months at the date of purchase or deposit. The difference of EUR 2,000 thousand is due to cash reclassification.

Comparison with valuation in financial statements

The valuation method applied to financial assets in the Solvency II EBS does not differ from French GAAP. The difference between the value of equities and other investments in the EBS and the financial statements is attributable to reclassifications on other line items.

For further details on French GAAP balances and valuation methods applied to investments, please refer to the following notes in the SCOR Europe Audited Financial Statements 2023: Note 1 Accounting Policies – D Financial Instruments.

D.1.2 INSURANCE TECHNICAL ASSETS

SCOR Europe SE		As at December 31, 2024	
in EUR thousands	**EBS**	**Statutory French GAAP**	**Difference**
Deferred acquisition costs (DAC)	-	47,378	(47,378)
Reinsurance recoverables	439,809	855,297	(415,488)
Deposits to cedents	45	-	45
Insurance and intermediaries receivables	73,107	285,673	(212,566)
Reinsurance receivables	6,334	6,334	-
Total insurance technical assets	**519,295**	**1,194,682**	**(675,387)**

Valuation for solvency purposes

Insurance technical assets are balances that relate to reinsurance and direct insurance contracts.

In the EBS assumed and ceded technical provisions are recognized in line with Solvency II methodology (see section D.2 Technical provisions). The calculation of Solvency II best estimate liabilities and risk margin takes into account all cash flows projections related to existing insurance and reinsurance contracts, including premiums, benefits and expenses payments. As a result, some balances that exist in the French GAAP balance sheet are either cancelled or adjusted on transition to the EBS, as follows:

DAC

DAC which represents the deferral of costs directly associated with the acquisition of new contracts (mainly commission) is not recognized in the EBS. Reimbursements of initial incurred acquisition costs are included in future premiums and thus included in the calculation of technical provisions.

Reinsurance recoverables

Reinsurance recoverables (ceded technical provisions) reflect the estimated amounts which are recoverable under reinsurance contracts in respect of SCOR Europe’s reinsurance contracts.

Reinsurance recoverables in the EBS are calculated using essentially the same methodology, systems and processes as the best estimate liabilities (see section D.2 Technical provisions). Assumptions are set based on the type of business reinsured and the valuation takes into consideration the recoverability of the balance, where appropriate.

Deposits to cedents

These balances represent deposits made at the request of clients as collateral for SCOR Europe’s insurance commitments.

Deposits with a variable return rate depending on a specified portfolio of assets: the fair value of the deposits is the market value of the underlying assets. This type of fund is adjusted to match the corresponding liabilities.

Insurance and intermediaries’ receivables

Insurance and intermediaries’ receivable balances included separately in the EBS represent amounts linked to insurance business that are due (and overdue) from policyholders, intermediaries and other insurers, but that are not included in the projected cash flows used for the calculation of technical provisions.

Comparison with valuation in financial statements

As explained above, technical cash flows are taken into account within the Solvency II best estimate liabilities. As a result, acquisition costs and insurance receivables that are included in the projected cash flows used for the calculation of technical provisions are not recognized separately in the EBS. The same principles apply to reinsurance operations through the assessment of reinsurance recoverable adjustments to the value of deposits to cedents are calculated consistently with the adjustments to best estimate liabilities.

For further details on French GAAP balances and valuation methods applied to insurance technical assets, please refer to the following notes in the SCOR Europe Audited Financial Statements 2024: Note 1 Accounting Policies.

D.1.3 DEFERRED TAX ASSETS

SCOR Europe SE		As at December 31, 2024	
in EUR thousands	**EBS**	**Statutory French GAAP**	**Difference**
Deferred tax assets	10,003	-	10,003
Net deferred tax assets / (liabilities)	**10,003**	**-**	**10,003**

SCOR Europe has a net deferred tax asset position with a total of EUR 10,003 thousand, the remaining amount of EUR 2,542 thousand is presented in deferred tax liability. Please refer to section D.3.2 Deferred tax liability.

Valuation for solvency purposes

Deferred taxes calculation methodology

Deferred taxes in the EBS are recognized using the balance sheet liability method, for all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount in the EBS.

The main temporary differences arise from change in technical provisions, risk margin and unrealized losses carried forward.

Deferred tax assets are recognized on net operating losses, carried back when a carry-back claim is available and carried forward to the extent that it is probable that future taxable income will be available against which they can be offset.

Deferred tax assets and liabilities are assessed at the tax rate applicable in the fiscal year in which the asset will be realized or the liability settled, based on the tax rates (and tax regulations) that have been enacted or substantially enacted at the reporting date.

The impact of Solvency II adjustments to bring French GAAP figures to EBS market value is an overall decrease in net assets, therefore all deferred tax impacts arising from the recording of economic adjustments are reflected in the deferred tax assets.

Deferred tax assets retained on the EBS are recorded in accordance with IAS 12 Income Taxes.

Deferred taxes assets recoverability test

In order to assess the deferred taxes assets recoverability SCOR Europe SE perform a specific recoverability test based on the operating plan. Management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. SCOR Europe SE uses a discounted cash flow model comprised of an earnings model, which considers forecast earnings, and other financial ratios of legal entities based on Board approved plan and review of subsequent year assumptions by entity management, which incorporate key drivers of the underwriting results. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected general expenses ratios, together with actuarial assumptions. Beyond the timelines of the Group's operating plan and the strategic plan Quantum Leap, growth assumptions in technical result, financial expenses, financial income and management expenses are utilized. Beyond the timelines of the Group's operating plan and the strategic plan *Forward 2026*, growth assumptions in technical result, financial expenses, financial income and management expenses are utilized.

Comparison with valuation in financial statements

Measurement of deferred taxes for Solvency II EBS is generally consistent with IFRS, the difference being the fact that the deferred tax asset or liability is established based on the difference between the values ascribed to assets and liabilities recognized in the EBS and their values recognized for tax purposes (instead of the differences between the asset or liability carrying amount in the French GAAP balance sheet and its tax base).

For the purpose of EBS the appropriate deferred tax effect of all adjustments between French GAAP balance sheet and EBS is recognized using the applicable local tax rates. Deferred tax balances are adjusted for the impacts of the differences between the French GAAP and Solvency II valuation basis – the main difference being driven by revaluation of technical balances.

D.1.4 OTHER ASSETS

SCOR Europe SE			As at December 31, 2024
in EUR thousands	EBS	Statutory French GAAP	Difference
Loans and mortgages	-	-	-
Receivables (trade, not insurance)	4,455	4,445	10
Any other assets	143	143	-
Total other assets	**4,598**	**4,588**	**10**

Valuation for solvency purposes

This section covers all other assets recognized in the EBS, including trade receivables. Most of these assets are carried at cost which is a good approximation of their market value.

Trade receivables include amounts receivables from various business partners and the state (*e.g.,* current tax) that are not insurance or reinsurance related.

Comparison with valuation in financial statements

Other assets are carried at a value that is not different from market value and hence there is no valuation difference between French GAAP accounts and the EBS.

D.2 Technical provisions

SCOR Europe's technical provisions are calculated as the sum of best estimate liabilities (BEL) and risk margin (RM). BEL is valued as the net present value of future cash-flows. RM is derived by applying a cost of capital approach. This chapter provides an overview of the technical provisions at year-end 2024. In addition, the bases, methods and assumptions used for the calculations are described as well as the related uncertainties.

The risk-free interest rates used for discounting are those provided by EIOPA. Unadjusted risk-free rates are used with no transitional or long-term guarantee measures (*e.g.* volatility adjustments).

D.2.1 NON-LIFE TECHNICAL PROVISIONS

The table below presents the Non-Life technical provisions of SCOR Europe.

SCOR Europe SE As at December 31, 2024 in EUR thousands	EBS
Non-Life technical provisions	**529,495**
TPs – Non-Life (excl. Health)	529,495
Best estimate	*520,530*
Risk margin	*8,965*
Non-Life reinsurance recoverables	**(439,809)**
Non-Life (excl. Health)	(439,809)
Net Non-Life technical provisions	**89,686**

D.2.1.1 SEGMENTATION BY LINES OF BUSINESS

The table below shows the valuation of net technical provisions of SCOR Europe as at December 31, 2024, presented by line of business (LoB) as defined for Solvency II reporting purposes.

SCOR Europe SE As at December 31, 2024 in EUR thousands	Best estimates liabilities (BEL)	Reinsurance recoverables	Risk margin	Total net technical provisions
Marine, aviation and transport	99,346	(82,692)	1,614	18,268
Fire and other damage to property	172,587	(146,020)	2,870	29,437
General liability	196,958	(167,204)	3,519	33,273
Credit and suretyship	31,699	(26,181)	882	6,400
Miscellaneous financial loss	3,032	(2,839)	54	247
Non-proportional casualty	4,440	(3,904)	9	545
Non-proportional marine, aviation and transport	1	1	-	2
Non-proportional property	12,467	(10,970)	17	1,514
Total	**520,530**	**(439,809)**	**8,965**	**89,686**

The P&C net technical provisions of EUR 89,686 thousand is the sum of P&C best estimate liabilities net of reinsurance recoverables of EUR 80,721 thousand and a risk margin of EUR 8,965 thousand.

The P&C net best estimate liabilities of EUR 80,721 thousand comprising the gross best estimate liabilities of EUR 520,530 thousand and reinsurance recoverables of EUR (439,809) thousand, as presented in the above table, are composed of two parts: net claims provisions (EUR 69,135 thousand) and net premiums provisions (EUR 11,586 thousand). The expected future premiums and premium estimates net of commissions are not shown on the assets side of the EBS but are netted down from the future claims on the liability side.

D.2.1.2 BEST ESTIMATE LIABILITY

Claims provisions methodology and assumptions

The elements of claims provisions (EUR 69,135 thousand) recognized within best estimate liabilities in SCOR Europe EBS are described below:

- IBNR corresponds to the reserves for claims incurred but not yet reported and not sufficiently reserved. It is calculated in the SCOR system at actuarial segment/underwriting year level using Best Estimate Ultimate Loss Ratios which are based on an annual analysis by the local actuaries;
- outstanding claims are the same as in French GAAP;

- claims estimates mostly correspond to the part of the claims not yet paid in cash. It can also correspond to the loss corridor clause, which is a feature of the contract defining a range of loss ratios between which the reinsurer will pay a percentage defined in the contract. An estimate of the amounts to be paid is computed according to the best estimate loss ratios;
- in calculating the unallocated loss adjustment expenses (ULAE) and overhead expenses SCOR Europe takes into account all cash flows arising from expenses that will be incurred in servicing the recognized insurance and reinsurance obligations over the lifetime thereof. This includes administrative expenses, investment management expenses and claims management handling expenses;
- the premium estimates that are already earned are reallocated from premium reserves to claims reserves. These amounts come as a reduction of claims estimates;
- claims discount represents the adjustment for the time value of money linked to claims estimates, outstanding claims, IBNR and ULAE reserves. The discount on claims reserves is calculated using underwriting years' claims patterns calculated by SCOR Europe and risk-free rates yield curves published by EIOPA;
- the underwriting claims patterns gross of reinsurance are annually estimated by local actuaries at actuarial segment level. In most cases, patterns are calculated using the Chain-Ladder method, derived from the claims paid triangles;
- each and every year, relevant assumptions made in the calculation of best estimate are reviewed and updated.

Premium provisions methodology and assumptions

The elements of Solvency II premium provisions (EUR 11,586 thousand) are described below:

- future premiums correspond to the part of the premiums not yet written and relates to the difference between EGPI and written premiums for bound contracts only;
- future commissions correspond to commissions on future premiums;
- future claims are the claims reserves related to future premiums and French GAAP unearned premium reserves. The best estimate loss ratio used for future claims calculation is derived by SCOR Europe reserving actuaries from either pricing loss ratios or experience loss ratios;
- the premiums' estimates correspond to the part of the written premiums not yet received in cash. Premiums' estimates include the reinstatement and burning cost premiums which are calculated using the projected claims ultimate (so including IBNR). Given that IBNR under French GAAP and EBS are not necessarily the same, reinstatement premiums and burning cost premiums will also vary;
- facultative premium overdue amounts have been removed from the technical provisions and now are booked as receivables. Overdue premiums are premiums that have reached maturity and not yet received at valuation date;
- the premium estimates that are already earned are reallocated from premium reserves to claims reserves;
- the commissions' estimates correspond to the commissions on premiums estimates. Commissions' estimates include the sliding scale commissions and the profit commissions which are calculated using the projected claims ultimate;
- ULAE on future claims is calculated in the same way as ULAE for claims provisions;
- discount: claims discount principles apply to premium discount.

Comparison to prior period

No material change in approach compared to previous period.

List of the most commonly used methods

To assess the French GAAP and Solvency II Best Estimate, SCOR Europe uses generally accepted actuarial methods which take into account quantitative loss experience data, together with qualitative factors and exogenous data, where appropriate. The reserves are also adjusted to reflect insurance contract terms and conditions, and the changes in claims processing that may potentially affect the Company's liabilities over time.

SCOR Europe uses in particular:

- deterministic methods (*e.g.* Chain Ladder, Bornhuetter-Ferguson, average cost or loss ratio methods) for Best Estimate and patterns assessment;
- stochastic approaches (*e.g.* Mack model, Bootstrap) for reserves' volatility estimates;
- expert judgments (*e.g.* exogenous a priori loss ratios provided by SCOR Group P&C Pricing or Reserving);
- tailor made solutions: depending on data availability and portfolio complexity, SCOR Europe develops tailor made solutions. Some parameters used in these models can be subject to dedicated studies. These parameters include but are not limited to interest rates, legal development or inflation.

D.2.1.3 LEVEL OF UNCERTAINTY

In P&C Business, the uncertainty mainly arises from:

- the level of ultimate loss ratios used to compute the reserves. Some reserving methods require the use of a priori ultimate loss ratios. Pricing loss ratios are often used; sensitivities around these ratios are tested;
- the level of the case reserves which is tested through two tests: the first tests the tail development and the second tests the outstanding claims reserves;
- the claim inflation across all portfolios following the recent economic environment, which is difficult to predict and could result in an increase in future payments. An allowance has been calculated to strengthen the reserves this year to reflect the increased inflationary environment.

The results of the above stress tests fall within a reasonable range of potential loss deviations from the best estimate and are absorbable by usual reserve volatility.

D.2.1.4 REINSURANCE RECOVERABLES

SCOR Europe transfers part of its risks to reinsurers via reinsurance programs. The reinsurers then assume, in exchange for the payment of premium by SCOR Europe, the losses related to claims covered by the reinsurance contracts.

Reinsurance IBNR

For proportional reinsurance, the cession rate is applied to assumed best estimate IBNRs and reinsurance IBNR amounts are automatically calculated.

For non-proportional reinsurance under the Solvency II framework, it is considered that the reinsurance IBNRs booked under French GAAP reflect the Best Estimates position.

Reinsurance discount

For proportional reinsurance, the pattern of the corresponding assumed segments is used.

For non-proportional reinsurance, the pattern linked to the LoB reinsurance is used to calculate the cash flows of the reinsurance contract.

Adjustment for expected losses due to counterparty default (bad debts)

Reinsurance Bad Debt is estimated at contract/section/underwriting year/reinsurance level using the rating of the relevant reinsurer. The rating is associated with an expected default probability and a recovery rate provided by EIOPA in Article 199 of the Delegated Acts.

Reinsurance segmentation

For proportional reinsurance, the allocation by line of business is following the assumed segmentation.

For non-proportional reinsurance, rules starting from the reinsurance contract criteria are used.

D.2.1.5 RISK MARGIN

The Risk Margin is computed based on the following principles:

- it is calculated according to the cost-of-capital approach following Solvency II rules;
- a simplified method from the hierarchy of methods set out in EIOPA guidelines on the valuation of technical provisions has been used for the computation of the risk margin as at December 31, 2024;
- the SCR of the reference undertaking captures exclusively the non-life underwriting risk including catastrophe risk, counterparty default risk and operational risk associated with the transferred portfolio;
- the required capital over time is obtained from the projections using paid claims patterns.

The Risk Margin is allocated to reach the granularity (*e.g.* transaction currencies, lines of business) needed for the EBS production and the filing of the Quantitative Reporting Templates. Allocation keys are derived from discounted net Best Estimates liabilities related to the P&C underwriting risks.

D.2.1.6 COMPARISON WITH VALUATION IN FINANCIAL STATEMENTS

The main differences between French GAAP and EBS reserves (excluding risk margin) as at December 31, 2024 are shown in the following tables, which are split between claims and premium reserves:

SCOR Europe SE As at December 31, 2024 in EUR thousands	EBS Claims provisions	French GAAP Claims provisions	Difference
Marine, aviation and transport	15,935	3,942	11,993
Fire and other damage to property	24,742	6,347	18,395
General liability	27,423	3,553	23,870
Credit and suretyship	457	1,955	(1,498)
Miscellaneous financial loss	193	91	102
Non-proportional Health	-	-	-
Non-proportional casualty	317	93	224
Non-proportional marine, aviation and transport	2	-	2
Non-proportional property	66	280	(214)
Total	**69,135**	**16,261**	**52,874**

The main differences between French GAAP and Solvency II best estimate liabilities arise from the reallocation of earned premium/commission estimates (largely driven by the overdue premium), the reserve adequacy amount, the claims discount as well as a broader scope of the ULAE definition. Regarding ULAE, the French GAAP definition includes only claims expenses whereas the EBS definition includes as well administrative and investment expenses. Considering the fact that ULAE are not ceded and that other claims reserves are ceded at a rate in the region of 95%, the weight of adjusted ULAE is important in the net view of claims provisions.

SCOR Europe SE As at December 31, 2024 in EUR thousands	EBS Premium provisions	French GAAP Premium provisions	Difference
Marine, aviation and transport	719	964	(245)
Fire and other damage to property	1,825	2,121	(296)
General liability	2,331	3,285	(954)
Credit and suretyship	5,061	6,120	(1,059)
Miscellaneous financial loss	-	-	-
Non-proportional Health	-	-	-
Non-proportional casualty	219	119	100
Non-proportional marine, aviation and transport	-	-	-
Non-proportional property	1,431	907	524
Total	**11,586**	**13,516**	**(1,930)**

The main differences between French GAAP and Solvency II best estimate liabilities arise from the inclusion of premium/commission estimates within the technical provisions and the future positions. Regarding the premium estimates, it is due to a difference of position in the balance sheet: the premium estimates are contained in assets under French GAAP whereas they are included in the technical provisions in a Solvency II view. Considering the fact that ULAE are not ceded and that other claims reserves are ceded at a rate in the region of 95%, the weight of adjusted ULAE is important in the net view of premium provisions.

The future positions do not exist in French GAAP balance sheet but replace the Unearned Premium Reserves and DAC (booked on the asset side under French GAAP). They also include future cash flows relating to contract boundaries, which are not integrated into SCOR Europe's financial statements (see section D.2.1.2 - Best Estimate Liability).

Please note the Statutory French GAAP total provisions displayed in the tables above excludes the variation in liquidity risk reserve (nil at the end of 2024).

D.3 Other liabilities

The table below presents the liabilities of SCOR Europe as in the EBS together with references to the relevant sections within this chapter explaining the valuation bases and methods used for Solvency II purposes.

SCOR Europe SE Liabilities as at December 31, 2024 in EUR thousands	EBS Solvency II	Section
Technical provisions – Non-Life	**529,495**	**D.2**
Deposits from reinsurers	**3,648**	**D.3.1**
Deferred tax liabilities	**2,542**	**D.3.2**
Derivatives	**525**	
Debts owed to credit institutions	**143**	**D.3.3**
Financial liabilities other than debts owed to credit institutions	**(107)**	
Insurance and intermediaries payables	**51,641**	**D.3.1**
Reinsurance payables	**25,906**	**D.3.1**
Payables (trade, not insurance)	**12,302**	**D.3.3**
Subordinated liabilities	**-**	**D.3.3**
Subordinated liabilities not in basic own funds	-	
Subordinated liabilities in basic own funds	-	
Any other liabilities, not elsewhere shown	**214**	**D.3.3**
TOTAL LIABILITIES	**626,309**	
EXCESS OF ASSETS OVER LIABILITIES	**89,958**	

D.3.1 INSURANCE TECHNICAL LIABILITIES

SCOR Europe SE in EUR thousands	EBS	Statutory French GAAP	As at December 31, 2024 Difference
Deposits from reinsurers	3,648	3,746	(98)
Insurance and intermediaries payables	51,641	51,641	-
Reinsurance payables	25,906	280,175	(254,269)
Other technical provisions	-	19,721	(19,721)
Total insurance technical liabilities	**81,195**	**355,283**	**(274,088)**

Valuation for solvency purposes

Insurance technical liabilities are balances that are related to the reinsurance and direct insurance contracts, other than technical provisions.

As explained in section D.1.2 – Insurance technical liabilities, technical cash flows are taken into account in Solvency II best estimate liabilities. Adjustments to the value of deposits from cedents and reinsurers follow the corresponding adjustments to the best estimate liabilities. For the remaining insurance technical liabilities, the method of valuation applied in the Solvency II EBS does not differ from the statutory financial statements.

Deposits from reinsurers

These are deposits received from or deducted by a reinsurer as collateral in relation to SCOR's outwards reinsurance contracts. SCOR Europe measures it deposits from reinsurers (or ceded fund withheld) at amortized cost as that approximates their market value.

Insurance and intermediaries' payables

Most payables related to insurance and reinsurance contracts are considered within the net best estimate liabilities as Solvency II requires transfer of future cash flows from insurance receivables/payables to technical provisions.

The insurance and intermediaries' payable balances included separately in the EBS represent amounts linked to insurance business due to policyholders, intermediaries and other insurers, but that are not included in the cash flows of technical provisions.

The reinsurance payables are outstanding amounts linked to reinsurance costs that are still due to the reinsurer or the broker.

The payables are carried at amortized cost that approximates their market value.

Other technical provisions

DAC asset is not recognized in the EBS (see section D.1.2 Insurance technical assets) and the same applies to the reinsurers' share of these costs as all acquisition costs and related reinsurance recoveries are covered in the calculation of net technical provisions. This de-recognition drives the decrease in any other technical provisions as ceded DAC is included in the IFRS balance.

Comparison with valuation in financial statements

As explained above, technical cash flows that are taken into account within Solvency II net best estimate liabilities are not recognized separately in the EBS. For the remaining insurance technical liabilities the method of valuation applied in the Solvency II EBS does not differ from IFRS.

For further detail on IFRS balances and valuation methods applied to insurance technical liabilities, please refer to the following notes in the SCOR Europe Audited Financial Statements 2024: Note 1 – Accounting Policies.

D.3.2 DEFERRED TAX LIABILITIES

SCOR Europe SE			As at December 31, 2024
in EUR thousands	EBS	Statutory French GAAP	Difference
Deferred tax liabilities	2,542	-	2,542

Deferred tax liabilities are negative, and as such are actually deferred tax assets.

The total amount of deferred tax assets is EUR 2,542 thousand. The remaining amount of EUR 10,003 thousand is presented in the deferred tax assets. Please refer to section D.1.1 Deferred tax assets.

Valuation for solvency purposes and comparison with valuation in financial statements

For further details on IFRS balances and valuation methods applied to deferred taxes, please refer to sections D.1.3 Deferred tax assets.

D.3.3 FINANCIAL AND OTHER LIABILITIES

SCOR Europe SE			As at December 31, 2024
in EUR thousands	EBS	Statutory French GAAP	Difference
Derivatives	525	513	12
Payables (trade, not insurance)	12,302	12,299	3
Subordinated liabilities	-	-	-
Any other liabilities, not elsewhere shown	214	214	-
Total financial and other liabilities	**13,184**	**13,026**	**158**

Valuation for solvency purposes

Other liabilities

This section covers all other liabilities recognized in the EBS, including provisions, trade payables and any other liabilities.

Trade payables include amounts due to suppliers, and the state (*e.g.,* current tax) that are not insurance or reinsurance related.

Any other liabilities primarily include accruals. Trade and other liabilities are carried at amortized cost as that approximates their market value.

Provisions are recognized when SCOR Europe has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the expected present value of future cash flows required to settle the obligation.

Management assesses provisions and the likely outcome of pending or probable events, for example from lawsuits or tax disputes, on an ongoing basis. The outcome depends on future events that are by nature uncertain. In assessing the likely outcome of events, management bases its assessment on external legal assistance and established precedents.

Comparison with valuation in financial statements

Generally, the valuation method applied to financial liabilities in the Solvency II EBS does not differ from French GAAP.

Provisions and other liabilities are carried at their fair value for IFRS and there is no valuation difference between IFRS accounts and the EBS.

D.4 Alternative methods of valuation

As noted in sections D.1 Assets and D.3 Other liabilities, in certain circumstances for some assets and liabilities, SCOR Europe uses alternative valuation methods (including models) to estimate the market value. These methods are applied where the valuation is not possible using the default method (valuation based on quoted prices in active markets for the same assets or liabilities) or using quoted market prices in active markets for similar assets and liabilities with adjustments to allow for the specific differences. All valuation methodologies applied by SCOR Europe are explained within relevant sections in chapters D.1 for assets and D.3 for other liabilities.

D.5 Any other information

No other material information was identified by SCOR Europe over the reporting period other than valuation of assets and liabilities presented in sections D.1 Assets to D.4 Alternative methods for valuation.

E. CAPITAL MANAGEMENT

This section gives an overview of the year-end 2024 capital position for SCOR Europe. The following table displays the key results as at December 31, 2024:

SCOR Europe SE in EUR thousands	December 31, 2024
Eligible Own Funds (EOF)	**89,958**
Solvency Capital Requirement (SCR)	**60,222**
Excess Capital (EOF - SCR)	29,736
Solvency ratio	**149%**

E.1 Own funds

SCOR Europe's goal is to manage its capital to maximize its profitability, while maintaining compliance with regulatory solvency.

SCOR Europe has strong capital management governance and processes in place with integrated supervision of regulatory constraints at Group level, ensuring an optimized use of capital and fungibility of capital within the Group. On a quarterly basis, SCOR Europe monitors the regulatory solvency position to take appropriate actions. This detailed capital planning exercise is based on the Group's bi-annual financial operating plan and is broken down at legal entity level.

For more information on own funds please also refer to Quantitative Reporting Template S.23.01 – Own funds, presented in Appendix A.

E.1.1 OWN FUNDS STRUCTURE

SCOR Europe is a 100% owned subsidiary of ultimate parent SCOR SE.

SCOR Europe's own funds eligible to cover the SCR are EUR 89,958 thousand at December 31, 2024.

Total eligible own funds to cover the MCR as at December 31, 2024 is EUR 82,498 thousand.

At December 31, 2024, SCOR Europe had EUR 89,958 thousand eligible own funds to cover EUR 60,237 thousand SCR.

SCOR Europe is a full-owned subsidiary of SCOR Group. It operates in many countries and currencies and benefits from international shared services, expertise and capital support from its parent SCOR SE.

SCOR Europe SE Own funds structure as at December 31, 2024

in EUR thousands	Tier 1	Tier 2	Tier 3	Total
Basic own funds	**82,498**	**-**	**7,460**	**89,958**
Ordinary share capital	112,700	-	-	112,700
Share premium	-	-	-	-
Surplus funds	-	-	-	-
Reconciliation reserve	(30,202)	-	-	(30,202)
Revaluation reserves	*(30,202)*	-	-	*(30,202)*
Consolidated reserves	-	-	-	-
Net income for the year	-	-	-	-
Equity based instruments	-	-	-	-
Foreseeable dividends	-	-	-	-
Subordinated liabilities	-	-	-	-
Net deferred tax assets	-	-	7,460	7,460
Other items approved by supervisory authority	-	-	-	-
Ancillary own funds	**-**	**-**	**-**	**-**
Total available own funds	**82,498**	**-**	**7,460**	**89,958**
Total eligible own funds to cover the SCR (after limit deductions)	**82,498**	**-**	**7,460**	**89,958**
Total eligible own funds to cover the MCR (after limit deductions)	**82,498**	**-**	**-**	**82,498**

SCOR Europe SE Own funds structure as at December 31, 2023

in EUR thousands	Tier 1	Tier 2	Tier 3	Total
Basic own funds	**39,048**	**-**	**8,146**	**47,194**
Ordinary share capital	75,700	-	-	75,700
Share premium	-	-	-	-
Surplus funds	-	-	-	-
Reconciliation reserve	(36,652)	-	-	(36,652)
Revaluation reserves	*(36,652)*	-	-	*(36,652)*
Consolidated reserves	-	-	-	-
Net income for the year	-	-	-	-
Equity based instruments	-	-	-	-
Foreseeable dividends	-	-	-	-
Subordinated liabilities	-	-	-	-
Net deferred tax assets	-	-	8,146	8,146
Other items approved by supervisory authority	-	-	-	-
Ancillary own funds	**-**	**-**	**-**	**-**
Total available own funds	**39,048**	**-**	**8,146**	**47,194**
Total eligible own funds to cover the SCR (after limit deductions)	**39,048**	**-**	**8,146**	**47,194**
Total eligible own funds to cover the MCR (after limit deductions)	**39,048**	**-**	**-**	**39,048**

SCOR Europe considers that there is no significant restriction affecting fungibility and transferability of its basic own funds for covering the SCR.

Solvency II Own Funds are classified into three tiers depending on whether it is a basic or ancillary own funds item, and on whether it is permanently available to absorb losses on a going concern basis and/or is subordinated such that it is available to absorb losses in the event of a winding-up, and as described in Articles 71, 73, 75 and 77 of the Delegated Acts.

The table above presents the components of basic own funds. Net deferred tax assets recognised in the EBS are classified as tier 3 basic own funds. SCOR Europe perform a test to assess the recoverability of recognized Net deferred tax assets in the basic own funds. For more details on the deferred taxes, valuation and recoverability test please refer to the section D – Valuation for Solvency purposes, chapter D.1.3.

SCOR Europe does not recognise any ancillary own funds.

Ordinary paid-in share capital and the related share premium of SCOR Europe are classified as tier 1 basic own funds. The components of the reconciliation reserve are also classified as tier 1 basic own funds.

The reconciliation reserve represents the reserves from SCOR Europe's Audited Financial Statements 2024, net of any adjustments, and the economic valuation differences. The economic valuation differences result from adjustments made to the statutory balance sheet to arrive at the economic value of all assets and liabilities recognised in the Solvency II EBS. The reconciliation reserve is classified as tier 1 basic own funds.

E.1.2 ELIGIBILITY OF OWN FUNDS

For the purposes of compliance with the SCR, tier 1 capital must account for at least half the required capital (50% of the SCR), the sum of eligible tier 2 and tier 3 capital must account for a maximum of 50% of the SCR, and the eligible amount of tier 3 capital must account for less than 15% of the SCR.

Within those limits, the total of subordinated liabilities (with or without benefitting from the transitional arrangement) eligible as tier 1 capital must be less than 20% of total tier 1 capital.

The application of the above limits determines SCOR Europe's Eligible Own Funds. As at December 31, 2024, tier 3 limits are not exceeded.

E.1.3 RECONCILIATION WITH SHAREHOLDERS' EQUITY

The table below presents the differences between SCOR Europe's shareholders' equity presented in accordance with French GAAP and the net assets over liabilities as calculated for solvency purposes and presented in the EBS.

The differences represent revaluations necessary to remeasure all of SCOR Europe's assets and liabilities calculated in accordance with French GAAP as economic values under Solvency II rules. For further details on valuation principles and differences, please refer to Chapter D. – Valuation for solvency purposes.

SCOR Europe SE as at December 31, 2024 in EUR thousands	2024	2023
Statutory - Statutory French GAAP Shareholders' equity	**118,233**	**73,969**
Economic adjustments	**(28,275)**	**(26,775)**
Goodwill	-	-
Other intangible assets	-	-
Investments	(1,886)	(2,642)
Net technical balances	(33,860)	(30,365)
Net technical balances, excluding risk margin – Non-Life	*(24,895)*	*(20,767)*
Risk margin – Non-Life	*(8,965)*	*(9,598)*
Financial liabilities	-	(2,375)
Deferred taxes	7,460	8,146
Other assets and liabilities	10	461
Excess of assets over liabilities in the Solvency II EBS	**89,958**	**47,194**
Subordinated liabilities	-	-
Own shares	-	-
Deductions for foreseeable dividends	-	-
Total available own funds	**89,958**	**47,194**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

This section is linked to the Quantitative Reporting Templates (QRT) S.25.01 – Solvency capital requirement and S.28.01 – Minimum capital requirement in Appendix A.

E.2.1 SOLVENCY CAPITAL REQUIREMENT

SCOR Europe maintains regulatory capital calculated on the Solvency II Standard Formula basis. Calculations have been performed following the Delegated Acts of 2015 and are in line with the latest amendments applicable from July 2020. The table below shows the standalone and diversified Solvency Capital Requirement (SCR) for each risk module.

The SCR amounts to EUR 60,222 thousand as at December 31, 2024. This is the sixth financial year end for the entity which was created on January 1, 2019.

SCOR Europe SE SCR based on Standard Formula in EUR thousands	December 31, 2024		December 31, 2023		Variation	
	Standalone Capital[1]	Contribution to SCR[2]	Standalone Capital[1]	Contribution to SCR[2]	Standalone Capital[1]	Contribution to SCR[1]
Non-life underwriting	19,122	14,967	18,967	14,085	155	882
Market	13,413	7,264	24,296	17,221	(10,883)	(9,957)
Counterparty default	27,569	24,093	22,615	17,638	4,954	6,455
Diversification	(13,780)	-	(16,934)	-	3,154	-
Basic SCR	**46,324**	**46,324**	**48,944**	**48,944**	**(2,620)**	**(2,620)**
Operational	13,898	13,898	12,686	12,686	1,212	1,212
Adjustment for loss absorbing capacity of deferred taxes	-	-	-	-	-	-
SCOR Europe SE SCR	**60,222**	**60,222**	**61,630**	**61,630**	**(1,408)**	**(1,408)**

1. Standalone capital value of the risk module allows for diversification benefit between sub-modules (i.e. within each risk module) but not between higher level risk modules.
2. Contribution to SCR of the risk module allows for diversification between risk modules

The Standard Formula SCR follows a modular approach where the overall risk to which the insurance entity is exposed is divided into risk modules. In broad terms, the capital requirements for each risk module are calculated using a table of factors applied to exposures. Correlation matrices are applied to the risk modules to calculate the total SCR.

SCOR Europe's risks underlying the Standard Formula risk modules, and the Company's approach to risk mitigation, are described in the following sections of this report:

- **non-life underwriting**: see section C.2 – Underwriting risks;
- **market**: see section C.3 – Market risks;
- **counterparty default**: see section C.4 – Credit risks;
- **operational**: see section C.6 – Operational risks.

The risk module calculations are net of risk mitigating measures. The final SCR also takes account of:

- **diversification.** This is the impact of determining the joint capital requirements of the risk modules through the application of the Standard Formula correlation matrices. The aggregated capital requirement is less than the sum of the individual capital requirements due to the standard formula methodology which takes into account the reduced likelihood of simultaneous occurrence of adverse experience and because losses in one area may be offset by gains in another;
- **loss absorbing capacity of deferred taxes (LACDT)**. In the event that a shock loss occurs in 2025, the LACDT is an estimated credit to the SCR reflecting SCOR Europe's ability to carry forward losses to offset future taxable profits over the Company's planning time horizon.

Non-life underwriting standalone risk has increased by EUR 155 thousand from December 31, 2023. This is largely driven by premium & reserve risk reflecting an increase in net claims provisions (see Section D.2 – Technical Provisions). Catastrophe risk has decreased due to a reduction in the attachment point of the Company's non-proportional excess of loss reinsurance protection from EUR 1,000 thousand to EUR 100 thousand.

Market standalone risk has decreased materially by EUR 10,883 thousand from December 31, 2023. This is mainly driven by a reduction in currency risk due to hedging actions taken to reduce the asset-liability mismatch, slightly offset by increases in spread risk and interest rate risk. These increases reflect an overall increase in net assets with higher amounts invested in government and corporate bonds compared to last year. For more information, please refer to Section E.1.1 Own Funds Structure.

Counterparty default standalone risk has increased by EUR 4,954 thousand, reflecting increases in ceded Best Estimate Liabilities (BELs) and an increased volume of Type 2 counterparties.

The combined effect of the above leads to a small reduction of EUR 2,620 thousand in the required **Basic Solvency Capital Requirement** (BSCR) from December 31, 2023, with slightly lower **diversification benefit** as a proportion of BSCR for each of non-life underwriting, counterparty default and market risk.

Operational standalone risk has increased by EUR 1,212 thousand, due to higher gross best estimate liabilities, and is capped at 30% BSCR at December 31, 2024.

The **loss absorbing capacity of deferred taxes** is nil at December 31, 2024, with a material deferred tax asset position on the economic balance sheet outweighing carry-back tax and potential recognition of future taxable profits.

E.2.1.1 DATA USED IN THE CALCULATIONS

SCOR Europe participates in the Group wide data processes and flows which also underly SCOR Group's internal model data to ensure the accuracy and appropriateness of the data used. The Group manages data to ensure its proper and structured storage, reliability and accessibility and applies a data quality management framework to identify key data affecting the capital calculations with appropriate data quality criteria.

E.2.1.2 SIMPLIFICATIONS USED IN THE CALCULATIONS

As allowed by the Delegated Acts, and in view of the operational complexity, SCOR Europe uses simplified calculations in the counterparty default risk module for:

- risk mitigating effect for reinsurance arrangements; and
- risk adjusted value of collateral to take into account the economic effect of the collateral (no collateralization applied at December 31, 2024).

The Company does not use undertaking-specific parameters in its standard formula SCR calculation.

E.2.2 MINIMUM CAPITAL REQUIREMENT

SCOR Europe SE in EUR thousands	As at December 31, 2024	As at December 31, 2023	Variation	% Variation
MCR Minimum (25% of SCR)	15,055	15,408	(353)	(2)%
MCR Linear	10,652	10,043	609	6%
MCR Maximum (45% of SCR)	27,100	27,733	(633)	(2)%
MCR with Standard Formula cap & floor	**15,055**	**15,408**	**(353)**	**(2)%**

The non-life exposures used for the calculation of the Minimum Capital Requirement (MCR) are the net premium amounts written in the previous 12 months and the net best estimate liabilities excluding risk margin, both split by lines of business. Prescribed factors in the Solvency II Delegated Acts are applied to the premium and technical provision amounts and added to obtain the non-life linear MCR. The MCR is the result of this specified linear formula subject to a floor of 25% and a cap of 45% of the SCR. The linear MCR is lower than the 25% SCR floor so the MCR for SCOR Europe is set at the 25% SCR floor and is EUR 15,055 thousand at year-end 2024. The MCR has decreased by EUR 353 thousand from December 31, 2023.

The regulatory absolute floor of the Company's MCR is unchanged at EUR 4,000 thousand at December 31, 2024.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

SCOR Europe does not use the duration-based equity sub-module in the calculation of the solvency requirement.

E.4 Difference between the standard formula and any internal model used

Not applicable as SCOR Europe maintains regulatory capital calculated on the Solvency II Standard Formula basis.

E.5 Non-compliance with MCR and non-compliance with the SCR

SCOR Europe has complied with the MCR and the SCR requirement throughout the period covered by this report.

E.6 Any other information

No other material information is reported regarding SCOR Europe’s capital management other than presented above in section E.1 - Own funds to E.5 - Non-compliance with MCR and non-compliance with the SCR.

APPENDIX A: PUBLIC DISCLOSURE QRT SCOR EUROPE

S.02.01 – Balance Sheet

SCOR Europe SE Assets as at December 31, 2024 In EUR thousands	Solvency II value
Intangible assets	**-**
Deferred tax assets	**10,003**
Pension benefit surplus	**-**
Property, plant and equipment held for own use	**-**
Investments	**145,859**
Property (other than for own use)	-
Participations and related undertakings	-
Equities	-
Equities - listed	-
Equities - unlisted	-
Bonds	142,311
Government bonds	*36,978*
Corporate bonds	*105,333*
Structured notes	-
Collateralised securities	-
Collective Investments Undertakings	-
Derivatives	3,548
Deposits other than cash equivalents	-
Other investments	-
Assets held for index-linked and unit-linked contracts	**-**
Loans and mortgages	**-**
Loans on policies	-
Loans and mortgages to individuals	-
Other loans and mortgages	-
Reinsurance recoverables	**439,809**
Non-life and Health similar to Non-life	439,809
Non-life excluding Health	439,809
Health similar to Non-life	-
Life and Health similar to Life, excluding Health and index-linked and unit-linked	-
Health similar to Life	-
Life excluding Health and index-linked and unit-linked	-
Life index-linked and unit-linked	-
Deposits to cedents	**45**
Insurance and intermediaries receivables	**73,107**
Reinsurance receivables	**6,334**
Receivables (trade, not insurance)	**4,455**
Own shares	**-**
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**-**
Cash and cash equivalents	**36,512**
Any other assets, not elsewhere shown	**143**
TOTAL ASSETS	**716,267**

S.02.01 – Balance Sheet (continued)

SCOR Europe SE Liabilities as at December 31, 2024 In EUR thousands	Solvency II value
Technical provisions – Non-life	**529,495**
Technical provisions – Non-life (excl. Health)	529,495
TP calculated as a whole	-
Best estimate	*520,530*
Risk margin	*8,965*
Technical provisions – Health (similar to Non-life)	-
TP calculated as a whole	-
Best estimate	-
Risk margin	-
Technical provisions – Life (excl. index-linked and unit-linked)	**-**
Technical provisions – Health (similar to Life)	-
TP calculated as a whole	-
Best estimate	-
Risk margin	-
Technical provisions – Life (excl. Health and index-linked and unit-linked)	-
TP calculated as a whole	-
Best estimate	-
Risk margin	-
Technical provisions – index-linked and unit-linked funds	**-**
TP calculated as a whole	-
Best estimate	-
Risk margin	-
Other technical provisions	**-**
Contingent liabilities	**-**
Provisions other than technical provisions	**-**
Pension benefit obligations	**-**
Deposits from reinsurers	**3,648**
Deferred tax liabilities	**2,542**
Derivatives	**525**
Debts owed to credit institutions	**143**
Financial liabilities other than debts owed to credit institutions	**(107)**
Insurance and intermediaries payables	**51,641**
Reinsurance payables	**25,906**
Payables (trade, not insurance)	**12,302**
Subordinated liabilities	**-**
Subordinated liabilities not in basic own funds	-
Subordinated liabilities in basic own funds	-
Any other liabilities, not elsewhere shown	**214**
TOTAL LIABILITIES	**626,309**
EXCESS OF ASSETS OVER LIABILITIES	**89,958**

S.05.01.02 – Premiums, claims and expenses by line of business

SCOR Europe SE As at December 31, 2024 In EUR thousands	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss
Premiums written					
Gross - Direct business	46,515	86,383	95,260	70,275	623
Gross - Proportional reinsurance accepted	(241)	-	-	-	-
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	43,402	81,127	90,134	66,025	796
Net	2,872	5,256	5,126	4,250	(173)
Premiums earned					
Gross - Direct business	47,587	78,469	101,345	53,959	623
Gross - Proportional reinsurance accepted	(241)	-	-	-	-
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	44,018	75,535	96,623	50,357	796
Net	3,328	2,934	4,722	3,602	(173)
Claims incurred					
Gross - Direct business	33,823	89,959	64,925	29,993	(1,294)
Gross - Proportional reinsurance accepted	1,579	-	-	-	-
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	33,682	87,065	60,843	28,655	(1,125)
Net	1,720	2,894	4,082	1,338	(169)
Expenses incurred	3,206	3,913	(1,274)	(6,266)	(26)
Balance - Other technical expenses/income					
Total technical expenses					

**The table above presents lines of business applicable to SCOR Europe*

S.05.01.02 – Premiums, claims and expenses by line of business (continued)

SCOR Europe SE **As at December 31, 2024** **In EUR thousands**	Casualty	Marine, aviation, transport	Property	**TOTAL**
Premiums written				
Gross - Direct business				**299,056**
Gross - Proportional reinsurance accepted				**(241)**
Gross - Non-proportional reinsurance accepted	468	13	8,607	**9,088**
Reinsurers' share	450	24	11,702	**293,660**
Net	18	(11)	(3,095)	**14,243**
Premiums earned				
Gross - Direct business				**281,983**
Gross - Proportional reinsurance accepted				**(241)**
Gross - Non-proportional reinsurance accepted	1,083	5	4,601	**5,689**
Reinsurers' share	1,027	16	7,906	**276,278**
Net	56	(11)	(3,305)	**11,153**
Claims incurred				
Gross - Direct business				**217,406**
Gross - Proportional reinsurance accepted				**1,579**
Gross - Non-proportional reinsurance accepted	744	-	2,271	**3,015**
Reinsurers' share	710	-	2,160	**211,990**
Net	34	-	111	**10,010**
Expenses incurred	(184)	-	(2,136)	**(2,767)**
Balance - Other technical expenses/income				**4,910**
Total technical expenses				**2,143**

**This table presents lines of business applicable to SCOR Europe*

S.04.05.21 – Non-Life Premiums, claims and expenses by country

SCOR Europe SE As at December 31, 2024 In EUR thousands	Home country*	Top 5 countries (by amount of gross premiums written) - Non-life obligations					Total Top 5 and home country
		(NO) Norway	(GB) United Kingdom	(DE) Germany	(US) United States	(IE) Ireland	
Premiums written (gross)							
Gross Written Premium (direct)	105,941	43,521	39,551	24,731	20,244	16,079	**250,067**
Gross Written Premium (proportional reinsurance)	(104)	(4)	-	(98)	-	-	**(206)**
Gross Written Premium (non-proportional reinsurance)	85	3,763	-	165	465	(1)	**4,477**
Premiums earned (gross)							
Gross Earned Premium (direct)	88,203	42,303	39,067	31,077	18,742	15,481	**234,873**
Gross Earned Premium (proportional reinsurance)	(104)	(4)	-	(98)	-	-	**(206)**
Gross Earned Premium (non-proportional reinsurance)	1,597	271	-	1,276	199	-	**3,343**
Claims incurred (gross)							
Claims incurred (direct)	33,778	43,685	27,072	31,445	7,979	3,859	**147,818**
Claims incurred (proportional reinsurance)	679	26	-	642	-	-	**1,347**
Claims incurred (non-proportional reinsurance)	810	142	-	608	100	-	**1,660**
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	24,937	10,784	12,317	9,999	4,131	5,200	**67,368**
Gross Expenses Incurred (proportional reinsurance)	(106)	(4)	-	(101)	-	-	**(211)**
Gross Expenses Incurred (non-proportional reinsurance)	492	92	-	432	58	-	**1,074**

*France

S.04.05.21 Life premiums, claims and expenses by country

SCOR Europe SE As at December 31, 2024 In EUR thousands	Home country*	Top 5 countries (by amount of					Total Top 5 and home country
		(NO) Norway	(GB) United Kingdom	(DE) Germany	(US) United States	(IE) Ireland	
Gross Written Premium							**-**
Gross Earned Premium							**-**
Claims incurred							**-**
Gross Expenses Incurred							**-**

*France

S.17.01.02 – Non-life Technical Provisions

	Direct business and accepted proportional			
SCOR Europe SE **As at December 31, 2024** **In EUR thousands**	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
Technical provisions calculated as a whole	-	-	-	-
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	7,595	13,220	565	(13,204)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	6,876	11,395	(1,766)	(18,265)
Net best estimate of premium provisions	719	1,825	2,331	5,061
Claims provisions				
Gross	91,751	159,367	196,393	44,903
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	75,816	134,625	168,970	44,446
Net best estimate of claims provisions	15,935	24,742	27,423	457
Total best estimate - gross	99,346	172,587	196,958	31,699
Total best estimate - net	16,654	26,567	29,754	5,518
Risk margin	1,614	2,870	3,519	882
Amount of the transitional on technical provisions				
Technical provisions calculated as a whole	-	-	-	-
Best estimate	-	-	-	-
Risk margin	-	-	-	-
Technical provisions - total				
Technical provisions - total	100,960	175,457	200,477	32,581
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	82,692	146,020	167,204	26,181
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	18,268	29,437	33,273	6,400

(*) The table above presents lines of business applicable to SCOR

S.17.01.02 – Non-life Technical Provisions (continued)

SCOR Europe SE As at December 31, 2024 In EUR thousands	Accepted non-proportional reinsurance Non-proportional casualty reinsurance	 Non-proportional marine, aviation and transport reinsurance	 Non-proportional property reinsurance	Total Non-life obligation
Technical provisions calculated as a whole	-	-	-	-
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-
Technical provisions calculated as a sum of BE				
Best estimate				
Premium provisions				
Gross	2,330	-	6,403	16,910
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	2,111	-	4,972	5,324
Net best estimate of premium provisions	219	-	1,431	11,586
Claims provisions				
Gross	2,110	1	6,064	503,620
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	1,793	(1)	5,998	434,485
Net best estimate of claims provisions	317	2	66	69,135
Total best estimate - gross	4,440	1	12,467	520,530
Total best estimate - net	536	2	1,497	80,721
Risk margin	9	-	17	8,965
Amount of the transitional on technical provisions				
Technical provisions calculated as a whole	-	-	-	-
Best estimate	-	-	-	-
Risk margin	-	-	-	-
Technical provisions - total				
Technical provisions - total	4,449	1	12,484	529,495
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	3,904	(1)	10,970	439,809
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	545	2	1,514	89,686

(*) The table above presents lines of business applicable to SCOR EUROPE

S.19.01.21 – Non-life Insurance Claims Information

Total Non-life Business - Underwriting year

Gross Claims Paid (non-cumulative) (absolute amount)

	Development year												
	0	1	2	3	4	5	6	7	8	9	10 & +	In current year	Sum of years (cumulative)
Prior											216	216	216
N-9	-	-	-	-	27	222	686	(454)	72	35		35	588
N-8	-	-	-	202	(60)	1,289	724	770	(15)			(15)	2,910
N-7	-	-	1,465	3,202	3,795	991	801	811				811	11,065
N-6	-	12,147	5,823	18,357	8,138	3,765	823					823	49,053
N-5	7,251	23,058	15,772	6,767	25,503	8,746						8,746	87,097
N-4	2,716	18,194	15,924	10,621	10,578							10,578	58,033
N-3	2,976	15,612	14,427	26,101								26,101	59,116
N-2	1,905	17,783	26,519									26,519	46,207
N-1	2,555	39,361										39,361	41,916
N	5,321											5,321	5,321
											Total	118,496	361,522

Gross undiscounted best estimate Claims Provisions (absolute amount)

	Development year											
	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
Prior											863	832
N-9	-	-	-	-	460	339	664	414	588	572		540
N-8	-	-	-	401	2,218	3,426	3,816	8,351	6,162			5,572
N-7	-	-	5,848	6,296	2,326	3,400	4,423	3,187				2,976
N-6	-	38,077	33,971	22,381	21,317	22,472	20,897					20,039
N-5	39,718	65,382	50,729	55,139	32,667	42,719						38,736
N-4	42,435	65,144	52,455	-	37,834							34,417
N-3	69,731	112,677	104,338	73,596								66,724
N-2	91,590	120,094	109,248									99,958
N-1	100,504	151,720										142,193
N	100,968											91,633
											Total	503,620

S.23.01.01 – Own funds

SCOR Europe SE As at December 31, 2024 In EUR thousands	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector					
Ordinary share capital (gross of own shares)	**112,700**	112,700		-	
Share premium account related to ordinary share capital	**-**	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**-**	-		-	
Subordinated mutual member accounts	**-**		-	-	-
Surplus funds	**-**	-			
Preference shares	**-**		-	-	-
Share premium account related to preference shares	**-**		-	-	-
Reconciliation reserve	**(30,202)**	(30,202)			
Subordinated liabilities	**-**		-	-	-
An amount equal to the value of net deferred tax assets	**7,460**				7,460
Other own fund items approved by the supervisory authority as basic own funds not specified above	**-**	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**-**	-			
Deductions					
Deductions for participations in financial and credit institutions	**-**	-	-	-	
Total basic own funds after deduction	**89,958**	**82,498**	**-**	**-**	**7,460**

S.23.01.01 – Own funds (continued)

SCOR Europe SE As at December 31, 2024 In EUR thousands	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	-			-	
Unpaid and uncalled preference shares callable on demand	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-			-	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	-
Other ancillary own funds	-			-	-
Total ancillary own funds	**-**			**-**	**-**
Available and eligible own funds					
Total available own funds to meet the SCR	**89,958**	82,498	-	-	7,460
Total available own funds to meet the MCR	**82,498**	82,498	-	-	
Total eligible own funds to meet the SCR	**89,958**	82,498	-	-	7,460
Total eligible own funds to meet the MCR	**82,498**	82,498	-	-	
SCR	**60,222**				
MCR	**15,055**				
Ratio of Eligible own funds to SCR	**149.38%**				
Ratio of Eligible own funds to MCR	**547.96%**				

S.23.01.01 – Own funds (continued)

SCOR Europe SE **As at December 31, 2024** **In EUR thousands**	**Total**
Reconciliation reserve	
Excess of assets over liabilities	89,958
Own shares (held directly or indirectly)	-
Foreseeable dividends, distributions and charges	-
Other basic own fund items	120,160
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-
Reconciliation reserve	**(30,202)**
Expected profits	
Expected profits included in future premiums (EPIFP) - Life business	-
Expected profits included in future premiums (EPIFP) - Non-life business	100,251
Total expected profits included in future premiums (EPIFP)	**100,251**

S.25.01.21 – Solvency capital requirement – Standard Formula

SCOR Europe SE Standard Formula As at December 31, 2024 In EUR thousands	Gross solvency capital requirement	USP	Simplifications
Market risk	13,413		0
Counterparty default risk	27,569		
Life underwriting risk	-	0	0
Health underwriting risk	-	0	0
Non-life underwriting risk	19,122	0	0
Diversification	(13,780)		
Intangible asset risk	-		
Basic Solvency Capital Requirement	**46,324**		

Calculation of Solvency Capital Requirement (SCR)	
Operational risk	13,898
Loss-absorbing capacity of technical provisions	-
Loss-absorbing capacity of deferred taxes	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	-
Solvency Capital Requirement, excluding capital add-on	**60,222**
Capital add-ons already set	-
The overall Solvency Capital Requirement	**60,222**
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	-
Total amount of Notional Solvency Capital Requirement for the remaining part	-
Total amount of Notional Solvency Capital Requirement for ring fenced funds	-
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	-
Diversification effects due to RFF nSCR aggregation for Article 304	-

Approach based on average tax rate	-
Calculation of loss absorbing capacity of deferred taxes	
Amount/estimate of LAC DT	-
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	-
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	-
Amount/estimate of LAC DT justified by carry back, current year	-
Amount/estimate of LAC DT justified by carry back, future years	-
Amount/estimate of Maximum LAC DT	-

S.28.01.01 – Minimum capital requirement

SCOR Europe SE
As at December 31, 2024
In EUR thousands

Linear formula component for Non-life insurance and reinsurance obligations

MCR_{NL} Result	10,652

	Net (of reinsurance/SPV) Best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance and proportional reinsurance	-	-
Income protection insurance and proportional reinsurance	-	-
Workers' compensation insurance and proportional reinsurance	-	-
Motor vehicle liability insurance and proportional reinsurance	-	-
Other motor insurance and proportional reinsurance	-	-
Marine, aviation and transport insurance and proportional reinsurance	16,654	2,917
Fire and other damage to property insurance and proportional reinsurance	26,567	5,341
General liability insurance and proportional reinsurance	29,754	5,220
Credit and suretyship insurance and proportional reinsurance	5,518	4,319
Legal expenses insurance and proportional reinsurance	-	-
Assistance and proportional reinsurance	-	-
Miscellaneous financial loss insurance and proportional reinsurance	192	0
Non-proportional health reinsurance	-	-
Non-proportional casualty reinsurance	536	19
Non-proportional marine, aviation and transport reinsurance	2	0
Non-proportional property reinsurance	1,497	0

Linear formula component for life insurance and reinsurance obligations

MCR_L Result	-

	Net (of reinsurance/SPV) Best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
Obligations with profit participation - guaranteed benefits	-	
Obligations with profit participation - future discretionary benefits	-	
Index-linked and unit-linked insurance obligations	-	
Other life (re)insurance and health (re)insurance obligations	-	
Total capital at risk for all life (re)insurance obligations		-

Overall MCR calculation

Linear MCR	10,652
SCR	60,222
MCR cap	27,100
MCR floor	15,055
Combined MCR	15,055
Absolute floor of the MCR	4,000
Minimum Capital Requirement	**15,055**