



2017 FINANCIAL CONDITION REPORT

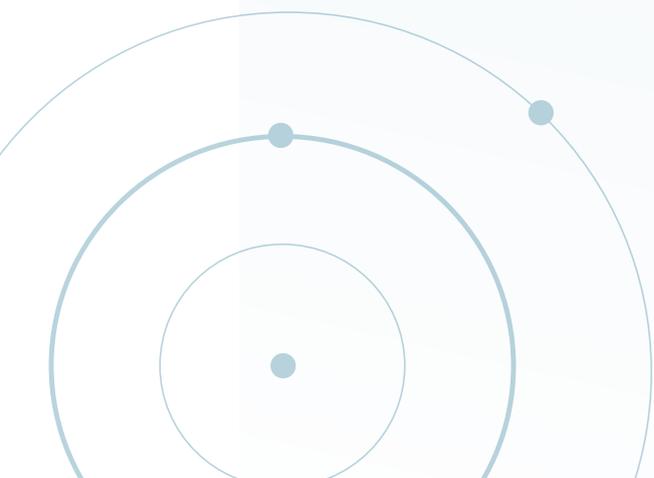
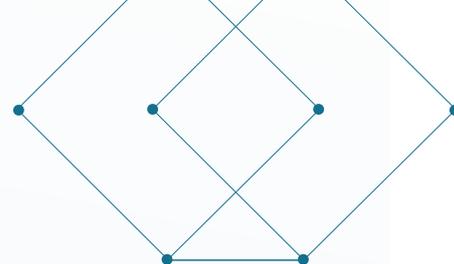
SCOR SWITZERLAND AG

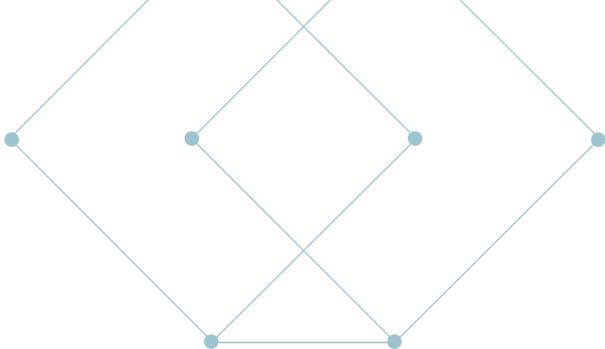


SCOR
The Art & Science of Risk

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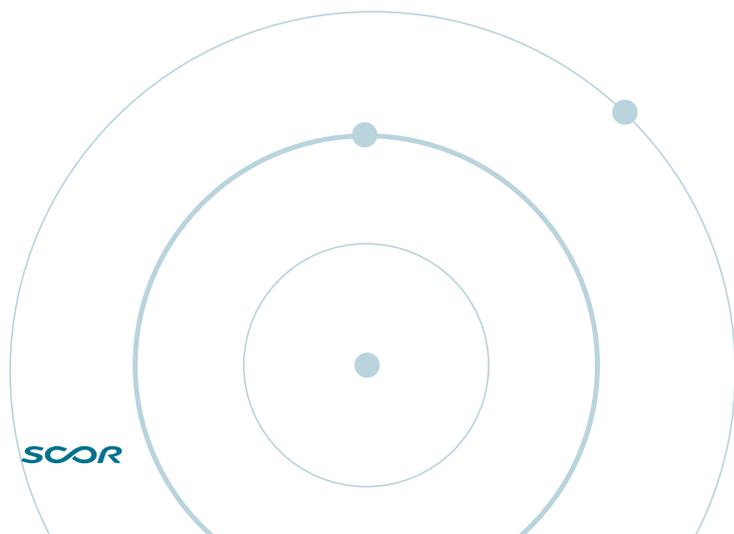
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MANAGEMENT SUMMARY



MANAGEMENT SUMMARY

The present document addresses the requirements set by FINMA Circular 2016/2 Disclosure – insurers (Public Disclosure), dated 3 December 2016, and provides information, amongst others, on the Company's business activities, financial performance, corporate governance, risk management and solvency situation.

SCOR Switzerland AG (hereinafter "the Company") is the legal operating entity of SCOR, an independent global tier-1 reinsurance company, in Switzerland. It is licensed and supervised by the Swiss Financial Market Supervisory Authority ("FINMA") and operates in the Property & Casualty (P&C) reinsurance segment.

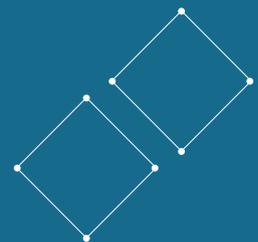
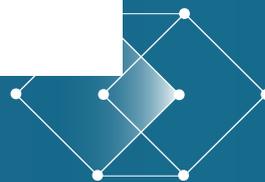
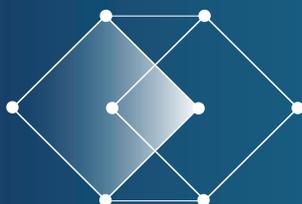
The Company targets a diversified portfolio in terms of business and geography covering various lines of business and a high diversification in terms of duration, currency and counterparty and geography. This diversification aims to reduce concentration risk and volatility and reduces the aggregate risk.

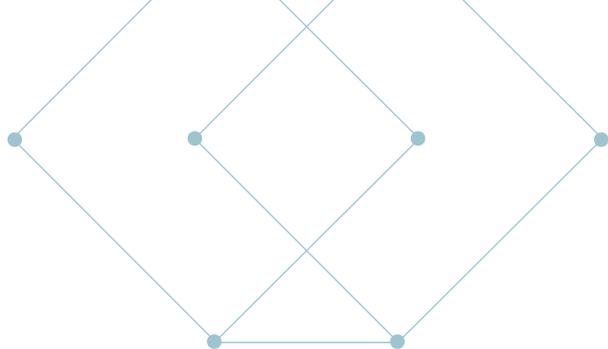
The profit for the financial year 2017 amounts to EUR 31.8 million as compared to EUR 152.2 million in 2016. The main driver of the lower annual profit is the decrease in technical results due to higher claims experience following the occurrence of several major natural catastrophes. In addition, the revision of the Ogden discount rate in the UK which is used to calculate the lump sums to be paid in compensation for future losses or expenses following bodily injuries, had a negative impact on the Company's reserves in 2017.

The Company's shareholders' equity reached EUR 1'280.3 million at 31 December 2017, which represents a decrease of EUR 68.2 million compared to as at 31 December 2016, following the payment of a EUR 100.0 million dividend.

The Company reports a solvency ratio of 216% according to the Swiss Solvency Test (SST), representing an increase of 14%-pts compared to the previous year. The increase is mainly resulting from a lower solvency capital requirement, driven by a decrease in non-EUR exposures due to the strengthening of the Euro against major currencies and, to some extent, due to portfolio changes.

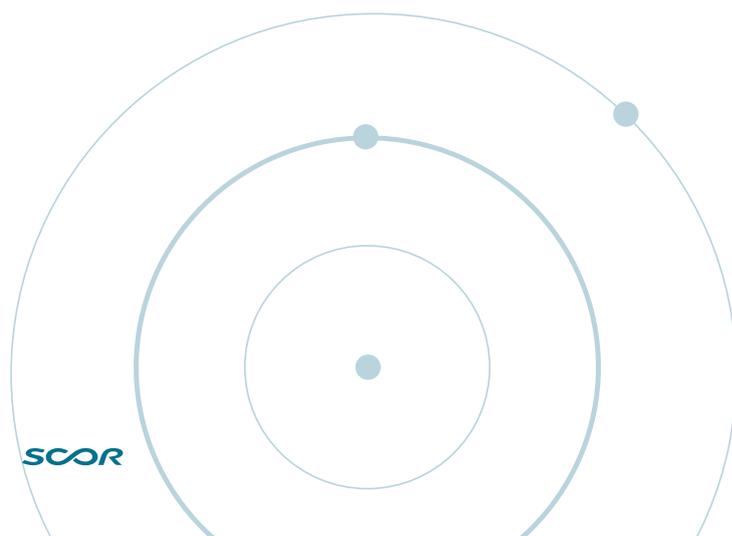
The continuous assessment and control of the various risks the Company is exposed to is an important management objective. Several processes and tools for identifying and assessing risks have been implemented at SCOR Switzerland AG as well as at the level of SCOR Group to approach risk from different perspectives and to manage them in an exhaustive manner.





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BUSINESS ACTIVITIES



BUSINESS ACTIVITIES

SCOR Switzerland AG is part of the SCOR Group which is the world's fourth largest reinsurance group serving more than 4'000 clients in the Americas, EMEA and APAC.

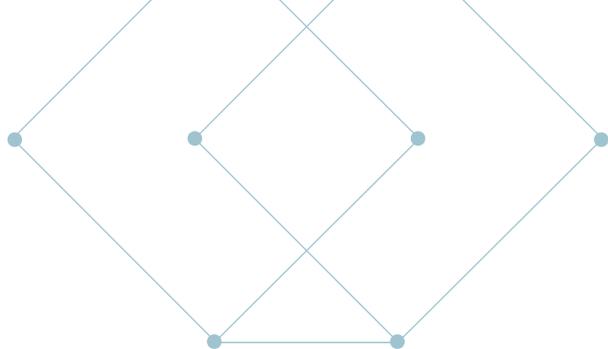
The Company is the regulated legal operating entity of the SCOR Group in Switzerland and operates in the Property & Casualty (P&C) reinsurance segment. Since 2001, the Company is fully licensed and supervised by the Swiss Financial Market Supervisory Authority ("FINMA").

SCOR Switzerland AG plays an essential role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. The assumed underwriting business focus is on selected reinsurance and insurance risks, mostly mainstream risks covered in P&C. SCOR Switzerland is targeting a diversified portfolio in terms of business and geography covering various lines of business such as Property, Property Cat, Motor, Credit and Surety, Casualty, Engineering, Marine and Offshore and other smaller portfolios.

The portfolio of assumed reinsurance business from other entities of the SCOR Group as of 1 January 2018 is largely stable compared to the previous year both in terms of structure as well as in terms of expected premium volume. Whilst the reserves related to prior underwriting years continue to decline given the natural run-off of the portfolio, the business assumed by the Company via internal retrocession from other SCOR entities is expected to remain stable in the years to come.

The Company is fully owned by SCOR Holding (Switzerland) AG. Its ultimate parent company is SCOR SE, France. The Company holds a participation in SCOR Holding (UK) Ltd. It hasn't had any branches for the last two years.

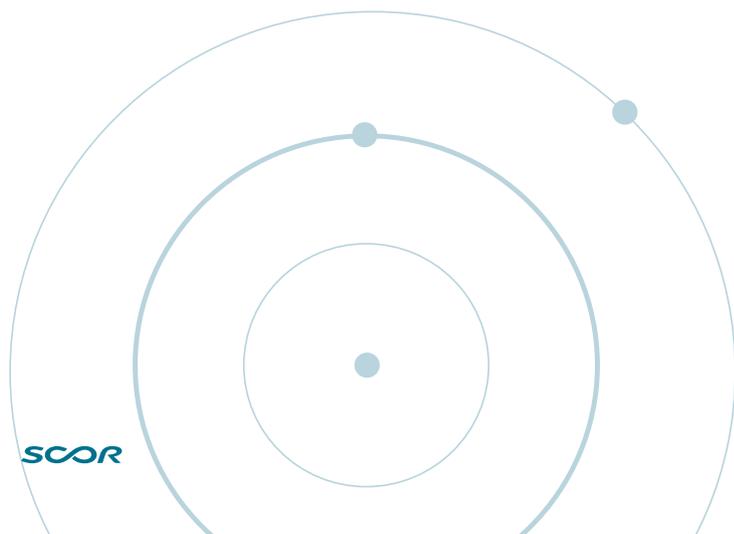
The annual financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) and have been audited by Mazars SA, Herostrasse 12, 8048 Zurich.



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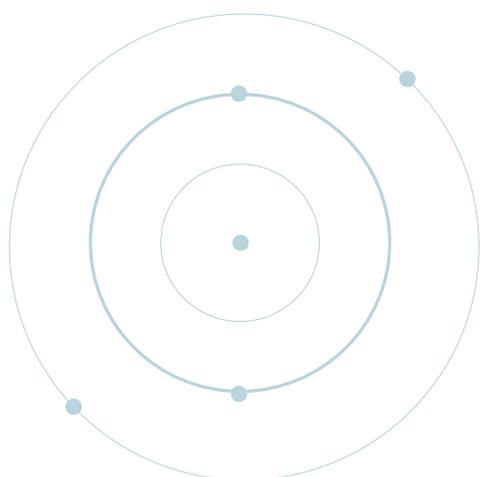
PERFORMANCE

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PERFORMANCE

The Company reports a profit for the financial year 2017 of EUR 31.8 million as compared to EUR 152.2 million in 2016. The main contributors to the net income in 2017 were the technical result from reinsurance operations as well as the positive contributions from investment activities.



3.1 TECHNICAL RESULT

Gross premium written in 2017 amounted to EUR 1'414.6 million, which represents a decrease of EUR 27.4 million or 1.9% over 2016. This decrease in premium is mainly driven by the movements in the foreign exchange rates. Almost all premium written by the Company in 2017 and 2016 was related to reinsurance business accepted from other entities of the SCOR Group. SCOR Switzerland AG is also a buyer of reinsurance to mitigate risk and to protect its capital. In 2017, it recorded ceded premium to reinsurers of EUR 37.1 million as compared to EUR 36.5 million in 2016.

The Property line of business represents approximately 41% of the total premium, followed by the Miscellaneous line of business with 18%, which includes Engineering, Credit & Surety and Agriculture. The remaining part of the premium is mainly composed by the Motor, Casualty and Transport lines of business.

The year 2017 was characterized by major natural catastrophes mainly in North America and the Caribbean. These include, among others, the hurricanes Harvey, Irma and Maria, the earthquake in Mexico and the wildfires in California. The Company experienced increased claims resulting from these events through its quota share business assumed from other SCOR entities. From a line of business perspective, the lines that were most affected by these events are Property as well as Marine and Engineering.

In addition, the revision of the Ogden discount rate in the UK which is used to calculate the lump sums to be paid in compensation for future losses or expenses following bodily injuries, had a negative impact on the Company's reserves in 2017, mainly in the Motor line of business.

In this context, the technical result recorded by the Company, which comprises technical income, claims expenses and technical expenses from reinsurance operations, resulted in a loss of EUR 35.1 million for the year 2017 compared to a gain of EUR 50.8 million in 2016.

3.2 NET INVESTMENT INCOME

Net income from investments amounts to EUR 101.1 million in 2017, a decrease of EUR 22.5 million compared to 2016. Last year, the Company received dividends from its participation SCOR Holding (UK) Ltd. of EUR 45.5 million, whereas the dividend from that same participation amounted to EUR 4.7 million in 2017.

The Company could benefit from the worldwide increase in stock markets which resulted in an increase in unrealized gains on shares of EUR 65.4 million. The total net realized

and unrealized gains on investments amounted to EUR 61.8 million in 2017 as compared to EUR 36.7 million in the previous year.

All gains or losses are posted through income statement and no gain or loss was recorded directly in Shareholders' Equity.

The following tables show a detailed breakdown of investment income and expenses:

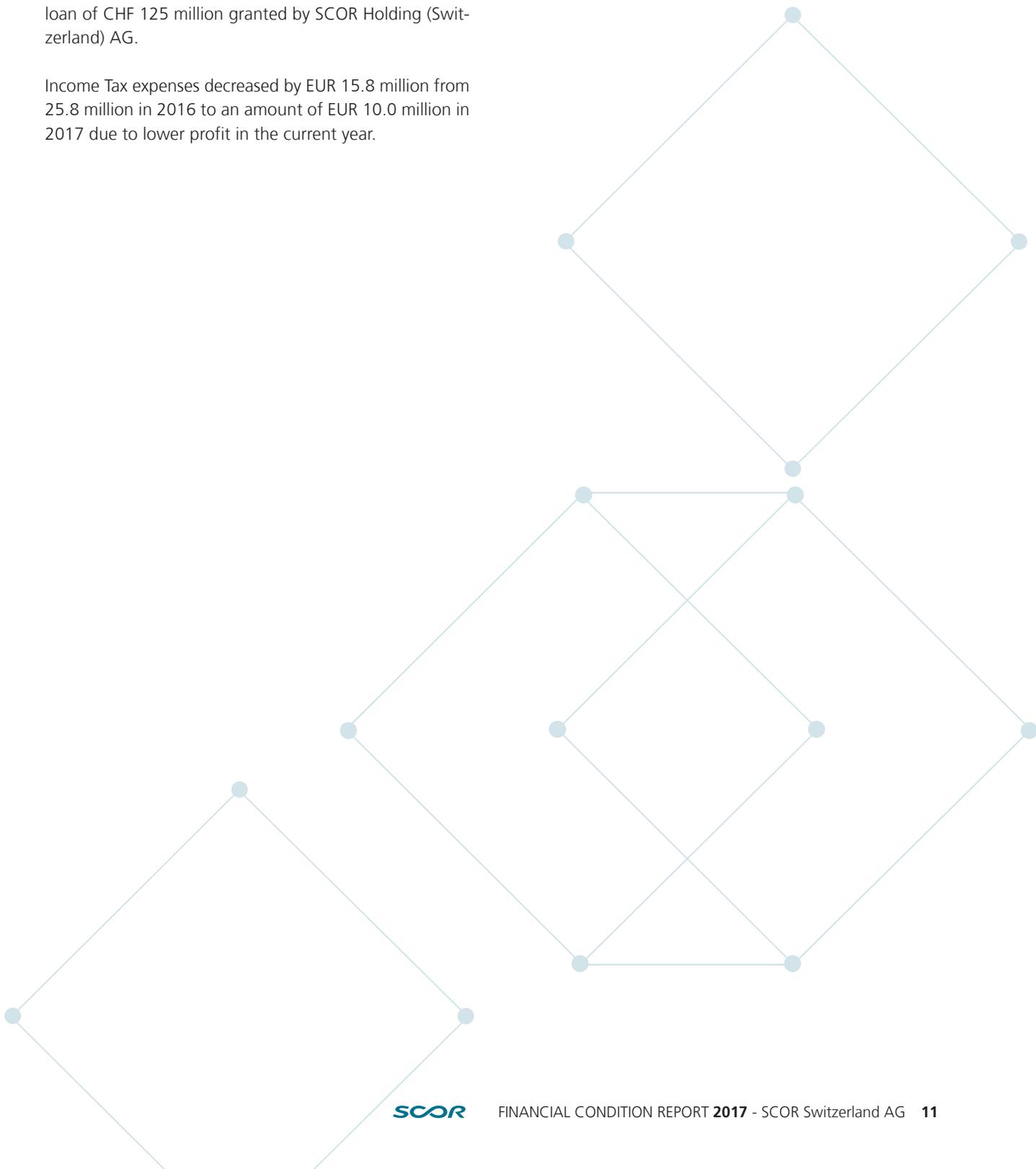
Investment income as per	2017				2016			
	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
Participations	4.7	-	-	4.7	45.5	-	-	45.5
Bonds	27.9	11.4	-	39.3	27.9	19.8	-	47.7
Loans	5.2	-	-	5.2	5.2	-	-	5.2
Shares	0.8	0.4	65.4	66.6	0.7	2.1	30.6	33.4
Other investments	3.4	2.2	-	5.6	9.7	0.9	2.4	13.0
INVESTMENT INCOME	42.0	14.0	65.4	121.4	89.0	22.8	33.0	144.8

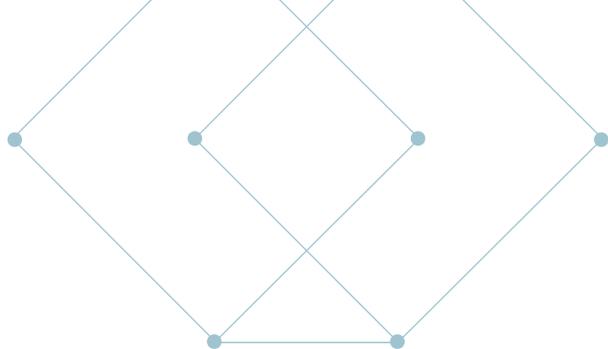
Investment expenses as per	2017				2016			
	Investment expenses	Realised losses	Unrealised losses	Total	Investment expenses	Realised losses	Unrealised losses	Total
Participations	-	-	-	-	-	-	-	-
Bonds	(2.4)	(4.0)	-	(6.4)	(2.0)	(1.0)	-	(3.0)
Loans	-	-	-	-	-	-	-	-
Shares	(0.3)	(1.1)	(7.7)	(9.1)	(0.1)	(2.2)	(10.5)	(12.8)
Other investments	-	(0.1)	(4.7)	(4.8)	-	-	(5.4)	(5.4)
INVESTMENT EXPENSES	(2.7)	(5.2)	(12.4)	(20.3)	(2.1)	(3.2)	(15.9)	(21.2)

3.3 OTHER INCOME AND EXPENSES

Other financial income and expenses amount to 19.1 million (expenses) in 2017 as compared to 10.6 million (income) in the previous year and mainly consist of realized and unrealized foreign currency gains and losses. Interest expenses of 3.8 million (2016: 3.9 million) are related to annual interests' payments for the perpetual subordinated loan of CHF 125 million granted by SCOR Holding (Switzerland) AG.

Income Tax expenses decreased by EUR 15.8 million from 25.8 million in 2016 to an amount of EUR 10.0 million in 2017 due to lower profit in the current year.

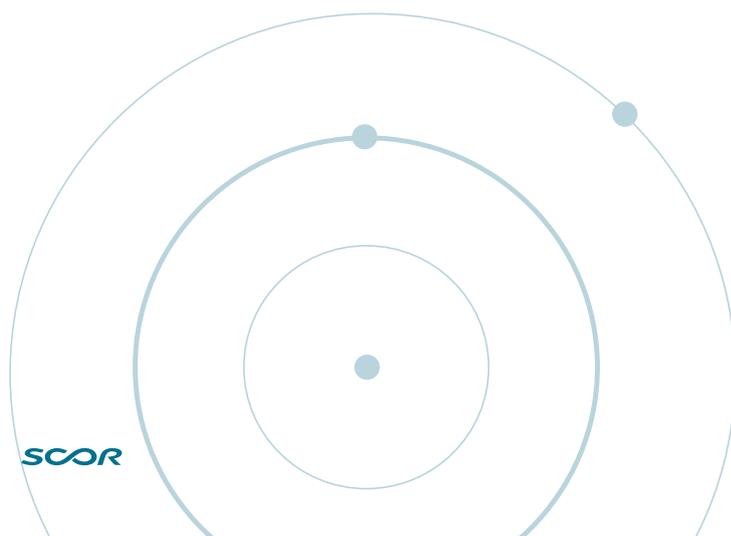




04

CORPORATE GOVERNANCE AND RISK MANAGEMENT

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CORPORATE GOVERNANCE AND RISK MANAGEMENT

4.1 CORPORATE GOVERNANCE

The Board of Directors and the Executive Management are composed as follows:

BOARD OF DIRECTORS

Name	Nationality	Date appointed	Term expires
Denis Kessler (Chairman)	French	23 March 2009	Re-elected 4 May 2017 2018
Peter Eckert (Vice-Chairman)	Swiss	23 March 2009	Re-elected 4 May 2017 2018
Paolo De Martin	Italian	19 March 2008	Re-elected 4 May 2017 2018
Georges Chodron de Courcel	French	23 March 2009	Re-elected 4 May 2017 2018
Victor Peignet	French	23 March 2009	Re-elected 4 May 2017 2018
J. Friedrich Sauerländer	Swiss	23 March 2009	Re-elected 4 May 2017 2018
Jean-Claude Seys	French	23 March 2009	Re-elected 4 May 2017 2018
Frieder Knüpling	German	22 May 2013	Re-elected 4 May 2017 2018

MEMBERS OF THE BOARD OF DIRECTORS WHO STEPPED DOWN IN 2017

Name	Nationality	Date appointed	Term expires
n.a.			

EXECUTIVE MANAGEMENT

Name	Nationality	Effective date of appointment
Benjamin Gentsch (Chief Executive Officer)*	Swiss	1 September 2007
Andreas Frank (Chief Financial Officer)	German	25 August 2011
Patrick Brunner (Chief Risk Officer)	Swiss	1 October 2014

* Benjamin Gentsch has stepped down from the position of Chief Executive Officer with effect as of 1 April 2018.

EXECUTIVES WHOSE TERM OF OFFICE ENDED IN 2017

Name	Nationality	Effective date of appointment	End of term of office
n.a.			

4.2 RISK MANAGEMENT

The Company has consistently implemented, based on the principle of proportionality, SCOR's Risk Management system which comprises:

- The Risk Appetite Statement which defines the types of risks SCOR is willing to accept and the risk tolerance limits; and
- The Enterprise Risk Management (ERM) Framework which is the range of Group-wide Risk Management mechanisms used to ensure that the Risk Appetite Framework is respected.

The Company's risk appetite is aligned to SCOR Group's risk appetite (with the exception of Life risks, for which the Company has no appetite) and targets contributing to the Group's upper mid-level risk profile, by closely monitoring and mitigating its exposure to extreme tail events. The volatility is controlled through diversification of assumed underwriting risk and capital shield mechanisms.

As part of its Risk Appetite Statement the Company has implemented risk tolerances. These tolerances are subdivided into a solvency target and a system of limits on more granular risk metrics.

The continuous assessment and control of the risks is an important management objective. Several processes and tools for identifying and assessing risks have been implemented at SCOR Switzerland AG as well as at the level of SCOR Group to approach risk from different perspectives and to manage them in an exhaustive manner. Specifically, tailored entity processes include:

- A risk information process: every quarter, the Executive Management and Board of Directors review the Risk Dashboard, which describes and assesses the major risks the Company is exposed to. This report collates various risk assessments from different identification and assessment processes for all risk categories.
- A process for the monitoring of risk exposures against risk tolerances, i.e. the limits established in order to ensure that the Company's risk profile remains aligned with the risk appetite.
- Processes with relevance for the reliability of financial reporting are identified within the Internal Control System and appropriate key controls are defined to mitigate the financial reporting risk.

4.2.1 KEY CONTROL FUNCTIONS

Risk Management Function

The risk management function is responsible for the monitoring and reporting of the Company's risk profile, in line with the Company's risk appetite statement, and of the effectiveness of the risk management system. The risk management function regularly reports and advises the Board, Executive Committee and/or related committees on these and other risk management matters through the use of regular and ad-hoc risk analyses.

The risk management team, led by the Company Chief Risk Officer, undertake this role, with the support of other teams. The Company CRO is appointed by the Board of Directors and is a member of the Executive Committee.

Actuarial Function

The Actuarial Function is the reserving process owner for the Company. The Actuarial Function is required to carry out timely completion of reserve analyses and actuarial reserve reports. In addition to ensuring adequate technical reserves, the Responsible Actuary is responsible for ensuring proper pricing principles are used and the solvency ratio is calculated correctly. The Responsible Actuary is required to report to both the Executive Committee and the Audit and Risk Committee of the Board of Directors.

The Responsible Actuary is appointed by the CEO of the Company as per the Organisational By-laws, subject to FINMA's accreditation.

Compliance Function

The compliance function performs compliance activities to identify, assess, mitigate, and report compliance risks and matters. The head of the compliance function is appointed by the Company's Board of Directors and advises the Audit and Risk Committee and management on compliance matters.

The Company's compliance plan defines the compliance activities to be undertaken during each upcoming year. The plan is presented to the Audit and Risk Committee for review as well as an independent assessment of key compliance risks.

Internal Audit Function

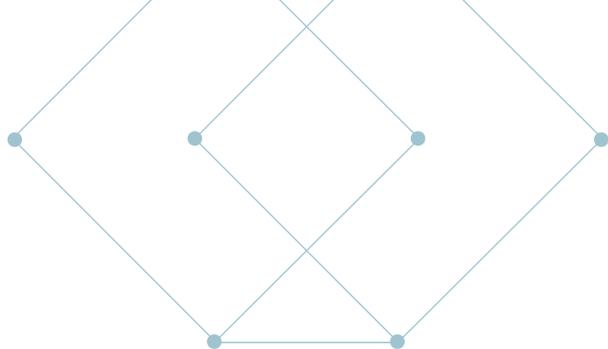
Internal Audit assists the Board of Directors in providing independent, objective assurance and consulting services designed to assess the adequacy, effectiveness and efficiency of the Company's governance, policies and guidelines, risk management, and internal control system, as well as compliance of operations with applicable policies and guidelines.

The Company's Board of Directors appoints the Head of Internal Audit. The Audit and Risk Committee defines the responsibilities of the Head of Internal Audit and its teams regarding the Company matters. The Head of Internal Audit reports on a regular basis to the Audit and Risk Committee.

4.2.2 INTERNAL CONTROL SYSTEM (ICS)

The ICS forms an integral part of the Company's Enterprise Risk Management (ERM) Framework. The ICS contributes to ensuring compliance with laws and regulations, as well as accessibility and reliability of financial and non-financial information.

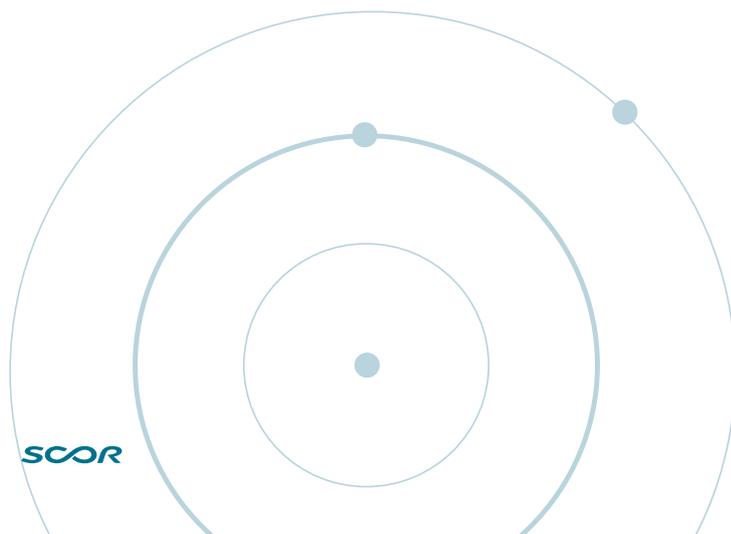
It is being deployed on various business and support areas such as Underwriting, Pricing, Technical and Financial Accounting, Claims, Reserving, Investment & Asset Management, Financial and non-financial valuation & reporting, IT, Human Resources and Risk Management.



05

RISK PROFILE

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RISK PROFILE

The Company targets a diversified portfolio in terms of business and geography covering various lines of business and a high diversification in terms of duration, currency and counterparty and geography. This diversification aims to reduce concentration risks and volatility and reduces the aggregate risk of the Company.

The material risks, which are quantified using the Company's Internal Model, are as follows:

- Insurance Risk
- Market Risk
- Credit Risk

In addition to those risks, the Company is also exposed to Operational, Strategic, Liquidity, Group and Emerging risks. Though these risks, net of mitigation, are deemed not to be material, they are nevertheless evaluated at least qualitatively and managed through specific processes.

Risk concentrations arising from dependencies within and across underwriting, investing or lending activities are analysed within their respective risk categories. These are considered to be material and are therefore managed and monitored accordingly.

5.1 INSURANCE RISK

The main risks linked with the P&C reinsurance business underwritten by the Company are P&C long-tail reserves deterioration and natural and man-made catastrophes, including terrorism.

P&C Long-Tail Reserve Deterioration

This is the risk that the P&C claims inflation is higher than assumed in the calculation of the Technical Provisions and mostly affects the long-tail lines of business. Claims inflation is influenced by, but not directly linked to general inflation.

Natural and Man-Made Catastrophes

The Company is exposed to multiple insured losses arising from single or multiple events, which can be catastrophic, being either caused by nature (e.g. hurricane, typhoon, windstorm, flood, hail, severe winter storm, earthquake) or man-made (e.g. explosion, fire at a major industrial facility, act of terrorism). Any such catastrophic event can generate insured losses in one or several lines of business.

The most material catastrophes in the Company's risk profile are related to natural events such as tropical cyclones, windstorms, earthquakes and floods arising worldwide, and affecting property, engineering and possibly other lines of business. The natural catastrophe portfolio is geographically well diversified and effective retrocession protection is in place. The peril-regions to which the global natural catastrophe portfolio has the largest exposure to are North American Hurricanes and European Windstorm.

The company is exposed to man-made catastrophes, defined as negligent or deliberate human actions, e.g. conflagration, a large explosion and fire at a major industrial site, and terrorism.

Risk Management

Insurance risks are controlled and managed in accordance with the underwriting plan and underwriting guidelines. The quality of the underwriting is assessed through underwriting cross reviews and regular reviews of technical results by business area and region together with a close monitoring of the utilization of capacities and accumulation of Natural Catastrophe and per-risk events.

Each risk is subject to peer review prior to being bound. Each underwriter has individual referral authority thresholds which minimize the volatility impact of individual cases. Pricing and Natural Catastrophe protocols also ensure that larger risks are assessed by senior experienced staff.

Reserve adequacy is supported by strong governance. A yearly reserve opinion is provided to the Board by the Company's Responsible Actuary. The Company maintains strong quarterly and annual reserving processes with regular oversight by the Company's responsible actuary.

5.2 MARKET RISK

Market risk consists of investment, interest rate and currency risk. The investment portfolio is highly diversified by duration, currency and counterparty and the geography of the assets are well matched with the Company's liabilities.

Limits exist for asset class exposures and are set by the Company's Board and form an integral part of the strategic asset allocation process and investment roadmap. Additional investment restrictions are defined by asset class, asset concentration, cash exposure by issuer, and fixed income rating.

5.3 CREDIT RISK

The Company is subject to credit risk on its invested assets, receivables from retrocessionaires and receivables and deposits from cedants. The Company has a low appetite for counterparty credit risk and hence it has set a strategy in its investment guidelines to mitigate this risk. Its main retrocessionaires are SCOR Group entities, which themselves employ outward reinsurance and other risk mitigating techniques.

5.4 OPERATIONAL RISKS

Operational risks are inherent to all businesses, including SCOR's, and may be split into four broad categories.

- **Staff:** Failure to attract or retain key personnel, human error and non-compliance with internal policies, internal fraud and intentional damage to the Company's assets, including data, by personnel;
- **Systems or facilities:** Breakdown, outage or disruption of IT systems leading to the loss of data or delay in business activities as well as business interruptions to natural or man-made perils impacting the Company's and related service provider's facilities;
- **Processes:** Inappropriate or insufficient processes and controls, including inadequate level of service and breaches of contracts and other commitments, including processes from outsourced activities;
- **External events:** External events outside of the Company's control, such as evolving or additional legal and regulatory constraints as well as external fraud and misappropriation of the Company's assets by third parties, including cyber-attacks.

Within SCOR's Internal Control System (ICS) process owners identify critical operational risks within the processes assigned to their area of responsibility and operate appropriate key controls maintaining the net risk exposure at or below an acceptable level.

Operational risks, net of mitigation, are assessed to be non-material for the Company. This assessment is based on the Company's position within the Group and the business portfolio. On risks which may develop rapidly, such as external fraud, risk mitigation is adapted frequently.

5.5 CONCENTRATION RISKS

Risk concentrations mainly impact 3 categories of risk individually or collectively:

- Insurance risks, in particular through catastrophes and other accumulation risks across lines of business or within certain geographical areas.
- Market risks, in particular in case of major events impacting specific types of assets to which SCOR is exposed.
- Credit risks, in case of major events impacting certain types of counterparties or certain individual counterparties to which SCOR is exposed.

Insurance risk concentrations are mitigated through regular monitoring and through utilizing catastrophe modelling technological solutions and regular exposure reporting to underwriters and Underwriting Management. Exposures to specific lines of business and geographies are limited within the underwriting guidelines. Monitoring against compliance with underwriting guidelines is ensured via on-site ongoing oversight exercised by Underwriting Management and periodic reviews.

As described above, market and credit risks, including concentration risks related to these, are managed and monitored according to pre-defined exposure limits. The investment objectives, limits and restrictions are defined in the Company's investment guideline.

5.6 REINSURANCE AND RISK MITIGATING TECHNIQUES

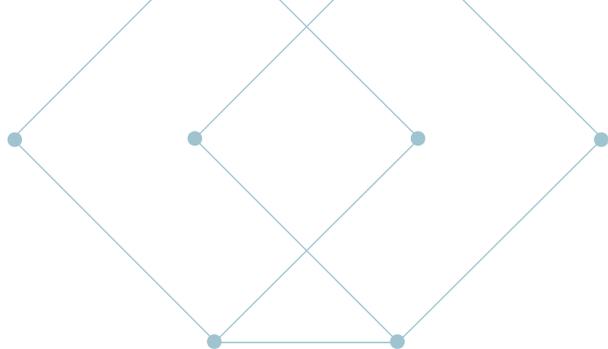
Reinsurance Program

The Company has put in place a reinsurance program, which protects the Company from large events in line with the risk profile.

The retrocession structure in place provides efficient and comprehensive protection against large losses. The Company is protected both on a per risk basis and a per event basis. Overall, the Company is adequately protected against adverse developments of its capital base due to the occurrence of one or multiple catastrophic losses.

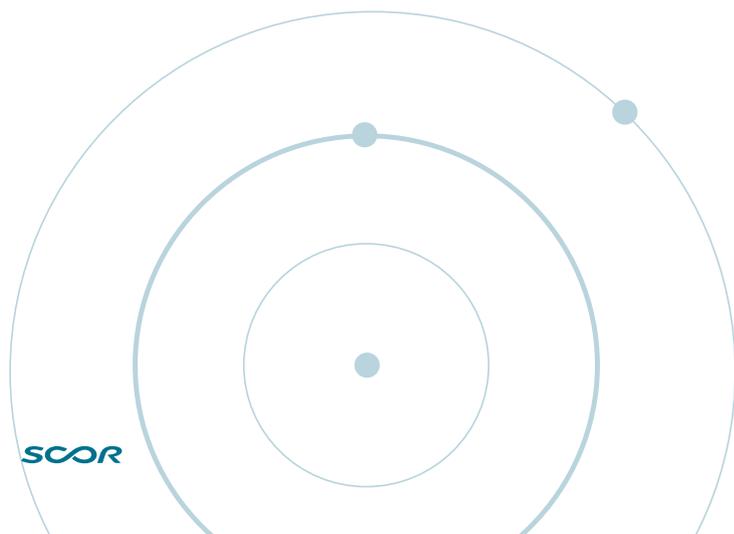
Currency fluctuation risk

Exchange rates fluctuations can have an adverse effect on the Company's Net Asset Value. The Company hedges its monetary balance sheet position against FX fluctuations, but not the solvency ratio. This may give rise to potential fluctuations in the SST ratio over time.



06

VALUATION



VALUATION

The following table outlines the major components of SSAG's Economic Balance Sheet year-on year:

Economic Balance Sheet		EBS 2018	EBS 2017
(in EUR million)			
Assets	Goodwill	0	0
	Deferred acquisition costs	0	0
	Intangible assets	0	0
	Deferred tax assets	0	0
	Property, plant & equipment held for own use	0	0
	Investments (other than assets held for index-linked and unit-linked funds)	2,751	2,849
	Loans and mortgages	288	208
	Reinsurance recoverables	68	65
	Deposits to cedants	1,296	1,355
	Insurance & intermediaries' receivables	77	875
	Reinsurance receivables	1	2
	Receivables (trade, not insurance)	20	33
	Cash and cash equivalents	47	223
	Any other assets	1	0
Total Assets	4,548	5,609	
Liabilities	Total Reserves - Non-Life	2,505	3,466
	Other technical provisions	0	0
	Provisions other than technical provisions	0	0
	Pension benefit obligations	0	0
	Deposits from reinsurers	2	(1)
	Deferred tax liabilities	0	0
	Derivatives	6	20
	Debts owed to credit institutions	0	0
	Financial liabilities other than debts owed to credit institutions	118	120
	Insurance & intermediaries' payables	19	19
	Reinsurance payables	5	5
	Payables (trade, not insurance)	3	10
	Subordinated liabilities	110	116
	Any other liabilities	0	0
Total Liabilities	2,769	3,756	
Risk Bearing Capital	Total Assets - Total Liabilities	1,779	1,854
	Expected Dividend Payments	(150)	(100)
	Supplementary Capital	110	116
	Risk Bearing Capital	1,739	1,870

The Company's investments portfolio of EUR 2'751 million consists to a large extent of high quality fixed income securities and is largely stable compared to the previous year.

The gross technical provisions represent more than 90% of the total liabilities. The reinsurance recoverables account for 3% of the gross technical provisions.

The investments of SSAG are largely traded in deep and liquid markets and therefore booked mark to market or their prices are reproducible by generally accepted valuation models and therefore booked close-to-market.

The valuation of all other positions is based on models using observable market parameters wherever possible and unbiased, best-estimates for all other parameters. Those positions, predominantly obligations from insurance contracts, are therefore booked on a mark-to-model basis. The major assumption underlying the economic valuation of liabilities is related to the replacement of unearned premium reserves by their economic expected loss, the discounting of all future cash flows of premiums, losses and reserves using risk-free yield curves and to some extent also the consideration of reserve adequacy adjustments.

The total difference between excess of Total Assets over Total Liabilities in the Economic Balance Sheet of EUR 1'779 million and the statutory shareholders' equity amounts to EUR 499 million, of which EUR 113 million result from asset revaluations and EUR 385 million from revaluation of liabilities.

The impact of asset revaluations on the risk-bearing capital is driven by:

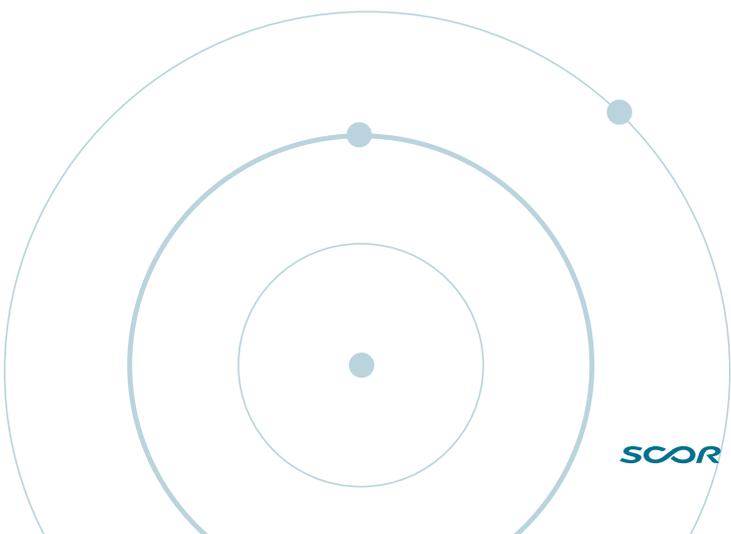
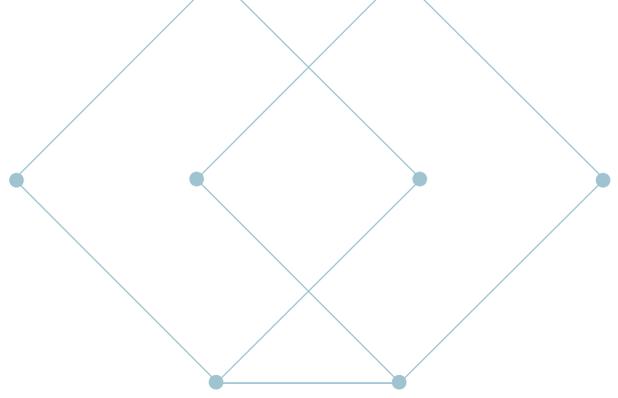
- Appreciation of economic valuation gains of the Company's assets including its participation, real estate and investment funds:
EUR 101 million
- Other asset revaluations (e.g. Loans, Receivables):
EUR 12 million

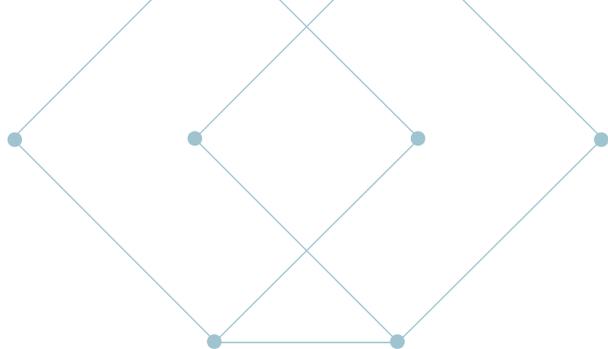
The liability valuation impact on the risk-bearing capital relates to:

- Valuation of unearned premium reserves being in line with their economic expected loss:
EUR 223 million
- Liability revaluations related to discounting and other economic risk valuation considerations:
EUR 163 million

All other valuations are identical between the Economic Balance Sheet and the statutory accounts.

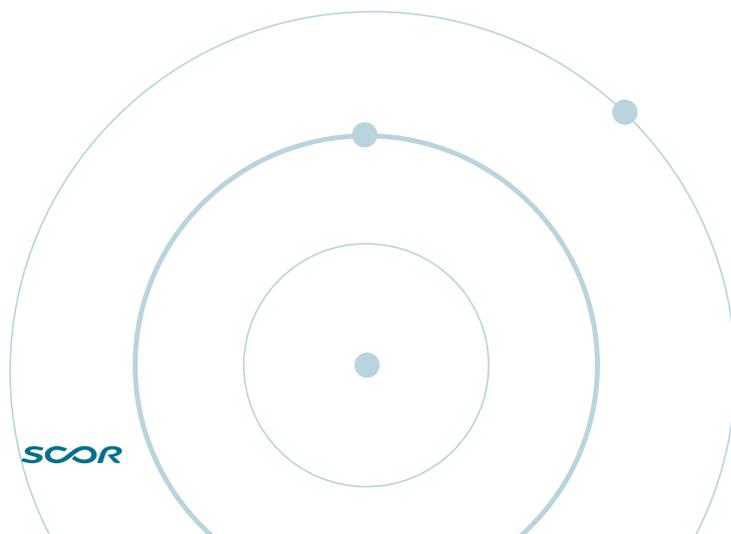
The Market Value Margin of EUR 84 million is defined via the Cost of Capital approach multiplying the total of the discounted risks that cannot be hedged otherwise on the market over the remaining runoff-years at risk with the cost of capital rate of 6%.





07

CAPITAL MANAGEMENT



CAPITAL MANAGEMENT

Capital management is at the core of the Company's strategy. The Company's goal is to manage its capital in order to maximize its profitability, while meeting its solvency target range, in line with its risk profile as defined by the Company's risk appetite and tolerances and its operating plan.

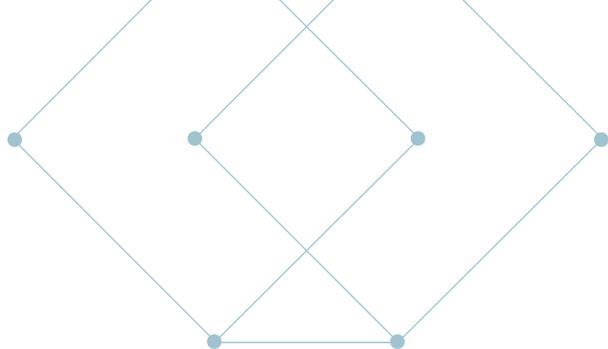
The capital planning is based on the financial operating plan. The Company also performs 3-years capital projections, considering IFRS and regulatory capital projections, in the context of the Own Risk and Solvency Assessment (ORSA).

Shareholders' Equity

The equity decreased in 2017 by EUR 68.2 million from EUR 1'348.5 million to EUR 1'280.3 million. The following table shows a detailed breakdown:

In EUR million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2016	332.8	446.8	166.4	402.4	1,348.5
Dividend paid to shareholders	-	-	-	(100.0)	(100.0)
Profit / (loss) of the year	-	-	-	31.8	31.8
Balance as of 31 December 2017	332.8	446.8	166.4	334.2	1,280.3

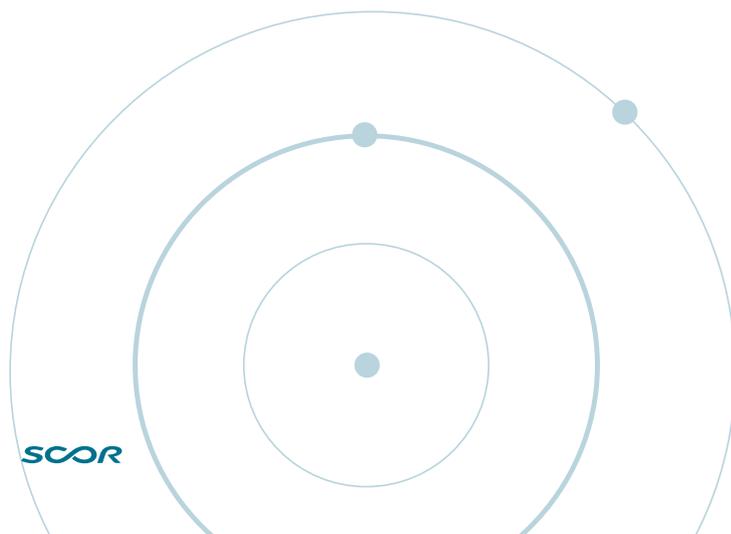
Valuation differences between the shareholders' equity position of EUR 1'280.3 million and the Economic Balance Sheet are explained in detail in Chapter 06 Valuation. In addition, SST risk-bearing capital allows for hybrid debt capacity and requires the estimation of expected dividend payments during 2018.



08

SOLVENCY

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SOLVENCY

8.1 INTERNAL MODEL

The Company uses its internal model to adequately assess the solvency capital requirement as of end of year 2017. The internal model is a stochastic model with a strong modular approach. Modelling the risk at the sources is one of the general principles which determined the architecture of the Company's internal model. Therefore, the Company's internal model framework consists of several sub-modules covering different risk categories: An economic scenario generator (ESG) generates scenarios for economic variables; modules for modelling Life and P&C insurance risks; a consolidation module which centrally aggregates data from the various sub-models, and which additionally models invested assets, credit and operational risk, and allows for further dependencies between the risks not taken into account in the sub-models, produces results at defined level of granularity, and eventually calculates the one-year change and market value margin.

The Company's internal model follows a full balance sheet approach where future cash flows from rights and obligations of the modelled entity are valued as positions in the modelled Economic Balance Sheet (EBS). Uncertainty is quantified by stochastically projecting the start year modelled EBS one year forward into the future. This projection allows for risks such as forecasted changes in the financial markets, losses and catastrophes, and dependencies between the different risk factors.

A stochastic distribution of the change in economic value over a one-year horizon is generated which is used for determining the solvency capital requirement and reporting of other risk quantities for the Company.

The necessity to use the internal model for the adequate quantification of the Company's risk is related to the complex risk structure the Company is exposed to: the portfolio comprises proportional, non-proportional and facultative reinsurance as well as Lloyd's Syndicates. The Company reinsures world-wide subsidiaries of SCOR Group thereby optimizing the diversification of the various portfolios. The Company owns SCOR Holding UK and a diverse spectrum of asset classes in various currencies, containing equities, bonds, and real estate investments.

As standard models do capture only in part the complexity of the Company's world-wide exposed diversified risk profile related to reinsurance, market, and credit risk, the use of the internal model is required for proper risk assessment and capital management.

In summary, the internal model values the various risks (including their dependencies) the Company is exposed to on an economic basis and received conditional approval by FINMA in 2013. The Company is in the process of re-application of its internal model for SST purposes in 2018.

8.2 TARGET CAPITAL

The results of the target capital year-on-year are displayed in the following table, including the market value margin and the one-year change, split by major risks:

Target Capital by Risk Category (in EUR million)		Diversified Capital	
		2018	2017
Property & Casualty	P&C Current Underwriting Year	287	331
	P&C Prior Year Business	89	94
	P&C Reserves	239	269
	P&C Total	615	693
Market	Participation & Investment Risk	21	23
	Interest & Currency Risk	3	-25
	Other	2	13
	Market Risk Total	26	11
Credit	Credit Risk	109	162
Scenarios	FINMA & Own Scenarios	17	15
	One-Year Change	767	882
Target Capital	Market Value Margin	84	87
	Target Capital	851	969

- Participation & Investment risk consists of risks stemming from investments in equities, real estate, and hedge funds.
- Other relates to other income & costs allocated to market risk.
- Credit risk includes credit spread risk, migration and default.
- FINMA & own scenarios contain capital requirements resulting from predefined scenarios by FINMA and the Company.

8.3 RISK-BEARING CAPITAL

The Risk-Bearing Capital and its major components are given below for SST 2018 and SST 2017:

Risk Bearing Capital (in EUR million)	EBS 2018	EBS 2017
Investments	2,751	2,849
Other Assets	1,797	2,760
Total Assets	4,548	5,609
Technical Provisions	2,505	3,466
Other Liabilities	264	290
Total Liabilities	2,769	3,756
Total Assets - Total Liabilities	1,779	1,854
Expected Dividend Payments	(150)	(100)
Supplementary Capital	110	116
Risk Bearing Capital	1,739	1,870

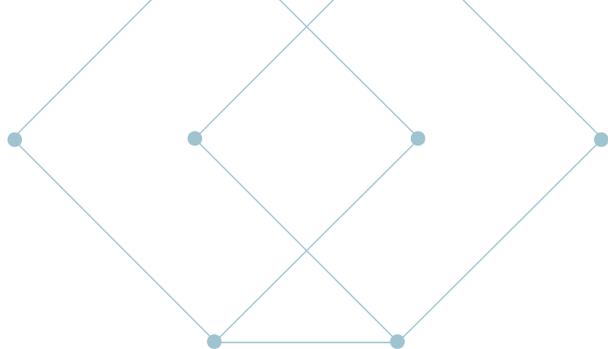
Around 60% of total assets are investments, the technical provisions account for more than 90% of the total liabilities. Further details the Economic Balance Sheet accounts and their valuation principles can be found under Chapter 06.

8.4 SOLVENCY RATIO

For SST 2018, the Company's solvency ratio stands at 216% which represents an increase of 14%-pts over the previous year.

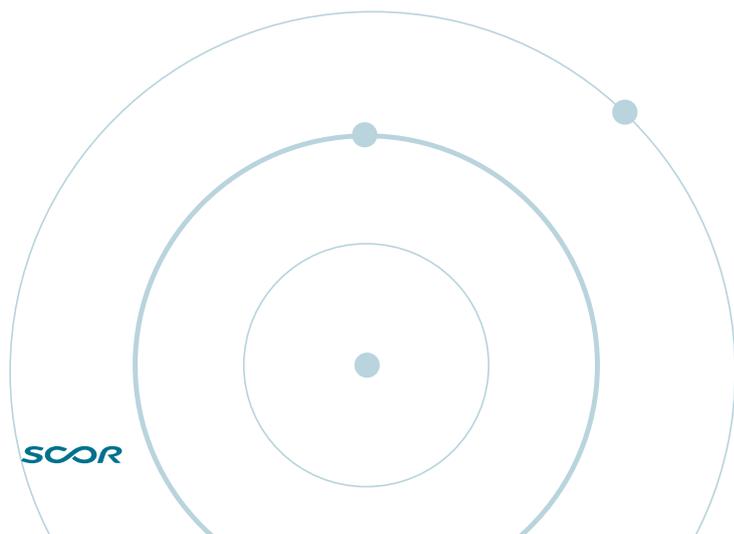
SST Results (in EUR million)	SST 2018	SST 2017
A. Risk Bearing Capital	1,739	1,870
B. Market Value Margin	84	87
C. One-Year Change	767	882
Solvency Ratio (A. - B.)/C.	216%	202%

- Overall, neither the assumed business nor the investment assets portfolio experienced material structural changes during the year.
- The disclosed figures have been submitted to FINMA in the context of the SST 2018 and are pending regulatory approval.



09

APPENDIX

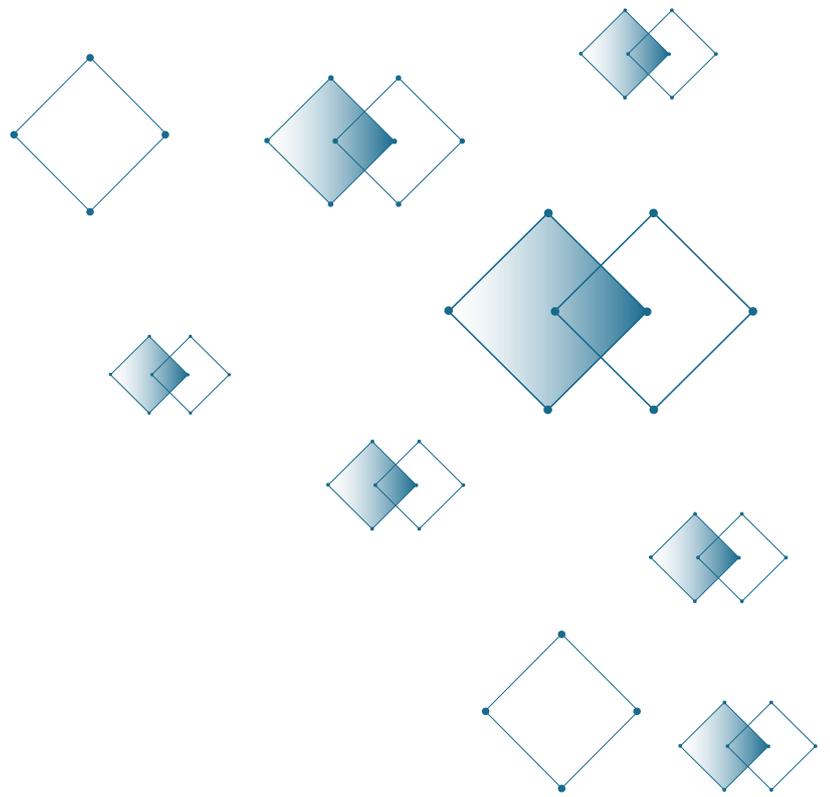


APPENDIX

Report of the Statutory Auditor to the General Meeting on
the Financial Statements as of 31 December 2017

Annual Report 2017

Quantitative templates

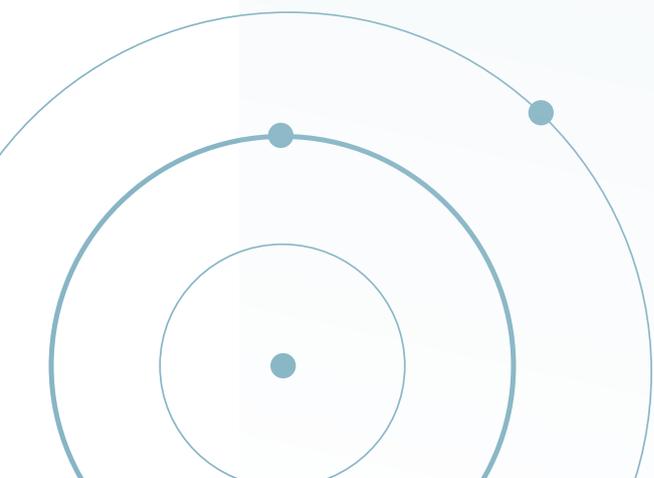
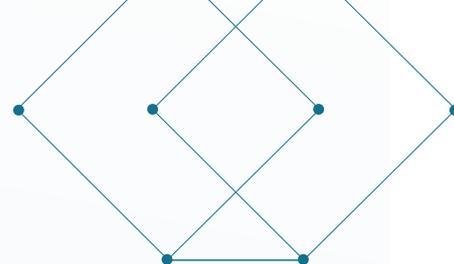


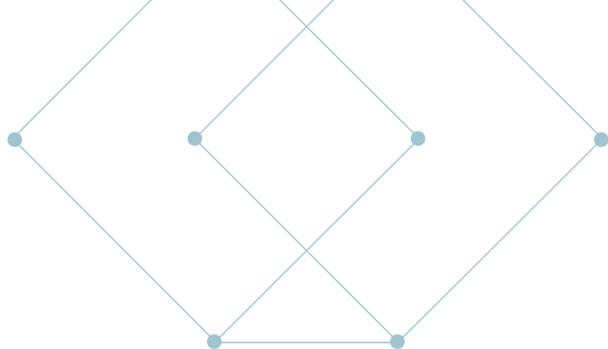
Annual Report 2017

SCOR SWITZERLAND AG

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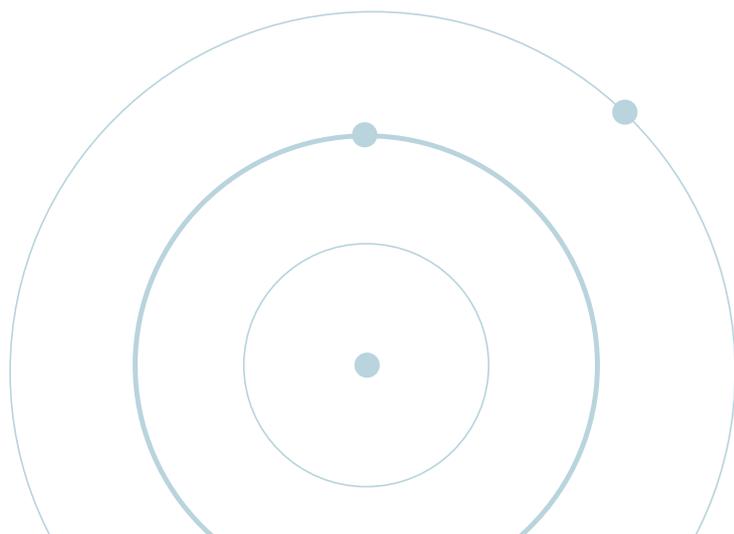




01

MANAGEMENT REPORT

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1.3	OTHER DISCLOSURES REQUIRED BY LAW	7



1.1 HISTORY AND BACKGROUND

SCOR Switzerland AG (hereinafter the “Company”) was officially incorporated in Zug on 19 June 2001 under the name of Converium AG with an initial share capital of CHF 10 million. It is now registered in Zurich with a share capital of CHF 400 million. The name change to SCOR Switzerland AG became effective on 21 September 2007 with the entry in the Register of Commerce and following the successful conclusion of the public tender offer of Converium Holding AG by the European reinsurer SCOR SE.

The Company is fully owned by SCOR Holding (Switzerland) AG and is part of the SCOR Group with headquarters in Paris, France.

The Company is the legal operating entity of the SCOR Group in Switzerland and operates in the Property & Casualty (P&C) reinsurance segment. It is subject to the supervision by the Swiss Financial Market Supervisory Authority (“FINMA”) pursuant to the Swiss Insurance Supervisory Act of 17 December 2004.

In 2009, SCOR Group has restructured certain of its markets. This was implemented by way of various portfolio transfers, which SCOR Switzerland AG agreed with SCOR Group entities to realign market responsibility within the P&C business. By decree dated 24 September 2010, FINMA approved the sale of SCOR Switzerland AG’s third party renewal rights for the P&C reinsurance business to SCOR Global P&C SE, Paris, Zurich Branch (SCOR P&C SE Zurich Branch) with effect from 1 January 2011. As of that date, the new risk carrier for new third party P&C reinsurance business is SCOR P&C SE Zurich Branch, whereas SCOR Switzerland AG currently carries on the run-off for the P&C business written prior to 1 January 2011. In addition, new internal quota share retrocession agreements have been set up between SCOR Switzerland AG and certain entities of the SCOR Group whereby reinsurance risks are ceded to the Company. The background for this operational measure was the harmonization and simplification of the risk-carrying structure within the SCOR Group.

As full-fledged subsidiary under FINMA’s supervision, SCOR Switzerland AG plays an important role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. The assumed underwriting business focus is on selected reinsurance and insurance risks, mostly mainstream risks covered in P&C. SCOR Switzerland is targeting a diversified portfolio in terms of business and geography covering various lines of business such as Property, Property Cat, Motor, Credit and Surety, Casualty, Engineering, Marine and Offshore and other smaller portfolios.

Under the framework of the introduction of the Hub concept at SCOR Group in 2010, all staff formerly employed directly by the Company as well as by other operating entities of the SCOR Group in Switzerland was transferred first to SCOR SE, Paris, Zurich Branch, and later, in 2011, to SCOR Services Switzerland AG as the service providing entity for all entities and branches of SCOR in Switzerland. Therefore, SCOR Services Switzerland AG concluded service agreements with the operating entities to make available personnel for the necessary service provision as determined in the service agreements. Consequently, SCOR Switzerland AG has no direct employees as of today.

On 19 December 2016, the extraordinary shareholders’ meeting approved the partial revision of the articles of incorporation of the Company, mainly arising from the changes in the Swiss accounting law.

1.2 RESULTS OF THE YEAR AND FINANCIAL SITUATION

The Company reports a profit in 2017 of EUR 31.8 million as compared to EUR 152.2 million in 2016.

Gross premium written in 2017 amounted to EUR 1'414.6 million, which represents a decrease of EUR 27.4 million or 1.9% over 2016. This decrease in premium is mainly driven by the movements in the foreign exchange rates. Almost all premium written by the Company in 2017 and 2016 was related to reinsurance business accepted from other entities of the SCOR Group. SCOR Switzerland AG is also a buyer of reinsurance to mitigate risk and to protect its capital. In 2017, it recorded ceded premium to reinsurers of EUR 37.1 million (2016 EUR 36.5 million).

The year 2017 was characterized by major natural catastrophes mainly in North America and the Caribbean. These include among others the hurricanes Harvey, Irma and Maria, the earthquake in Mexico and the wildfires in California. The Company experienced increased claims resulting from these events through its quota share business assumed from other SCOR entities. In addition, the revision of the Ogden discount rate in the UK which is used to calculate the lump sums to be paid in compensation for future losses or expenses following bodily injuries, had a negative impact on the Company's reserves in 2017.

In this context, the technical result recorded by the Company, which comprises technical income, claims expenses and technical expenses from reinsurance operations, resulted in a loss of EUR 35.1 million for the year 2017 compared to a gain of EUR 50.8 million in 2016.

Net income from investments amounts to EUR 101.1 million in 2017, a decrease of EUR 22.5 million compared to 2016. Last year, the Company received dividends from its participation SCOR Holding (UK) Ltd. of EUR 45.5 million, whereas the dividend from that same participation amounted to EUR 4.7 million in 2017. The Company could benefit from the worldwide increase in stock markets which resulted in an increase in unrealized gains on shares of EUR 65.4 million. The total net realized and unrealized gains on investments amounted to EUR 61.8 million in 2017 as compared to EUR 36.7 million in the previous year.

SCOR Switzerland AG follows a very prudent investment strategy. Investments in high quality fixed-income securities represent by far the highest exposure. Only smaller portions of the total investments under management are allocated to shares, loans or other investment classes. The total amount of assets under management of EUR 2.9 billion is largely stable compared to the previous year. The allocation to bonds has slightly decreased, whereas the investments in bond funds and loans and infrastructure funds has slightly increased.

The Company's shareholders' equity reached EUR 1'280.3 million at 31 December 2017, which represents a decrease of EUR 68.2 million after dividend payment of EUR 100.0 million compared to 2016. In addition, the Company was granted by its parent, SCOR Holding (Switzerland) AG, a perpetual subordinated loan over CHF 125 million which can be credited as upper supplementary capital in the context of the Swiss Solvency Test (SST).

The liquidity situation of the Company is very strong. As of 31 December 2017, it holds cash and cash equivalents of total EUR 116.7 million compared to EUR 222.6 million at the end of 2016. The decrease is mainly driven by the dividend payment as well as reinsurance technical payments. Additional liquidity can be generated if needed through sales of investments, which are characterized by a generally high liquidity.

The Board of Directors will propose to the Annual General Meeting a dividend for 2017 of CHF 179'791'500 equivalent to EUR 150 million.

1.3 OTHER DISCLOSURES REQUIRED BY LAW

1.3.1 FULL-TIME POSITIONS

All personnel of SCOR Switzerland AG is employed by SCOR Services Switzerland AG which makes available the personnel to SCOR Switzerland AG for the necessary service provision as determined in a service agreement concluded between SCOR Switzerland AG and SCOR Services Switzerland AG.

1.3.2 RISK ASSESSMENT

The continuous assessment and control of the risks is an important management objective. Several processes and tools for identifying and assessing risks have been implemented at SCOR Switzerland AG as well as at the level of SCOR Group to approach risk from different perspectives and to manage them in an exhaustive manner. Specifically tailored entity processes include:

- A risk information process: every quarter, the Executive Management and Board of Directors review the Risk Dashboard which describes and assesses the major risks the Company is exposed to. This report collates various risk assessments from different identification and assessment processes for all risk categories.
- A process for the monitoring of risk exposures against risk tolerances, i.e. the limits established in order to ensure that the Company's risk profile remains aligned with the risk appetite validated by the Board of Directors. Various risk measures are used 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.
- For risks, which arise from accounting and financial reporting, an additional annual risk assessment is performed by management. Processes with relevance for the reliability of financial reporting are identified within the Internal Control System and appropriate key controls are defined to mitigate the financial reporting risk.

Zurich, 19 April 2018

Denis Kessler
Chairman of the Board of Directors

Andreas Frank
Chief Financial Officer

1.3.3 ORDERS AND ASSIGNMENTS

Not applicable to the activity of the Company.

1.3.4 RESEARCH AND DEVELOPMENT

SCOR Switzerland AG has no activity related to research and development.

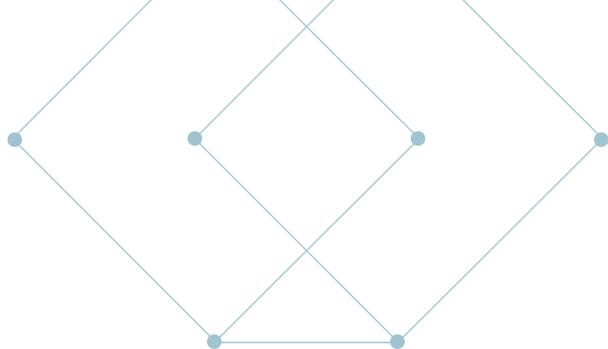
1.3.5 EXTRAORDINARY EVENTS

No extraordinary events have occurred during the reporting period.

1.3.6 FUTURE PROSPECTS

SCOR Switzerland AG plays and will continue to play an important role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. Whilst the business related to underwriting years prior to 2011 will continue to decline given the natural run-off of the portfolio, the business assumed by the Company via internal retrocession from other SCOR entities is expected to remain intact in the years to come.

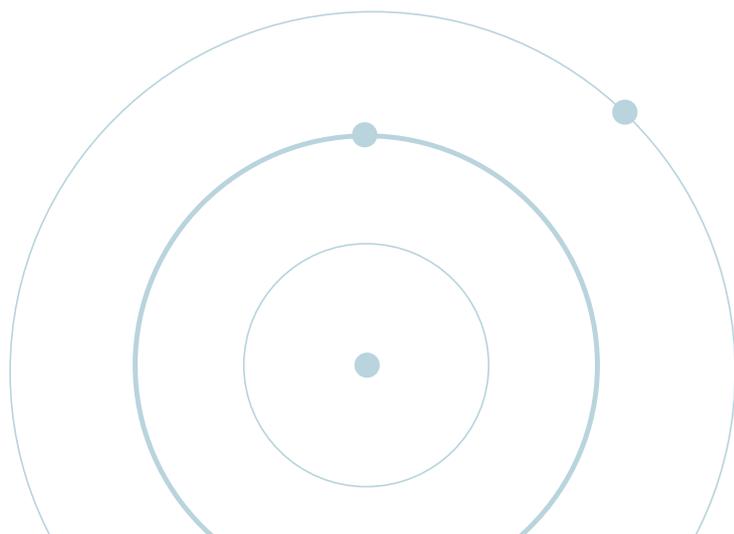
The portfolio of assumed reinsurance business from other entities of the SCOR Group as of 1 January 2018 is largely stable compared to the previous year both in terms of structure as well as in terms of expected premium volume.



02

CORPORATE GOVERNANCE

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2.1 BOARD OF DIRECTORS

Name	Nationality	Date appointed		Term expires
Denis Kessler (Chairman)	French	23 March 2009	Re-elected 4 May 2017	2018
Peter Eckert (Vice-Chairman)	Swiss	23 March 2009	Re-elected 4 May 2017	2018
Paolo De Martin	Italian	19 March 2008	Re-elected 4 May 2017	2018
Georges Chodron de Courcel	French	23 March 2009	Re-elected 4 May 2017	2018
Victor Peignet	French	23 March 2009	Re-elected 4 May 2017	2018
J. Friedrich Sauerländer	Swiss	23 March 2009	Re-elected 4 May 2017	2018
Jean-Claude Seys	French	23 March 2009	Re-elected 4 May 2017	2018
Frieder Knüpling	German	22 May 2013	Re-elected 4 May 2017	2018

2.2 MEMBERS OF THE BOARD OF DIRECTORS WHO STEPPED DOWN IN 2017

Name	Nationality	Date appointed	Date resigned
n.a.			

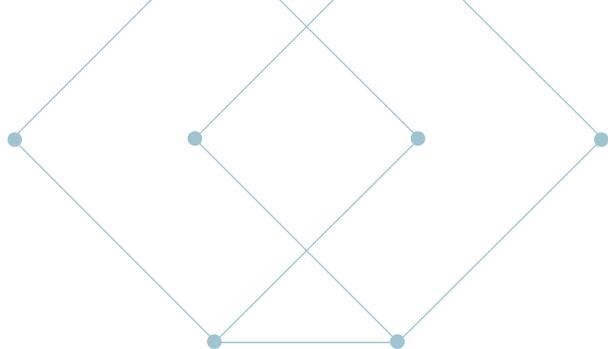
2.3 EXECUTIVE MANAGEMENT

Name	Nationality	Effective date of appointment
Benjamin Gentsch (Chief Executive Officer)*	Swiss	1 September 2007
Andreas Frank (Chief Financial Officer)	German	25 August 2011
Patrick Brunner (Chief Risk Officer)	Swiss	1 October 2014

* Benjamin Gentsch has stepped down from the position of Chief Executive Officer with effect as of 1 April 2018.

2.4 EXECUTIVES WHOSE TERM OF OFFICE ENDED IN 2017

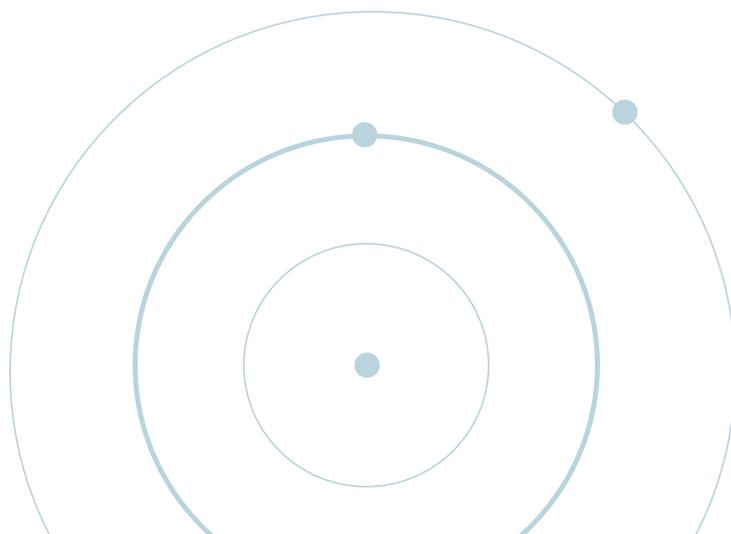
Name	Nationality	Effective date of appointment	End of term of office
n.a.			



03

FINANCIAL STATEMENTS

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3.1 BALANCE SHEET – ASSETS

As at 31 December	Note	2017 EUR	2016 EUR
1.1 Investments	1	2,821,393,511	2,913,131,373
1.1.2 Participations	2	86,974,918	86,974,918
1.1.3 Bonds		1,829,389,887	2,069,759,881
1.1.4 Loans	3	200,095,934	200,445,911
1.1.6 Shares	4	237,408,402	201,870,483
1.1.7 Other investments		467,524,370	354,080,180
1.3 Receivables from derivative financial instruments		14,475,363	16,643,750
1.4 Deposits from assumed reinsurance business		1,296,067,152	1,331,437,271
1.5 Cash and cash equivalents		116,654,815	222,551,325
1.6 Reinsurers' share of technical provisions	6	71,387,430	66,109,611
1.10 Insurance receivables	5	804,709,977	880,545,994
1.11 Other receivables	5	13,473,636	26,463,345
1.14 Accrued income and prepaid expenses	5	20,811,297	20,948,446
1.15 ASSETS		5,158,973,182	5,477,831,115

3.2 BALANCE SHEET – LIABILITIES AND EQUITY

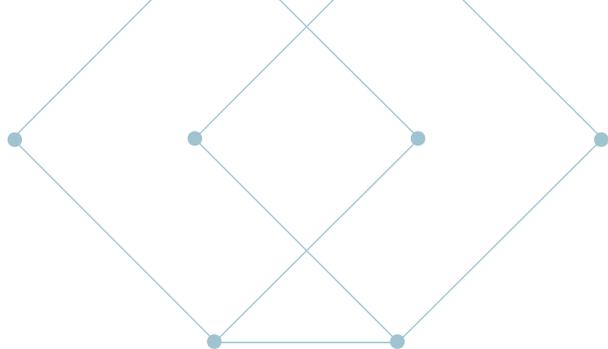
As at 31 December	Note	2017 EUR	2016 EUR
2.1 Technical provisions	6	3,615,195,139	3,839,613,142
2.1.1 Unearned premium reserves		589,976,364	608,404,901
2.1.2 Loss reserves		2,926,208,687	3,073,107,207
2.1.3 Claims reserves		92,849,736	152,164,672
2.1.4 Claim handling reserves		6,160,352	5,936,363
2.5 Liabilities from derivative financial instruments		6,143,434	20,257,805
2.6 Deposits from ceded business		120,031,023	119,095,196
2.7 Insurance liabilities	7	26,068,059	24,017,694
2.8 Other liabilities	7	3,446,029	973,619
2.9 Deferred income and accrued expenses	7	869,622	10,004,592
2.9.1 Taxes payable		-	9,060,006
2.9.2 Other accrued expenses		869,622	944,586
2.10 Subordinated liabilities	7,8	106,924,426	115,390,296
2.11 Liabilities		3,878,677,731	4,129,352,344
2.12 Share capital		332,836,852	332,836,852
2.13 Legal capital reserves		446,837,155	446,837,155
2.13.1 Additional paid-in capital		445,172,971	445,172,971
2.13.2 Organization fund		1,664,184	1,664,184
2.14 Legal retained earnings		166,418,426	166,418,426
2.15 Voluntary retained earnings		334,203,018	402,386,338
2.15.1 Profit / (loss) carried forward		302,386,338	250,158,614
2.15.2 Profit / (loss) of the year		31,816,680	152,227,725
2.17 Equity	9	1,280,295,451	1,348,478,771
2.18 LIABILITIES AND EQUITY		5,158,973,182	5,477,831,115

3.3 INCOME STATEMENT

For the year ended 31 December		Note	2017 EUR	2016 EUR
1.	Gross written premium		1,414,593,688	1,441,966,612
2.	Ceded premium to reinsurers		(37,145,731)	(36,516,689)
3.	Net premium written (1 + 2)		1,377,447,957	1,405,449,923
4.	Change in unearned premium reserves		(11,897,618)	(56,686,741)
5.	Change in reinsurers' share of unearned premium reserves		1,145,239	-
6.	Net premium earned (3 + 4 + 5)		1,366,695,578	1,348,763,182
7.	Other technical income	10	26,007,087	22,114,290
8.	TECHNICAL INCOME (6 + 7)		1,392,702,665	1,370,877,472
9.	Gross claims and claim expenses paid		(815,252,936)	(817,730,678)
10.	Reinsurers' share of claims and claims expenses		7,945,636	7,938,580
11.	Change in technical provisions	11	(102,459,901)	94,165,337
12.	Change in reinsurers' share of technical provisions	11	9,767,737	(17,674,663)
14.	NET CLAIMS AND CLAIM EXPENSES INCURRED (9 to 12)		(899,999,463)	(733,301,424)
15.	Acquisition costs and administrative expenses		(472,882,403)	(518,554,523)
15.1	Commission on earned premium		(451,827,447)	(503,672,505)
15.2	Other administration expenses	12, 13, 14	(21,054,956)	(14,882,018)
16.	Reinsurers' share of acquisition + administration expenses		20,521	31,502
17.	Net acquisition costs + administrative expenses (15 + 16)		(472,861,882)	(518,523,021)
18.	Other technical expenses	15	(54,923,076)	(68,255,768)
19.	TECHNICAL EXPENSES (14 + 17 + 18)		(1,427,784,422)	(1,320,080,212)
20.	Investment income	16	121,409,753	144,795,857
21.	Investment expenses	17	(20,297,416)	(21,220,377)
22.	NET INVESTMENT INCOME (20 + 21)		101,112,338	123,575,480
24.	Other financial income	18	-	14,168,534
25.	Other financial expenses	18	(19,074,200)	(3,596,848)
26.	OPERATING INCOME (8 + 19 + 22 + 24 + 25)		46,956,380	184,944,427
27.	Interest expenses from interest-bearing liabilities		(3,807,839)	(3,865,247)
28.	Other income		1,547,300	-
29.	Other expenses	19	(2,857,370)	(3,014,145)
31.	PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)		41,838,471	178,065,035
32.	Income taxes		(10,021,792)	(25,837,310)
33.	PROFIT / (LOSS) (31 + 32)		31,816,680	152,227,725

3.4 CASH FLOW STATEMENT

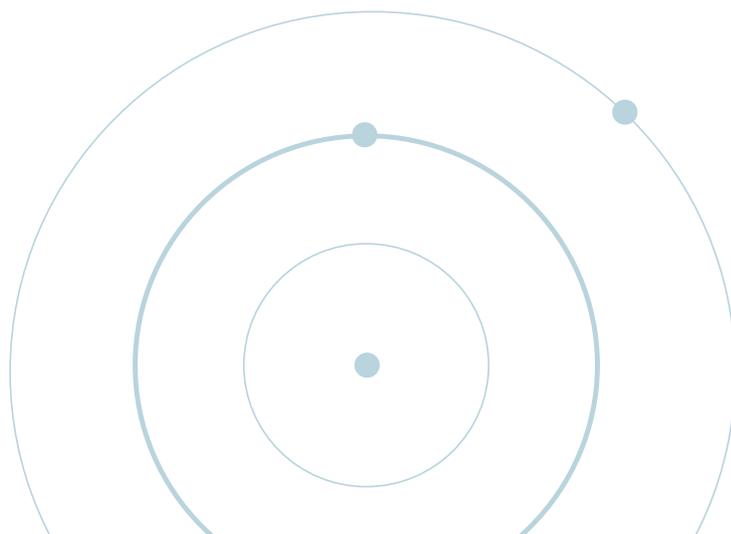
For the year ended 31 December	2017 EUR	2016 EUR
NET INCOME	31,816,680	152,227,725
Realized gains and losses on investment disposals	4,599,059	25,756,183
Change in amortization, accruals and impairments	4,597,531	2,966,860
Net increase in technical liabilities	48,104,488	39,331,603
Change in fair value of financial instruments	(11,945,984)	(23,745,719)
Other non-cash items included in operating results	(93,412,128)	(51,015,151)
NET CASH FLOWS PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	(16,240,354)	145,521,501
Change in accounts receivables, payables and deposits	(19,866,958)	109,065,121
Cash flows from other assets and liabilities	515,551	181,131
Change in taxes receivables and payables	(11,280,546)	4,718,681
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	(46,872,306)	259,486,434
Acquisitions of investments	(860,124,297)	(1,256,575,352)
Disposal of investments	913,833,423	1,146,973,435
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	53,709,126	(109,601,917)
Dividends paid	(100,000,000)	(100,000,000)
Interest paid on financial debts	(5,850,375)	(6,162,663)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(105,850,375)	(106,162,663)
Effect of exchange rate variations	(6,882,954)	(4,860,489)
TOTAL CASH FLOW	(91,801,894)	38,861,365
CASH AND CASH EQUIVALENTS AT 1 JANUARY	222,551,325	183,689,960
Net cash flow provided by / (used in) operating activities	(46,872,306)	259,486,434
Net cash flow provided by / (used in) investing activities	53,709,126	(109,601,917)
Net cash flow provided by / (used in) financing activities	(105,850,375)	(106,162,663)
Effect of exchange rate variations	(6,882,954)	(4,860,489)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	116,654,815	222,551,325



04

NOTES

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4.1 APPLIED PRINCIPLES

4.1.1 FINANCIAL REPORTING STANDARDS

The annual financial statements of SCOR Switzerland AG have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Title 32, Art. 957 – 962a CO).

In addition, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5 – 6a AVO-FINMA, applicable as of 15 December 2015) have been applied.

4.1.2 FOREIGN CURRENCY REVALUATION AND TRANSLATION

The functional currency of the Company is EUR since 1 January 2010. Therefore, the annual financial statements are prepared in EUR. The foreign currency items in the balance sheet were revaluated from the respective document currency to the functional currency EUR at the closing date exchange rates, and those in the statement of income at the average exchange rates for each individual quarter. Realized and unrealized FX gains or losses out of the revaluation are recognized through the income statement.

Any eventual unrealized FX gains out of long-term positions (e.g. loans) have not been considered in the income statement.

In accordance with Art. 958d CO, the Company has chosen to present its annual financial statements since 2015 in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The following table provides an overview of the main currencies and their exchange rates against the Euro:

Exchange rates	Balance sheet 2017	Balance sheet 2016	Statement of income 2017	Statement of income 2016
British Pound	1.13449	1.18412	1.14282	1.22438
Swiss Franc	0.85540	0.92312	0.90166	0.91621
US Dollar	0.84232	0.92911	0.88905	0.90259

4.1.3 VALUATION PRINCIPLES

PARTICIPATIONS

Participations are held on a long-term basis for the purpose of safeguarding business activities. They are carried at cost less impairment, if any.

INVESTMENTS

Fixed income securities are valued at amortized cost less impairment, if any.

Shares are valued at market value.

Loans are valued at their nominal value less impairment, if any.

Other investments are valued at cost less impairment, if any.

ACQUISITION COSTS

Acquisition costs for non-life business are directly expensed in the year of contract inception.

TECHNICAL PROVISIONS

Technical provisions represent obligations due to insured parties. They are calculated based on the corresponding business plans agreed with the regulator.

DEPOSITS FROM ASSUMED AND CEDED REINSURANCE

Deposits from assumed and ceded reinsurance comprise funds withheld and Non-Risk Transfer contracts (in asset and in liability).

Funds held under reinsurance contracts mainly include cash deposits withheld from cedents, which are stated at redemption value.

Contracts that do not meet risk transfer requirements are accounted for as deposit assets. The deposits represent discounted contracts and are adjusted for payments received and made, as well as for amortization and accretion of interest.

4.2 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON BALANCE SHEET ITEMS

4.2.1 NOTE 1 - INVESTED ASSETS

The table below provides an overview of the total invested assets for the respective year ended 31 December, as well as a breakdown of the category "Other investments".

Invested assets In EUR million	Book value	
	2017	2016
1.1 Investments	2,821.4	2,913.1
1.1.2 Participations	87.0	87.0
1.1.3 Bonds	1,829.4	2,069.8
1.1.4 Loans	200.1	200.4
1.1.6 Shares	237.4	201.9
1.1.7 Other investments	467.5	354.1
Real estate funds	61.3	68.8
Share funds	1.5	1.5
Bond funds	204.7	146.5
Loans and infrastructure funds	149.1	96.6
Hedge funds	13.8	13.7
Single private equity funds	37.1	27.0
TOTAL INVESTED ASSETS	2,821.4	2,913.1

4.2.2 NOTE 2 - PARTICIPATIONS

The below table shows the participations as at year end 31 December:

Company	Domicile	2017			2016		
		Capital	Share in voting rights (in %)	Book value (in thousands of EUR)	Capital	Share in voting rights (in %)	Book value (in thousands of EUR)
SCOR Holding (UK) Ltd.	London	GBP 101	100	86,975	GBP 101	100	86,975
PARTICIPATIONS				86,975			86,975

The share in voting rights is equal to the share in capital.

4.2.3 NOTE 3 - LOANS

As of 31 December 2017, outstanding loans for a total amount of EUR 200.1 million (2016 EUR 200.4 million) were related to other SCOR group entities:

- EUR 188.8 million (2016 EUR 188.8 million) granted to SCOR Holding (Switzerland) AG
- SGD 18.0 million (2016 SGD 18.0 million) granted to SCOR Realty Singapore PTE Ltd.

4.2.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2017 SCOR Switzerland AG held investments that have an observable market price and which are valued at the market price for a total amount of EUR 237.4 million as compared to EUR 201.9 million one year earlier. No other assets were booked at market value.

4.2.5 NOTE 5 - RECEIVABLES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Receivables In EUR million	as at 31 December 2017					as at 31 December 2016				
	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
1.10 Insurance receivables	21.1	20.9	-	762.7	804.7	19.8	0.0	-	860.7	880.5
1.10.1 Receivables from reinsureds	20.2	20.5	-	762.7	803.4	18.0	0.0	-	860.7	878.7
1.10.2 Receivables from retrocessionaires	0.9	0.4	-	-	1.3	1.8	0.0	-	-	1.8
1.11 Other receivables	13.5	-	-	0.0	13.5	6.7	-	-	19.8	26.5
1.14 Accrued income	19.6	1.2	-	0.0	20.8	19.7	1.2	-	0.0	20.9
TOTAL RECEIVABLES	54.2	22.1	-	762.7	839.0	46.2	1.2	-	880.5	927.9

Total insurance receivables of EUR 804.7 million as per 31.12.2017 (2016 EUR 880.5 million) include receivables from reinsureds (related to assumed reinsurance business) of EUR 803.4 million (2016 EUR 878.7 million) and receivables from retrocessionaires (related to ceded reinsurance) of EUR 1.3 million (2016 EUR 1.8 million).

4.2.6 NOTE 6 - TECHNICAL PROVISIONS

Technical provisions as at December 31 In EUR million	2017			2016		
	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium	590.0	-	590.0	608.4	-	608.4
Provisions for insurance liabilities	3,025.2	(71.4)	2,953.8	3,231.2	(66.1)	3,165.1
TOTAL	3,615.2	(71.4)	3,543.8	3,839.6	(66.1)	3,773.5

4.2.7 NOTE 7 - LIABILITIES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Liabilities In EUR million	as at 31 December 2017					as at 31 December 2016				
	Third	Parti- cipants	Parti- cipations	Other SCOR group entities	Total	Third	Parti- cipants	Parti- cipations	Other SCOR group entities	Total
2.7 Insurance liabilities	5.2	0.5	-	20.3	26.1	6.6	1.0	-	16.4	24.0
2.7.1 Liabilities to reinsureds	3.7	0.0	-	20.3	24.0	4.0	0.0	-	16.4	20.4
2.7.2 Liabilities to retrocessionaires	1.5	0.5	-	(0.0)	2.1	2.6	1.0	-	(0.0)	3.6
2.8 Other liabilities	0.1	0.3	-	3.0	3.4	0.2	0.8	-	-	1.0
2.9 Deferred income and accrued expenses	0.2	0.7	-	-	0.9	9.2	0.8	-	-	10.0
2.10 Subordinated liabilities	-	106.9	-	-	106.9	-	115.4	-	-	115.4
TOTAL LIABILITIES	5.5	108.5	-	23.3	137.3	16.0	118.0	-	16.4	150.4

Total insurance liabilities of EUR 26.1 million as per 31 December 2017 (2016 EUR 24.0 million) include liabilities to reinsureds (related to assumed reinsurance business) of EUR 24.0 million (2016 EUR 20.4 million) and liabilities to retrocessionaires (related to ceded reinsurance) of EUR 2.1 million (2016 EUR 3.6 million).

4.2.8 NOTE 8 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million (EUR 106.9 million) to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020.

By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

4.2.9 NOTE 9 - EQUITY

The equity decreased in 2017 by EUR 68.2 million from EUR 1'348.5 million to EUR 1'280.3 million. The decrease is attributable to the dividend payment of EUR 100.0 million approved at the Company's Annual General Meeting of

4 May 2017 based on the available earnings of 2016, only partially offset by the net income of the period of EUR 31.8 million.

In EUR million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2016	332.8	446.8	166.4	402.4	1,348.5
Dividend paid to shareholders	-	-	-	(100.0)	(100.0)
Profit / (loss) of the year	-	-	-	31.8	31.8
Balance as of 31 December 2017	332.8	446.8	166.4	334.2	1,280.3

4.3 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON INCOME STATEMENT ITEMS

4.3.1 NOTE 10 - OTHER TECHNICAL INCOME

Other technical income includes mainly interest received on deposits and funds held by reinsureds as well as income related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.2 NOTE 11 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as at December 31	2017			2016		
	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
In EUR million						
Change in provisions for insurance liabilities	(102.5)	9.8	(92.7)	94.2	(17.7)	76.5
TOTAL	(102.5)	9.8	(92.7)	94.2	(17.7)	76.5

The change in technical provisions amounts to EUR -92.7 million net of retrocession in 2017 as compared to EUR 76.5 million in 2016. The negative development in 2017 is mainly impacted by the various natural catastrophic events occurred during the second half of the year as well as the Ogden discount rate adjustment used in the UK market, whereas the year 2016 was driven by a positive development of the run-off business and the absence of major loss events.

4.3.3 NOTE 12 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to EUR 21.1 million in 2017 as compared to EUR 14.9 million in 2016. The deviation is mostly driven by a true-up effect on the expenses allocated from SCOR Services Switzerland AG for the fiscal year 2015 booked in 2016 (income of EUR 6.8 million).

4.3.4 NOTE 13 - AUDITOR'S FEES

In 2017, SCOR Switzerland AG paid EUR 251 thousand for audit services as compared to EUR 239 thousand in the previous year. No fees were paid to the statutory audit firm for other services neither in 2017 nor in 2016.

4.3.5 NOTE 14 - DEPRECIATION AND AMORTIZATION

All tangible and intangible assets held directly by the Company are fully amortized. Depreciation and amortization included in the 2017 and 2016 income statement amounts to zero.

4.3.6 NOTE 15 - OTHER TECHNICAL EXPENSES

Other technical expenses of total EUR 54.9 million in 2017 (2016 EUR 68.3 million) comprise mainly expenses related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.7 NOTE 16 - INVESTMENT INCOME

Investment income as per	2017				2016			
	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
In EUR million								
Participations	4.7	-	-	4.7	45.5	-	-	45.5
Bonds	27.9	11.4	-	39.3	27.9	19.8	-	47.7
Loans	5.2	-	-	5.2	5.2	-	-	5.2
Shares	0.8	0.4	65.4	66.6	0.7	2.1	30.6	33.4
Other investments	3.4	2.2	-	5.6	9.7	0.9	2.4	13.0
INVESTMENT INCOME	42.0	14.0	65.4	121.4	89.0	22.8	33.0	144.8

4.3.8 NOTE 17 - INVESTMENT EXPENSES

Investment expenses as per	2017				2016			
	Investment expenses	Realised losses	Unrealised losses	Total	Investment expenses	Realised losses	Unrealised losses	Total
In EUR million								
Participations	-	-	-	-	-	-	-	-
Bonds	(2.4)	(4.0)	-	(6.4)	(2.0)	(1.0)	-	(3.0)
Loans	-	-	-	-	-	-	-	-
Shares	(0.3)	(1.1)	(7.7)	(9.1)	(0.1)	(2.2)	(10.5)	(12.8)
Other investments	-	(0.1)	(4.7)	(4.8)	-	-	(5.4)	(5.4)
INVESTMENT EXPENSES	(2.7)	(5.2)	(12.4)	(20.3)	(2.1)	(3.2)	(15.9)	(21.2)

4.3.9 NOTE 18 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2017, other financial expenses of EUR -19.1 million consist of the negative result from foreign exchange of net EUR -14.1 million and in addition financial charges of EUR -5.0 million, which mainly relate to LOC and bank fees. In 2016 the positive net result from foreign exchange of EUR 14.4 million was included in other financial income of total EUR 14.2 million together with (negative) interests on cash and cash equivalents of EUR -0.2 million whereas other financial expenses of EUR -3.6 million solely comprised financial charges.

The following table shows a breakdown of the result from foreign exchange included in other financial income and expenses:

As at 31 December	2017 EUR	2016 EUR
FX result from technical items	64,435,482	113,496,748
Realized technical FX gain / (loss)	(46,262)	(34,940)
Unrealized technical FX gain / (loss)	64,481,744	113,531,688
FX result from investments	(89,856,470)	(110,868,933)
Realized investment FX gain / (loss)	(20,258,057)	(47,542,706)
Unrealized investment FX gain / (loss)	(69,598,413)	(63,326,227)
FX result from other items	739,245	(3,874,012)
Realized other FX gain / (loss)	139,504	(535,398)
Unrealized other FX gain / (loss)	599,741	(3,338,614)
FX RESULT BEFORE HEDGING	(24,681,743)	(1,246,197)
FX result from forward contracts on foreign currencies	10,601,821	15,672,930
Realized FX gain / (loss) from forward contracts	(1,344,163)	(8,072,789)
Unrealized FX gain / (loss) from forward contracts	11,945,984	23,745,719
FX RESULT AFTER HEDGING	(14,079,922)	14,426,733

4.3.10 NOTE 19 - OTHER EXPENSES

SCOR Switzerland AG's financial strength is guaranteed by a parental guarantee issued by SCOR SE. The cost born by SCOR Switzerland AG for this guarantee amounted to EUR 2.9 million in 2017 and to EUR 3.0 million in 2016.

4.4 OTHER NOTES TO THE FINANCIAL STATEMENTS

4.4.1 NOTE 20 - COMPANY NAME AND LOCATION

SCOR Switzerland AG, General Guisan-Quai 26, 8002 Zurich, Switzerland.

4.4.2 NOTE 21 - DECLARATION OF FULL-TIME POSITIONS

The number of the annual average full-time positions was less than 10 in the years 2017 and 2016.

SCOR Switzerland AG has no own employees. All personnel of the SCOR Group in Switzerland is employed by SCOR Services Switzerland AG as the service provider and costs are recharged through Service Level Agreements to the various SCOR entities and branches including SCOR Switzerland AG.

4.4.3 NOTE 22 - LONG-TERM LEASING CONTRACTS

As of 1 January 2012, the building at General Guisan-Quai 26 in Zurich is leased by SCOR Switzerland AG together with SCOR Services Switzerland AG. The lease for the building is a fixed-term agreement until 31 December 2021. The rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the rental period up to 2021, total expenses of EUR 34.6 million are expected. The annual expenses of EUR 8.6 million will be charged directly to SCOR Services Switzerland AG to the statement of income of the respective fiscal year.

4.4.4 NOTE 23 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2017, the total volume of outstanding letters of credit amounted to EUR 636.1 million (2016 EUR 646.8 million):

- EUR 288.6 million (2016 EUR 335.4 million) issued by Citi Bank
- EUR 278.4 million (2016 EUR 254.3 million) issued by Bayern LB
- EUR 44.4 million (2016 EUR 45.3 million) issued by BNP Paribas
- EUR 7.6 million (2016 EUR 9.8 million) issued by Deutsche Bank, Luxembourg Branch
- EUR 1.9 million (2016 EUR 2.0 million) issued by Credit Suisse
- EUR 12.1 million (2016 EUR 0.0 million) issued by Natixis
- EUR 3.1 million (2016 EUR 0.0 million) issued by Commerzbank

Depending on the type of credit facility, banks providing such facilities may ask SCOR Switzerland AG to post collateral.

4.4.5 NOTE 24 - PLEDGED ASSETS

As of 31 December 2017, SCOR Switzerland AG held investments for an amount of EUR 695.7 million (2016 EUR 1'159.8 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under Investments but are not available to the Company as liquid free assets.

The following amounts of assets were pledged as of 31 December 2017:

- EUR 436.9 million (2016 EUR 776.6 million) as collateral for outstanding letters of credit
- EUR 245.8 million (2016 EUR 368.9 million) to support the Company's internal reinsurance transactions
- EUR 13.0 million (2016 EUR 14.3 million) as deposits with cedents

4.4.6 NOTE 25 - RELATED-PARTY TRANSACTIONS

As part of the SCOR Group the Company has entered into various transactions with related parties. These include mainly group internal retrocession agreements assumed from and ceded to other SCOR entities.

In addition, SCOR Switzerland AG entered into various non-technical agreements with other SCOR Group entities, such as the Service Level Agreement with SCOR Services Switzerland AG, Investment Management Agreement and Parental Guarantee with SCOR SE, Paris and the Master Service Agreement regarding the Group and Divisional cost recharging with various entities of the SCOR Group.

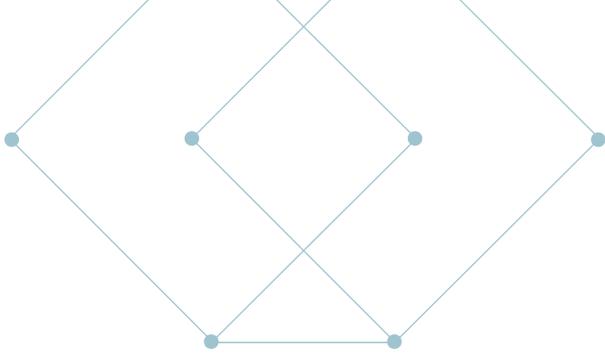
The Company has an outstanding loan provided to SCOR Holding (Switzerland) AG over EUR 188.8 million. Besides, the latter granted SCOR Switzerland AG a hybrid loan for an amount of CHF 125 million by way of a perpetual subordinated loan agreement with drawdown date 18 December 2014.

In 2017, the Company received a dividend of GBP 4.1 million (EUR 4.7 million) from its participation SCOR Holding (UK) Ltd. The dividend received from that participation in 2016 amounted to GBP 37.7 million (EUR 45.5 million).

SCOR Switzerland AG distributed a dividend of EUR 100.0 million (CHF 108.3 million) to its shareholder SCOR Holding (Switzerland) AG on 4 May 2017. The dividend paid in the year 2016 amounted to EUR 100.0 million (CHF 109.8 million).

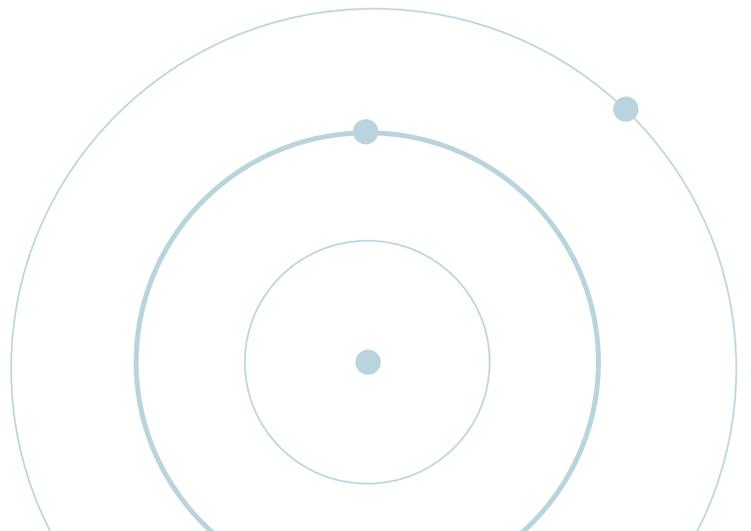
4.4.7 NOTE 26 - SIGNIFICANT EVENTS AFTER CLOSING DATE

No significant events have occurred after the closing date.



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PROPOSED APPROPRIATION OF AVAILABLE EARNINGS



The Board of Directors proposes to the Annual General Meeting to approve a dividend payment of CHF 179'791'500, equivalent to EUR 150 million calculated to SCOR's internal daily rate of 19 April 2018, payable before 31 December 2018 to SCOR Holding (Switzerland) AG. The dividend shall be paid in CHF.

Appropriation of retained earnings In EUR	2017 (proposed)
Retained earnings carried forward from the previous year	302,386,338
Profit / (loss) for the financial year	31,816,680
Available retained earnings	334,203,018
Dividend proposed	(150,000,000)
RETAINED EARNINGS CARRIED FORWARD	184,203,018

Appropriation of retained earnings In CHF	2017 (proposed)
Retained earnings carried forward from the previous year	361,841,175
Profit / (loss) for the financial year	35,286,925
Profit / (loss) carried forward - translation difference	(37,403,127)
Available retained earnings	359,724,972
Dividend proposed	(179,791,500)
RETAINED EARNINGS CARRIED FORWARD	179,933,472

A contribution to legal retained reserves was not put into effect because the legal retained and capital reserves already exceed 50% of the share capital.

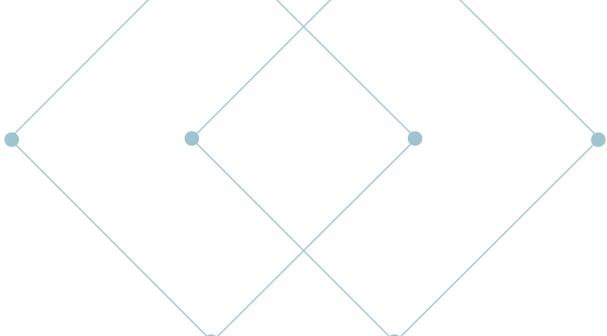
Zurich, 19 April 2018



Denis Kessler
Chairman of the Board of Directors



Andreas Frank
Chief Financial Officer



06

APPENDIX – FINANCIAL STATEMENTS IN CHF

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6.1 TRANSLATION

In accordance with the new accounting law, the Company has chosen to present its annual financial statements from 2015 onwards in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The method of translation from the functional and presentation currency EUR to the national currency CHF is as follows:

The balance sheet is translated with the closing rate (in 2017: EUR 0.85540 / CHF or CHF 1.16905 / EUR) except for the positions of the equity (without result of the year

and results carried forward), which are translated using the historical value of CHF 1.20179 / EUR. The difference between the translation and the historical values is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The figures in the income statement are translated from the functional currency EUR into national currency CHF with an average rate (in 2017: EUR 0.90166 / CHF or CHF 1.10907 / EUR). The difference between balance sheet and income statement translation is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The total translation difference transferred into retained earnings in the CHF balance sheet is composed as follows:

Translation difference 31.12.2017	EUR million	Exchange rate	CHF million
Equity excl. Profit of the year and retained earnings as at 31.12.2017 @ closing rate 2017	946.1	1.16905	1,106.0
- Equity excl. Profit of the year and retained earnings as at 31.12.2017 @ historical rate	(946.1)	1.20179	(1,137.0)
Profit / (loss) carried forward 31.12.2017 @ closing rate 2017	302.4	1.16905	353.5
- Profit / (loss) carried forward 31.12.2017 @ effective rate (2015-2017)	(302.4)	1.19662	(361.9)
Profit 2017, translated @ closing rate 2017	31.8	1.16905	37.2
- Profit 2017, translated @ average rate 2017	(31.8)	1.10907	(35.3)
Total translation difference	-		(37.4)

6.2 BALANCE SHEET – ASSETS – TRANSLATED INTO CHF

As at 31 December	Note	2017 CHF	2016 CHF
1.1 Investments	1	3,298,350,084	3,155,736,953
1.1.2 Participations	2	101,678,028	94,218,189
1.1.3 Bonds		2,138,648,247	2,242,129,484
1.1.4 Loans	3	233,922,152	217,139,046
1.1.6 Shares	4	277,542,292	218,682,257
1.1.7 Other investments		546,559,365	383,567,978
1.3 Receivables from derivative financial instruments		16,922,424	18,029,842
1.4 Deposits from assumed reinsurance business		1,515,167,304	1,442,319,367
1.5 Cash and cash equivalents		136,375,312	241,085,399
1.6 Reinsurers' share of technical provisions	6	83,455,476	71,615,220
1.10 Insurance receivables	5	940,746,199	953,877,865
1.11 Other receivables	5	15,751,354	28,667,212
1.14 Accrued income and prepaid expenses	5	24,329,447	22,693,033
1.15 ASSETS		6,031,097,598	5,934,024,890

6.3 BALANCE SHEET – LIABILITIES AND EQUITY – TRANSLATED INTO CHF

As at 31 December	Note	2017 CHF	2016 CHF
2.1 Technical provisions	6	4,226,343,877	4,159,376,125
2.1.1 Unearned premium reserves		689,711,869	659,072,861
2.1.2 Loss reserves		3,420,884,266	3,329,035,575
2.1.3 Claims reserves		108,545,983	164,836,946
2.1.4 Claim handling reserves		7,201,760	6,430,743
2.5 Liabilities from derivative financial instruments		7,181,982	21,944,875
2.6 Deposits from ceded business		140,322,268	129,013,444
2.7 Insurance liabilities	7	30,474,864	26,017,888
2.8 Other liabilities	7	4,028,580	1,054,702
2.9 Deferred income and accrued expenses	7	1,016,631	10,837,774
2.9.1 Taxes payable		-	9,814,523
2.9.2 Other accrued expenses		1,016,631	1,023,251
2.10 Subordinated liabilities	7,8	125,000,000	125,000,000
2.11 Liabilities		4,534,368,202	4,473,244,807
2.12 Share capital		400,000,000	400,000,000
2.13 Legal capital reserves		537,004,424	537,004,424
2.13.1 Additional paid-in capital		535,004,424	535,004,424
2.13.2 Organization fund		2,000,000	2,000,000
2.14 Legal retained earnings		200,000,000	200,000,000
2.15 Voluntary retained earnings		359,724,972	323,775,659
2.15.1 Profit / (loss) carried forward		361,841,174	303,997,702
2.15.2 Profit / (loss) of the year		35,286,925	166,150,472
2.15.3 Profit / (loss) carried forward - translation difference		(37,403,127)	(146,372,515)
2.17 Equity	9	1,496,729,396	1,460,780,083
2.18 LIABILITIES AND EQUITY		6,031,097,598	5,934,024,890

6.4 INCOME STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December		Note	2017 CHF	2016 CHF
1.	Gross written premium		1,568,883,422	1,573,848,878
2.	Ceded premium to reinsurers		(41,197,216)	(39,856,506)
3.	Net premium written (1 + 2)		1,527,686,206	1,533,992,373
4.	Change in unearned premium reserves		(13,195,291)	(61,871,310)
5.	Change in reinsurers' share of unearned premium reserves		1,270,150	-
6.	Net premium earned (3 + 4 + 5)		1,515,761,065	1,472,121,063
7.	Other technical income	10	28,843,680	24,136,863
8.	TECHNICAL INCOME (6 + 7)		1,544,604,744	1,496,257,926
9.	Gross claims and claim expenses paid		(904,172,574)	(892,520,326)
10.	Reinsurers' share of claims and claims expenses		8,812,267	8,664,643
11.	Change in technical provisions	11	(113,635,202)	102,777,699
12.	Change in reinsurers' share of technical provisions	11	10,833,104	(19,291,188)
14.	NET CLAIMS AND CLAIM EXPENSES INCURRED (9 to 12)		(998,162,405)	(800,369,172)
15.	Acquisition costs and administrative expenses		(524,459,687)	(565,981,520)
15.1	Commission on earned premium		(501,108,267)	(549,738,392)
15.2	Other administration expenses	12, 13, 14	(23,351,420)	(16,243,128)
16.	Reinsurers' share of acquisition + administration expenses		22,759	34,384
17.	Net acquisition costs + administrative expenses (15 + 16)		(524,436,928)	(565,947,136)
18.	Other technical expenses	15	(60,913,536)	(74,498,441)
19.	TECHNICAL EXPENSES (14 + 17 + 18)		(1,583,512,868)	(1,440,814,749)
20.	Investment income	16	134,651,915	158,038,886
21.	Investment expenses	17	(22,511,255)	(23,161,192)
22.	NET INVESTMENT INCOME (20 + 21)		112,140,660	134,877,693
24.	Other financial income	18	-	15,464,388
25.	Other financial expenses	18	(21,154,623)	(3,925,815)
26.	OPERATING INCOME (8 + 19 + 22 + 24 + 25)		52,077,913	201,859,444
27.	Interest expenses from interest-bearing liabilities		(4,223,160)	(4,218,762)
28.	Other income		1,716,064	-
29.	Other expenses	19	(3,169,023)	(3,289,819)
31.	PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)		46,401,794	194,350,863
32.	Income taxes		(11,114,868)	(28,200,391)
33.	PROFIT / (LOSS) (31 + 32)		35,286,925	166,150,472

6.5 CASH FLOW STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December	2017 CHF	2016 CHF
NET INCOME	35,286,925	166,150,472
Realized gains and losses on investment disposals	5,376,530	27,901,158
Change in amortization, accruals and impairments	5,374,744	3,213,940
Net increase in technical liabilities	56,236,552	42,607,139
Change in fair value of financial instruments	(13,965,453)	(25,723,263)
Other non-cash items included in operating results	(109,203,448)	(55,263,691)
NET CASH FLOWS PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	(20,894,150)	158,885,755
Change in accounts receivables, payables and deposits	(23,225,467)	118,148,065
Cash flows from other assets and liabilities	602,705	196,216
Change in taxes receivables and payables	(13,187,522)	5,111,652
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	(56,704,434)	282,341,688
Acquisitions of investments	(1,005,528,310)	(1,361,222,947)
Disposal of investments	1,068,316,963	1,242,493,383
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	62,788,653	(118,729,564)
Dividends paid	(108,307,000)	(109,809,000)
Interest paid on financial debts	(6,839,381)	(6,675,890)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(115,146,381)	(116,484,890)
Effect of exchange rate variations	4,352,074	(5,226,043)
TOTAL CASH FLOW	(88,232,777)	41,901,191
CASH AND CASH EQUIVALENTS AT 1 JANUARY	241,085,399	199,184,208
Net cash flow provided by / (used in) operating activities	(56,704,434)	282,341,688
Net cash flow provided by / (used in) investing activities	62,788,653	(118,729,564)
Net cash flow provided by / (used in) financing activities	(115,146,381)	(116,484,890)
Effect of exchange rate variations	4,352,074	(5,226,043)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	136,375,312	241,085,399

6.6 SELECTED NOTES TO THE FINANCIAL STATEMENTS – IN CHF

6.6.1 NOTE 1 - INVESTED ASSETS

Invested assets In CHF million	Book value	
	2017	2016
1.1 Investments	3,298.4	3,155.7
1.1.2 Participations	101.7	94.2
1.1.3 Bonds	2,138.7	2,242.1
1.1.4 Loans	233.9	217.0
1.1.6 Shares	277.5	218.7
1.1.7 Other investments	546.6	383.6
Real estate funds	71.7	74.5
Share funds	1.8	1.6
Bond funds	239.3	158.7
Loans and infrastructure funds	174.3	104.6
Hedge funds	16.1	14.8
Single private equity funds	43.4	29.2
TOTAL INVESTED ASSETS	3,298.4	3,155.7

6.6.2 NOTE 2 - PARTICIPATIONS

Company	Domicile	2017			2016		
		Capital	Share in voting rights (in %)	Book value (in thousands of CHF)	Capital	Share in voting rights (in %)	Book value (in thousands of CHF)
SCOR Holding (UK) Ltd.	London	GBP 101	100	101,678	GBP 101	100	94,218
PARTICIPATIONS				101,678			94,218

6.6.3 NOTE 3 - LOANS

As of 31 December 2017, outstanding loans for a total amount of CHF 233.9 million (2016 CHF 217.1 million) were related to other SCOR group entities:

- CHF 220.7 million (2016 CHF 204.6 million) granted to SCOR Holding (Switzerland) AG
- CHF 13.2 million (2016 CHF 12.5 million) granted to SCOR Realty Singapore PTE Ltd.

6.6.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2017, SCOR Switzerland AG held investments that have an observable market price and which are valued at the market price for a total amount of CHF 277.5 million as compared to CHF 218.7 million one year earlier. No other assets were booked at market value.

6.6.5 NOTE 5 - RECEIVABLES

Receivables In CHF million	as at 31 December 2017					as at 31 December 2016				
	Third	Parti- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
1.10 Insurance receivables	24.7	24.4	-	891.6	940.7	21.5	0.0	-	932.4	953.9
1.10.1 Receivables from reinsureds	23.6	24.0	-	891.6	939.2	19.6	0.0	-	932.4	952.0
1.10.2 Receivables from retrocessionaires	1.1	0.4	-	-	1.5	1.9	0.0	-	-	1.9
1.11 Other receivables	15.8	-	-	0.0	15.8	7.3	-	-	21.4	28.7
1.14 Accrued income	22.9	1.4	-	0.0	24.3	21.4	1.3	-	0.0	22.7
TOTAL RECEIVABLES	63.3	25.8	-	891.7	980.8	50.2	1.3	-	953.8	1,005.3

Total insurance receivables of CHF 940.7 million as per 31.12.2017 (2016 CHF 953.9 million) include receivables from reinsureds (related to assumed reinsurance business) of CHF 939.2 million (2016 CHF 952.0 million) and receivables from retrocessionaires (related to ceded reinsurance) of CHF 1.5 million (2016 CHF 1.9 million).

6.6.6 NOTE 6 - TECHNICAL PROVISIONS

Technical provisions as at December 31 In CHF million	2017			2016		
	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium	689.7	-	689.7	659.1	-	659.1
Provisions for insurance liabilities	3,536.6	(83.5)	3,453.2	3,500.3	(71.6)	3,428.7
TOTAL	4,226.3	(83.5)	4,142.9	4,159.4	(71.6)	4,087.8

6.6.7 NOTE 7 - LIABILITIES

Liabilities In CHF million	as at 31 December 2017					as at 31 December 2016				
	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
2.7 Insurance liabilities	6.1	0.6	-	23.8	30.5	7.1	1.1	-	17.8	26.0
2.7.1 Liabilities to reinsureds	4.3	0.0	-	23.8	28.1	4.3	0.0	-	17.8	22.1
2.7.2 Liabilities to retrocessionaires	1.8	0.6	-	(0.0)	2.4	2.8	1.1	-	(0.0)	3.9
2.8 Other liabilities	0.1	0.4	-	3.5	4.0	0.2	0.9	-	-	1.1
2.9 Deferred income and accrued expenses	0.2	0.8	-	-	1.0	10.0	0.8	-	-	10.8
2.10 Subordinated liabilities	-	125.0	-	-	125.0	-	125.0	-	-	125.0
TOTAL LIABILITIES	6.4	126.8	-	27.3	160.5	17.3	127.8	-	17.8	162.9

Total insurance liabilities of CHF 30.5 million as per 31.12.2017 (2016 CHF 26.0 million) include liabilities to reinsureds (related to assumed reinsurance business) of CHF 28.1 million (2016 CHF 22.1 million) and liabilities to retrocessionaires (related to ceded reinsurance) of CHF 2.4 million (2016 CHF 3.9 million).

6.6.8 NOTE 8 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020. By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

6.6.9 NOTE 9 - EQUITY

In CHF million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2016	400.0	537.0	200.0	323.8	1,460.8
Elimination of the previous year's translation difference	-	-	-	146.4	146.4
Dividend paid to shareholders	-	-	-	(108.3)	(108.3)
Profit / (loss) of the year	-	-	-	35.3	35.3
New translation difference	-	-	-	(37.4)	(37.4)
Balance as of 31 December 2017	400.0	537.0	200.0	359.7	1,496.7

6.6.10 NOTE 11 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as at December 31	2017			2016		
	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
In CHF million						
Change in provisions for insurance liabilities	(113.6)	10.8	(102.8)	102.8	(19.3)	83.5
TOTAL	(113.6)	10.8	(102.8)	102.8	(19.3)	83.5

6.6.11 NOTE 12 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to CHF 23.4 million in 2017 as compared to CHF 16.2 million in 2016. The deviation is mostly driven by a true-up effect on the expenses allocated from SCOR Services Switzerland AG for the fiscal year 2015 booked in 2016 (income CHF 7.4 million).

6.6.12 NOTE 13 - AUDITOR'S FEES

In 2017, SCOR Switzerland AG paid CHF 279 thousand for audit services as compared to CHF 261 thousand in the previous year. No fees were paid to the statutory audit firm for other services neither in 2017 nor in 2016.

6.6.13 NOTE 16 - INVESTMENT INCOME

Investment income as per	2017				2016			
	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
In CHF million								
Participations	5.2	-	-	5.2	49.6	-	-	49.6
Bonds	31.0	12.6	-	43.6	30.5	21.6	-	52.1
Loans	5.7	-	-	5.7	5.7	-	-	5.7
Shares	0.9	0.4	72.6	73.9	0.7	2.3	33.4	36.4
Other investments	3.8	2.5	-	6.3	10.5	1.0	2.6	14.1
INVESTMENT INCOME	46.6	15.5	72.6	134.7	97.1	24.9	36.0	158.0

6.6.14 NOTE 17 - INVESTMENT EXPENSES

Investment expenses as per	2017				2016			
	Investment expenses	Realised losses	Unrealised losses	Total	Investment income	Realised gains	Unrealised gains	Total
In CHF million								
Participations	-	-	-	-	-	-	-	-
Bonds	(2.7)	(4.4)	-	(7.1)	(2.2)	(1.1)	-	(3.3)
Loans	-	-	-	-	-	-	-	-
Shares	(0.3)	(1.3)	(8.5)	(10.1)	(0.1)	(2.4)	(11.5)	(14.0)
Other investments	-	(0.1)	(5.2)	(5.3)	-	-	(5.8)	(5.8)
INVESTMENT EXPENSES	(3.0)	(5.8)	(13.7)	(22.5)	(2.3)	(3.5)	(17.3)	(23.1)

6.6.15 NOTE 18 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2017, other financial expenses of CHF -21.1 million consist of the negative result from foreign exchange of net CHF -15.6 million and in addition financial charges of CHF -5.5 million, which mainly relate to LOC and bank fees. In 2016 the positive net result from foreign exchange of CHF 15.7 million was included in other financial income of total CHF 15.5 million together with (negative) interests on cash and cash equivalents of CHF -0.2 million whereas other financial expenses of CHF -3.9 million solely comprised financial charges.

The following table shows a breakdown of the result from foreign exchange included in the income statement:

As at 31 December	2017 CHF	2016 CHF
FX result from technical items	71,463,460	123,877,161
Realized technical FX gain / (loss)	(51,307)	(38,136)
Unrealized technical FX gain / (loss)	71,514,768	123,915,296
FX result from investments	(99,657,115)	(121,009,006)
Realized investment FX gain / (loss)	(22,467,603)	(51,890,962)
Unrealized investment FX gain / (loss)	(77,189,512)	(69,118,044)
FX result from other items	819,874	(4,228,329)
Realized other FX gain / (loss)	154,719	(584,366)
Unrealized other FX gain / (loss)	665,155	(3,643,964)
FX RESULT BEFORE HEDGING	(27,373,780)	(1,360,174)
FX result from forward contracts on foreign currencies	11,758,162	17,106,376
Realized FX gain / (loss) from forward contracts	(1,490,771)	(8,811,126)
Unrealized FX gain / (loss) from forward contracts	13,248,932	25,917,502
FX RESULT AFTER HEDGING	(15,615,619)	15,746,202

6.6.16 NOTE 22 - LONG-TERM LEASING CONTRACTS

As of 1 January 2012, the building at General Guisan-Quai 26 in Zurich is leased by SCOR Switzerland AG together with SCOR Services Switzerland AG. The lease for the building is a fixed-term agreement until 31 December 2021. The rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the rental period up to 2021, total expenses of CHF 40.4 million are expected. The annual expenses of CHF 10.1 million will be charged directly to SCOR Services Switzerland AG to the statement of income of the respective fiscal year.

6.6.17 NOTE 23 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2017, the total volume of outstanding letters of credit amounted to CHF 743.6 million (2016 CHF 700.7 million):

- CHF 337.4 million (2016 CHF 363.3 million) issued by Citi Bank
- CHF 325.5 million (2016 CHF 275.5 million) issued by Bayern LB
- CHF 51.9 million (2016 CHF 49.1 million) issued by BNP Paribas
- CHF 8.9 million (2016 CHF 10.6 million) issued by Deutsche Bank, Luxembourg Branch
- CHF 2.2 million (2016 CHF 2.2 million) issued by Credit Suisse
- CHF 14.1 million (2016 CHF 0.0 million) issued by Natixis
- CHF 3.6 million (2016 CHF 0.0 million) issued by Commerzbank

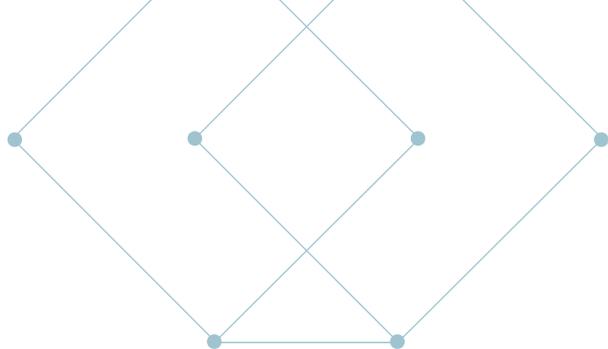
Depending on the type of credit facility, banks providing such facilities may ask SCOR Switzerland AG to post collateral.

6.6.18 NOTE 24 - PLEDGED ASSETS

As of 31 December 2017, SCOR Switzerland AG held investments for an amount of CHF 813.3 million (2016 CHF 1'256.4 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under Investments but are not available to the Company as liquid free assets.

The following amounts of assets were pledged as of 31 December 2017:

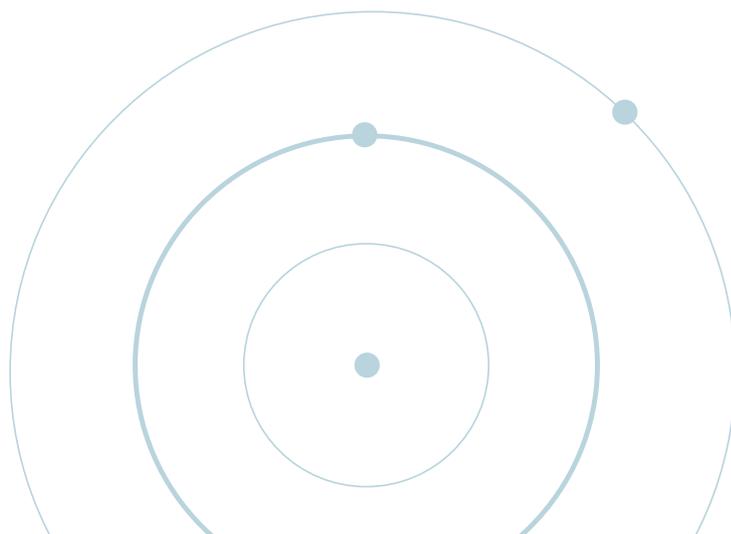
- CHF 510.7 million (2016 CHF 841.3 million) as collateral for outstanding letters of credit
- CHF 287.4 million (2016 CHF 399.6 million) to support the Company's internal reinsurance transactions
- CHF 15.2 million (2016 CHF 15.5 million) as deposits with cedents



07

REPORT OF THE STATUTORY AUDITORS

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7.1 REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the accompanying financial statements of SCOR Switzerland Ltd., which comprise the balance sheet, the income statement, the cash flow statement, change in shareholder's equity and notes to the financial statements (pages 10 to 37) for the year ended 31 December 2017.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.

7.2 REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

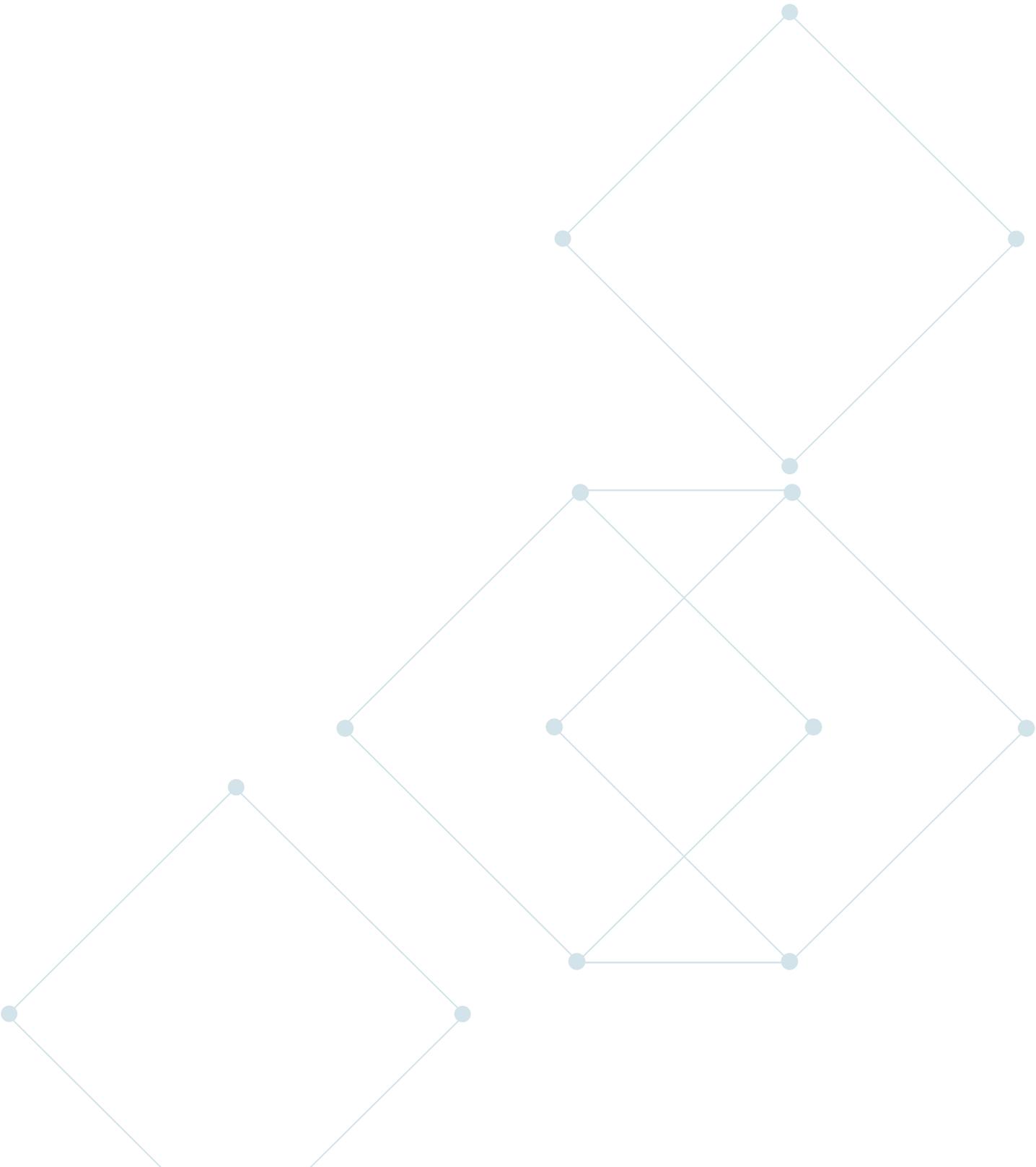
We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 19 April 2018

MAZARS AG

Angelo Accardi
Audit expert
Auditor in charge

Denise Wipf
Audit expert



**SCOR Switzerland Ltd.
Zurich**

**Report of the statutory auditor
to the General Meeting
on the financial statements
as of 31.12.2017**

MAZARS AG

Herostrasse 12
CH - 8048 Zürich

Tel.: + 41 44 384 84 44
www.mazars.ch

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of SCOR Switzerland Ltd., which comprise the balance sheet, statement of income, statement of cash flow and notes to the financial statements, for the year ended 31 December 2017.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you to be approved.

Zurich, 19 April 2018

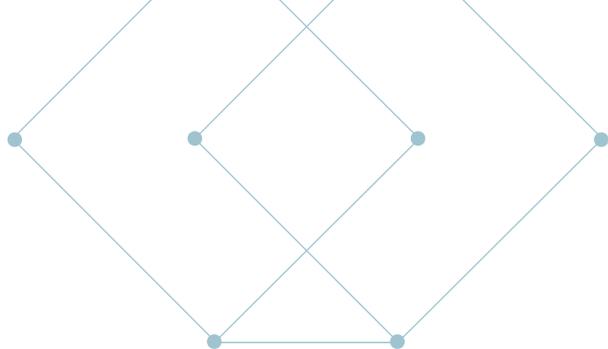
MAZARS AG

Angelo Accardi
Audit expert
Auditor in charge

Denise Wipf
Audit expert

Enclosures:

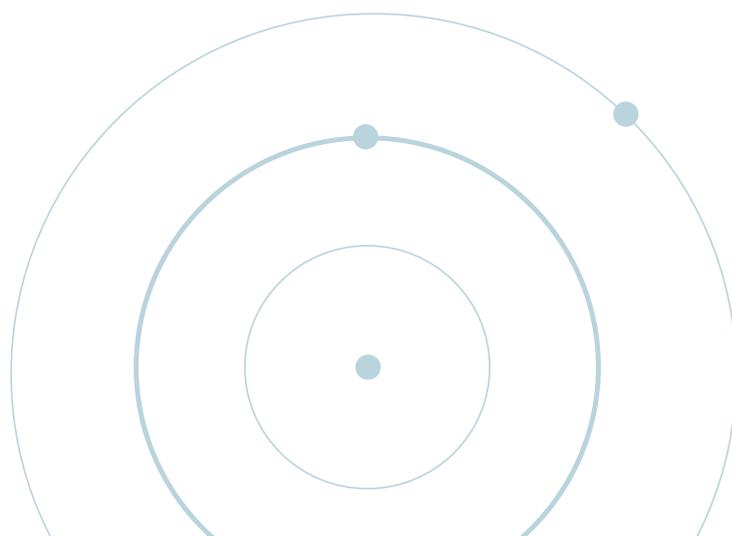
- Financial Statements
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03

FINANCIAL STATEMENTS

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3.1 BALANCE SHEET – ASSETS

As at 31 December	Note	2017 EUR	2016 EUR
1.1 Investments	1	2,821,393,511	2,913,131,373
1.1.2 Participations	2	86,974,918	86,974,918
1.1.3 Bonds		1,829,389,887	2,069,759,881
1.1.4 Loans	3	200,095,934	200,445,911
1.1.6 Shares	4	237,408,402	201,870,483
1.1.7 Other investments		467,524,370	354,080,180
1.3 Receivables from derivative financial instruments		14,475,363	16,643,750
1.4 Deposits from assumed reinsurance business		1,296,067,152	1,331,437,271
1.5 Cash and cash equivalents		116,654,815	222,551,325
1.6 Reinsurers' share of technical provisions	6	71,387,430	66,109,611
1.10 Insurance receivables	5	804,709,977	880,545,994
1.11 Other receivables	5	13,473,636	26,463,345
1.14 Accrued income and prepaid expenses	5	20,811,297	20,948,446
1.15 ASSETS		5,158,973,182	5,477,831,115

3.2 BALANCE SHEET – LIABILITIES AND EQUITY

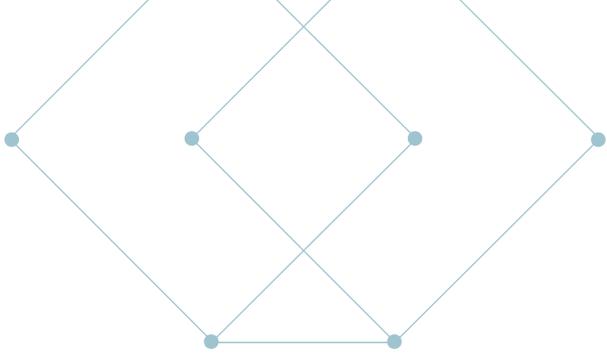
As at 31 December	Note	2017 EUR	2016 EUR
2.1 Technical provisions	6	3,615,195,139	3,839,613,142
2.1.1 Unearned premium reserves		589,976,364	608,404,901
2.1.2 Loss reserves		2,926,208,687	3,073,107,207
2.1.3 Claims reserves		92,849,736	152,164,672
2.1.4 Claim handling reserves		6,160,352	5,936,363
2.5 Liabilities from derivative financial instruments		6,143,434	20,257,805
2.6 Deposits from ceded business		120,031,023	119,095,196
2.7 Insurance liabilities	7	26,068,059	24,017,694
2.8 Other liabilities	7	3,446,029	973,619
2.9 Deferred income and accrued expenses	7	869,622	10,004,592
2.9.1 Taxes payable		-	9,060,006
2.9.2 Other accrued expenses		869,622	944,586
2.10 Subordinated liabilities	7,8	106,924,426	115,390,296
2.11 Liabilities		3,878,677,731	4,129,352,344
2.12 Share capital		332,836,852	332,836,852
2.13 Legal capital reserves		446,837,155	446,837,155
2.13.1 Additional paid-in capital		445,172,971	445,172,971
2.13.2 Organization fund		1,664,184	1,664,184
2.14 Legal retained earnings		166,418,426	166,418,426
2.15 Voluntary retained earnings		334,203,018	402,386,338
2.15.1 Profit / (loss) carried forward		302,386,338	250,158,614
2.15.2 Profit / (loss) of the year		31,816,680	152,227,725
2.17 Equity	9	1,280,295,451	1,348,478,771
2.18 LIABILITIES AND EQUITY		5,158,973,182	5,477,831,115

3.3 INCOME STATEMENT

For the year ended 31 December		Note	2017 EUR	2016 EUR
1.	Gross written premium		1,414,593,688	1,441,966,612
2.	Ceded premium to reinsurers		(37,145,731)	(36,516,689)
3.	Net premium written (1 + 2)		1,377,447,957	1,405,449,923
4.	Change in unearned premium reserves		(11,897,618)	(56,686,741)
5.	Change in reinsurers' share of unearned premium reserves		1,145,239	-
6.	Net premium earned (3 + 4 + 5)		1,366,695,578	1,348,763,182
7.	Other technical income	10	26,007,087	22,114,290
8.	TECHNICAL INCOME (6 + 7)		1,392,702,665	1,370,877,472
9.	Gross claims and claim expenses paid		(815,252,936)	(817,730,678)
10.	Reinsurers' share of claims and claims expenses		7,945,636	7,938,580
11.	Change in technical provisions	11	(102,459,901)	94,165,337
12.	Change in reinsurers' share of technical provisions	11	9,767,737	(17,674,663)
14.	NET CLAIMS AND CLAIM EXPENSES INCURRED (9 to 12)		(899,999,463)	(733,301,424)
15.	Acquisition costs and administrative expenses		(472,882,403)	(518,554,523)
15.1	Commission on earned premium		(451,827,447)	(503,672,505)
15.2	Other administration expenses	12, 13, 14	(21,054,956)	(14,882,018)
16.	Reinsurers' share of acquisition + administration expenses		20,521	31,502
17.	Net acquisition costs + administrative expenses (15 + 16)		(472,861,882)	(518,523,021)
18.	Other technical expenses	15	(54,923,076)	(68,255,768)
19.	TECHNICAL EXPENSES (14 + 17 + 18)		(1,427,784,422)	(1,320,080,212)
20.	Investment income	16	121,409,753	144,795,857
21.	Investment expenses	17	(20,297,416)	(21,220,377)
22.	NET INVESTMENT INCOME (20 + 21)		101,112,338	123,575,480
24.	Other financial income	18	-	14,168,534
25.	Other financial expenses	18	(19,074,200)	(3,596,848)
26.	OPERATING INCOME (8 + 19 + 22 + 24 + 25)		46,956,380	184,944,427
27.	Interest expenses from interest-bearing liabilities		(3,807,839)	(3,865,247)
28.	Other income		1,547,300	-
29.	Other expenses	19	(2,857,370)	(3,014,145)
31.	PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)		41,838,471	178,065,035
32.	Income taxes		(10,021,792)	(25,837,310)
33.	PROFIT / (LOSS) (31 + 32)		31,816,680	152,227,725

3.4 CASH FLOW STATEMENT

For the year ended 31 December	2017 EUR	2016 EUR
NET INCOME	31,816,680	152,227,725
Realized gains and losses on investment disposals	4,599,059	25,756,183
Change in amortization, accruals and impairments	4,597,531	2,966,860
Net increase in technical liabilities	48,104,488	39,331,603
Change in fair value of financial instruments	(11,945,984)	(23,745,719)
Other non-cash items included in operating results	(93,412,128)	(51,015,151)
NET CASH FLOWS PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	(16,240,354)	145,521,501
Change in accounts receivables, payables and deposits	(19,866,958)	109,065,121
Cash flows from other assets and liabilities	515,551	181,131
Change in taxes receivables and payables	(11,280,546)	4,718,681
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	(46,872,306)	259,486,434
Acquisitions of investments	(860,124,297)	(1,256,575,352)
Disposal of investments	913,833,423	1,146,973,435
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	53,709,126	(109,601,917)
Dividends paid	(100,000,000)	(100,000,000)
Interest paid on financial debts	(5,850,375)	(6,162,663)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(105,850,375)	(106,162,663)
Effect of exchange rate variations	(6,882,954)	(4,860,489)
TOTAL CASH FLOW	(91,801,894)	38,861,365
CASH AND CASH EQUIVALENTS AT 1 JANUARY	222,551,325	183,689,960
Net cash flow provided by / (used in) operating activities	(46,872,306)	259,486,434
Net cash flow provided by / (used in) investing activities	53,709,126	(109,601,917)
Net cash flow provided by / (used in) financing activities	(105,850,375)	(106,162,663)
Effect of exchange rate variations	(6,882,954)	(4,860,489)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	116,654,815	222,551,325



04

NOTES

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4.1 APPLIED PRINCIPLES

4.1.1 FINANCIAL REPORTING STANDARDS

The annual financial statements of SCOR Switzerland AG have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Title 32, Art. 957 – 962a CO).

In addition, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5 – 6a AVO-FINMA, applicable as of 15 December 2015) have been applied.

4.1.2 FOREIGN CURRENCY REVALUATION AND TRANSLATION

The functional currency of the Company is EUR since 1 January 2010. Therefore, the annual financial statements are prepared in EUR. The foreign currency items in the balance sheet were revaluated from the respective document currency to the functional currency EUR at the closing date exchange rates, and those in the statement of income at the average exchange rates for each individual quarter. Realized and unrealized FX gains or losses out of the revaluation are recognized through the income statement.

Any eventual unrealized FX gains out of long-term positions (e.g. loans) have not been considered in the income statement.

In accordance with Art. 958d CO, the Company has chosen to present its annual financial statements since 2015 in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The following table provides an overview of the main currencies and their exchange rates against the Euro:

Exchange rates	Balance sheet 2017	Balance sheet 2016	Statement of income 2017	Statement of income 2016
British Pound	1.13449	1.18412	1.14282	1.22438
Swiss Franc	0.85540	0.92312	0.90166	0.91621
US Dollar	0.84232	0.92911	0.88905	0.90259

4.1.3 VALUATION PRINCIPLES

PARTICIPATIONS

Participations are held on a long-term basis for the purpose of safeguarding business activities. They are carried at cost less impairment, if any.

INVESTMENTS

Fixed income securities are valued at amortized cost less impairment, if any.

Shares are valued at market value.

Loans are valued at their nominal value less impairment, if any.

Other investments are valued at cost less impairment, if any.

ACQUISITION COSTS

Acquisition costs for non-life business are directly expensed in the year of contract inception.

TECHNICAL PROVISIONS

Technical provisions represent obligations due to insured parties. They are calculated based on the corresponding business plans agreed with the regulator.

DEPOSITS FROM ASSUMED AND CEDED REINSURANCE

Deposits from assumed and ceded reinsurance comprise funds withheld and Non-Risk Transfer contracts (in asset and in liability).

Funds held under reinsurance contracts mainly include cash deposits withheld from cedents, which are stated at redemption value.

Contracts that do not meet risk transfer requirements are accounted for as deposit assets. The deposits represent discounted contracts and are adjusted for payments received and made, as well as for amortization and accretion of interest.

4.2 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON BALANCE SHEET ITEMS

4.2.1 NOTE 1 - INVESTED ASSETS

The table below provides an overview of the total invested assets for the respective year ended 31 December, as well as a breakdown of the category "Other investments".

Invested assets In EUR million	Book value	
	2017	2016
1.1 Investments	2,821.4	2,913.1
1.1.2 Participations	87.0	87.0
1.1.3 Bonds	1,829.4	2,069.8
1.1.4 Loans	200.1	200.4
1.1.6 Shares	237.4	201.9
1.1.7 Other investments	467.5	354.1
Real estate funds	61.3	68.8
Share funds	1.5	1.5
Bond funds	204.7	146.5
Loans and infrastructure funds	149.1	96.6
Hedge funds	13.8	13.7
Single private equity funds	37.1	27.0
TOTAL INVESTED ASSETS	2,821.4	2,913.1

4.2.2 NOTE 2 - PARTICIPATIONS

The below table shows the participations as at year end 31 December:

Company	Domicile	2017			2016		
		Capital	Share in voting rights (in %)	Book value (in thousands of EUR)	Capital	Share in voting rights (in %)	Book value (in thousands of EUR)
SCOR Holding (UK) Ltd.	London	GBP 101	100	86,975	GBP 101	100	86,975
PARTICIPATIONS				86,975			86,975

The share in voting rights is equal to the share in capital.

4.2.3 NOTE 3 - LOANS

As of 31 December 2017, outstanding loans for a total amount of EUR 200.1 million (2016 EUR 200.4 million) were related to other SCOR group entities:

- EUR 188.8 million (2016 EUR 188.8 million) granted to SCOR Holding (Switzerland) AG
- SGD 18.0 million (2016 SGD 18.0 million) granted to SCOR Realty Singapore PTE Ltd.

4.2.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2017 SCOR Switzerland AG held investments that have an observable market price and which are valued at the market price for a total amount of EUR 237.4 million as compared to EUR 201.9 million one year earlier. No other assets were booked at market value.

4.2.5 NOTE 5 - RECEIVABLES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Receivables In EUR million	as at 31 December 2017					as at 31 December 2016				
	Third	Parti- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
1.10 Insurance receivables	21.1	20.9	-	762.7	804.7	19.8	0.0	-	860.7	880.5
1.10.1 Receivables from reinsureds	20.2	20.5	-	762.7	803.4	18.0	0.0	-	860.7	878.7
1.10.2 Receivables from retrocessionaires	0.9	0.4	-	-	1.3	1.8	0.0	-	-	1.8
1.11 Other receivables	13.5	-	-	0.0	13.5	6.7	-	-	19.8	26.5
1.14 Accrued income	19.6	1.2	-	0.0	20.8	19.7	1.2	-	0.0	20.9
TOTAL RECEIVABLES	54.2	22.1	-	762.7	839.0	46.2	1.2	-	880.5	927.9

Total insurance receivables of EUR 804.7 million as per 31.12.2017 (2016 EUR 880.5 million) include receivables from reinsureds (related to assumed reinsurance business) of EUR 803.4 million (2016 EUR 878.7 million) and receivables from retrocessionaires (related to ceded reinsurance) of EUR 1.3 million (2016 EUR 1.8 million).

4.2.6 NOTE 6 - TECHNICAL PROVISIONS

Technical provisions as at December 31 In EUR million	2017			2016		
	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium	590.0	-	590.0	608.4	-	608.4
Provisions for insurance liabilities	3,025.2	(71.4)	2,953.8	3,231.2	(66.1)	3,165.1
TOTAL	3,615.2	(71.4)	3,543.8	3,839.6	(66.1)	3,773.5

4.2.7 NOTE 7 - LIABILITIES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Liabilities In EUR million	as at 31 December 2017					as at 31 December 2016				
	Third	Parti- cipants	Parti- cipations	Other SCOR group entities	Total	Third	Parti- cipants	Parti- cipations	Other SCOR group entities	Total
2.7 Insurance liabilities	5.2	0.5	-	20.3	26.1	6.6	1.0	-	16.4	24.0
2.7.1 Liabilities to reinsureds	3.7	0.0	-	20.3	24.0	4.0	0.0	-	16.4	20.4
2.7.2 Liabilities to retrocessionaires	1.5	0.5	-	(0.0)	2.1	2.6	1.0	-	(0.0)	3.6
2.8 Other liabilities	0.1	0.3	-	3.0	3.4	0.2	0.8	-	-	1.0
2.9 Deferred income and accrued expenses	0.2	0.7	-	-	0.9	9.2	0.8	-	-	10.0
2.10 Subordinated liabilities	-	106.9	-	-	106.9	-	115.4	-	-	115.4
TOTAL LIABILITIES	5.5	108.5	-	23.3	137.3	16.0	118.0	-	16.4	150.4

Total insurance liabilities of EUR 26.1 million as per 31 December 2017 (2016 EUR 24.0 million) include liabilities to reinsureds (related to assumed reinsurance business) of EUR 24.0 million (2016 EUR 20.4 million) and liabilities to retrocessionaires (related to ceded reinsurance) of EUR 2.1 million (2016 EUR 3.6 million).

4.2.8 NOTE 8 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million (EUR 106.9 million) to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020.

By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

4.2.9 NOTE 9 - EQUITY

The equity decreased in 2017 by EUR 68.2 million from EUR 1'348.5 million to EUR 1'280.3 million. The decrease is attributable to the dividend payment of EUR 100.0 million approved at the Company's Annual General Meeting of

4 May 2017 based on the available earnings of 2016, only partially offset by the net income of the period of EUR 31.8 million.

In EUR million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2016	332.8	446.8	166.4	402.4	1,348.5
Dividend paid to shareholders	-	-	-	(100.0)	(100.0)
Profit / (loss) of the year	-	-	-	31.8	31.8
Balance as of 31 December 2017	332.8	446.8	166.4	334.2	1,280.3

4.3 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON INCOME STATEMENT ITEMS

4.3.1 NOTE 10 - OTHER TECHNICAL INCOME

Other technical income includes mainly interest received on deposits and funds held by reinsureds as well as income related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.2 NOTE 11 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as at December 31	2017			2016		
	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
In EUR million						
Change in provisions for insurance liabilities	(102.5)	9.8	(92.7)	94.2	(17.7)	76.5
TOTAL	(102.5)	9.8	(92.7)	94.2	(17.7)	76.5

The change in technical provisions amounts to EUR -92.7 million net of retrocession in 2017 as compared to EUR 76.5 million in 2016. The negative development in 2017 is mainly impacted by the various natural catastrophic events occurred during the second half of the year as well as the Ogden discount rate adjustment used in the UK market, whereas the year 2016 was driven by a positive development of the run-off business and the absence of major loss events.

4.3.3 NOTE 12 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to EUR 21.1 million in 2017 as compared to EUR 14.9 million in 2016. The deviation is mostly driven by a true-up effect on the expenses allocated from SCOR Services Switzerland AG for the fiscal year 2015 booked in 2016 (income of EUR 6.8 million).

4.3.4 NOTE 13 - AUDITOR'S FEES

In 2017, SCOR Switzerland AG paid EUR 251 thousand for audit services as compared to EUR 239 thousand in the previous year. No fees were paid to the statutory audit firm for other services neither in 2017 nor in 2016.

4.3.5 NOTE 14 - DEPRECIATION AND AMORTIZATION

All tangible and intangible assets held directly by the Company are fully amortized. Depreciation and amortization included in the 2017 and 2016 income statement amounts to zero.

4.3.6 NOTE 15 - OTHER TECHNICAL EXPENSES

Other technical expenses of total EUR 54.9 million in 2017 (2016 EUR 68.3 million) comprise mainly expenses related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.7 NOTE 16 - INVESTMENT INCOME

Investment income as per	2017				2016			
	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
In EUR million								
Participations	4.7	-	-	4.7	45.5	-	-	45.5
Bonds	27.9	11.4	-	39.3	27.9	19.8	-	47.7
Loans	5.2	-	-	5.2	5.2	-	-	5.2
Shares	0.8	0.4	65.4	66.6	0.7	2.1	30.6	33.4
Other investments	3.4	2.2	-	5.6	9.7	0.9	2.4	13.0
INVESTMENT INCOME	42.0	14.0	65.4	121.4	89.0	22.8	33.0	144.8

4.3.8 NOTE 17 - INVESTMENT EXPENSES

Investment expenses as per	2017				2016			
	Investment expenses	Realised losses	Unrealised losses	Total	Investment expenses	Realised losses	Unrealised losses	Total
In EUR million								
Participations	-	-	-	-	-	-	-	-
Bonds	(2.4)	(4.0)	-	(6.4)	(2.0)	(1.0)	-	(3.0)
Loans	-	-	-	-	-	-	-	-
Shares	(0.3)	(1.1)	(7.7)	(9.1)	(0.1)	(2.2)	(10.5)	(12.8)
Other investments	-	(0.1)	(4.7)	(4.8)	-	-	(5.4)	(5.4)
INVESTMENT EXPENSES	(2.7)	(5.2)	(12.4)	(20.3)	(2.1)	(3.2)	(15.9)	(21.2)

4.3.9 NOTE 18 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2017, other financial expenses of EUR -19.1 million consist of the negative result from foreign exchange of net EUR -14.1 million and in addition financial charges of EUR -5.0 million, which mainly relate to LOC and bank fees. In 2016 the positive net result from foreign exchange of EUR 14.4 million was included in other financial income of total EUR 14.2 million together with (negative) interests on cash and cash equivalents of EUR -0.2 million whereas other financial expenses of EUR -3.6 million solely comprised financial charges.

The following table shows a breakdown of the result from foreign exchange included in other financial income and expenses:

As at 31 December	2017 EUR	2016 EUR
FX result from technical items	64,435,482	113,496,748
Realized technical FX gain / (loss)	(46,262)	(34,940)
Unrealized technical FX gain / (loss)	64,481,744	113,531,688
FX result from investments	(89,856,470)	(110,868,933)
Realized investment FX gain / (loss)	(20,258,057)	(47,542,706)
Unrealized investment FX gain / (loss)	(69,598,413)	(63,326,227)
FX result from other items	739,245	(3,874,012)
Realized other FX gain / (loss)	139,504	(535,398)
Unrealized other FX gain / (loss)	599,741	(3,338,614)
FX RESULT BEFORE HEDGING	(24,681,743)	(1,246,197)
FX result from forward contracts on foreign currencies	10,601,821	15,672,930
Realized FX gain / (loss) from forward contracts	(1,344,163)	(8,072,789)
Unrealized FX gain / (loss) from forward contracts	11,945,984	23,745,719
FX RESULT AFTER HEDGING	(14,079,922)	14,426,733

4.3.10 NOTE 19 - OTHER EXPENSES

SCOR Switzerland AG's financial strength is guaranteed by a parental guarantee issued by SCOR SE. The cost born by SCOR Switzerland AG for this guarantee amounted to EUR 2.9 million in 2017 and to EUR 3.0 million in 2016.

4.4 OTHER NOTES TO THE FINANCIAL STATEMENTS

4.4.1 NOTE 20 - COMPANY NAME AND LOCATION

SCOR Switzerland AG, General Guisan-Quai 26, 8002 Zurich, Switzerland.

4.4.2 NOTE 21 - DECLARATION OF FULL-TIME POSITIONS

The number of the annual average full-time positions was less than 10 in the years 2017 and 2016.

SCOR Switzerland AG has no own employees. All personnel of the SCOR Group in Switzerland is employed by SCOR Services Switzerland AG as the service provider and costs are recharged through Service Level Agreements to the various SCOR entities and branches including SCOR Switzerland AG.

4.4.3 NOTE 22 - LONG-TERM LEASING CONTRACTS

As of 1 January 2012, the building at General Guisan-Quai 26 in Zurich is leased by SCOR Switzerland AG together with SCOR Services Switzerland AG. The lease for the building is a fixed-term agreement until 31 December 2021. The rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the rental period up to 2021, total expenses of EUR 34.6 million are expected. The annual expenses of EUR 8.6 million will be charged directly to SCOR Services Switzerland AG to the statement of income of the respective fiscal year.

4.4.4 NOTE 23 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2017, the total volume of outstanding letters of credit amounted to EUR 636.1 million (2016 EUR 646.8 million):

- EUR 288.6 million (2016 EUR 335.4 million) issued by Citi Bank
- EUR 278.4 million (2016 EUR 254.3 million) issued by Bayern LB
- EUR 44.4 million (2016 EUR 45.3 million) issued by BNP Paribas
- EUR 7.6 million (2016 EUR 9.8 million) issued by Deutsche Bank, Luxembourg Branch
- EUR 1.9 million (2016 EUR 2.0 million) issued by Credit Suisse
- EUR 12.1 million (2016 EUR 0.0 million) issued by Natixis
- EUR 3.1 million (2016 EUR 0.0 million) issued by Commerzbank

Depending on the type of credit facility, banks providing such facilities may ask SCOR Switzerland AG to post collateral.

4.4.5 NOTE 24 - PLEDGED ASSETS

As of 31 December 2017, SCOR Switzerland AG held investments for an amount of EUR 695.7 million (2016 EUR 1'159.8 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under Investments but are not available to the Company as liquid free assets.

The following amounts of assets were pledged as of 31 December 2017:

- EUR 436.9 million (2016 EUR 776.6 million) as collateral for outstanding letters of credit
- EUR 245.8 million (2016 EUR 368.9 million) to support the Company's internal reinsurance transactions
- EUR 13.0 million (2016 EUR 14.3 million) as deposits with cedents

4.4.6 NOTE 25 - RELATED-PARTY TRANSACTIONS

As part of the SCOR Group the Company has entered into various transactions with related parties. These include mainly group internal retrocession agreements assumed from and ceded to other SCOR entities.

In addition, SCOR Switzerland AG entered into various non-technical agreements with other SCOR Group entities, such as the Service Level Agreement with SCOR Services Switzerland AG, Investment Management Agreement and Parental Guarantee with SCOR SE, Paris and the Master Service Agreement regarding the Group and Divisional cost recharging with various entities of the SCOR Group.

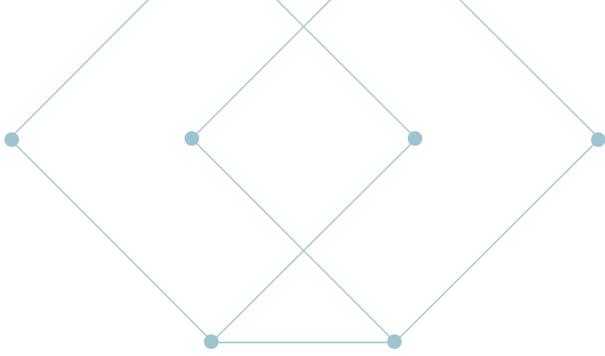
The Company has an outstanding loan provided to SCOR Holding (Switzerland) AG over EUR 188.8 million. Besides, the latter granted SCOR Switzerland AG a hybrid loan for an amount of CHF 125 million by way of a perpetual subordinated loan agreement with drawdown date 18 December 2014.

In 2017, the Company received a dividend of GBP 4.1 million (EUR 4.7 million) from its participation SCOR Holding (UK) Ltd. The dividend received from that participation in 2016 amounted to GBP 37.7 million (EUR 45.5 million).

SCOR Switzerland AG distributed a dividend of EUR 100.0 million (CHF 108.3 million) to its shareholder SCOR Holding (Switzerland) AG on 4 May 2017. The dividend paid in the year 2016 amounted to EUR 100.0 million (CHF 109.8 million).

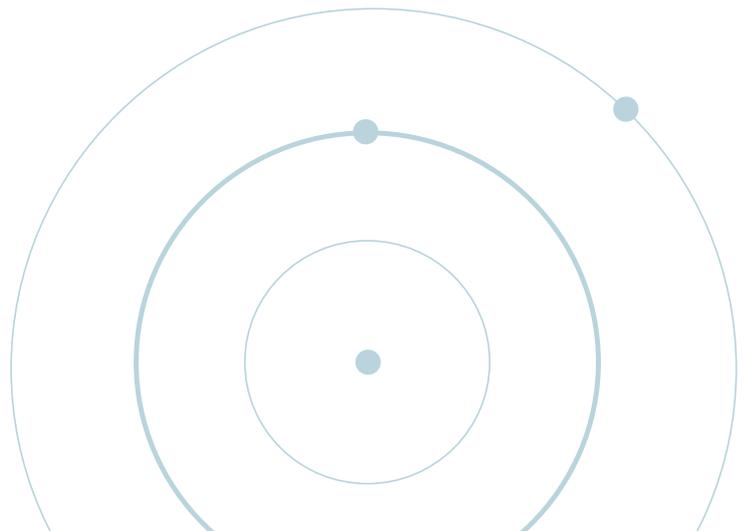
4.4.7 NOTE 26 - SIGNIFICANT EVENTS AFTER CLOSING DATE

No significant events have occurred after the closing date.



05

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS



The Board of Directors proposes to the Annual General Meeting to approve a dividend payment of CHF 179'791'500, equivalent to EUR 150 million calculated to SCOR's internal daily rate of 19 April 2018, payable before 31 December 2018 to SCOR Holding (Switzerland) AG. The dividend shall be paid in CHF.

Appropriation of retained earnings In EUR	2017 (proposed)
Retained earnings carried forward from the previous year	302,386,338
Profit / (loss) for the financial year	31,816,680
Available retained earnings	334,203,018
Dividend proposed	(150,000,000)
RETAINED EARNINGS CARRIED FORWARD	184,203,018

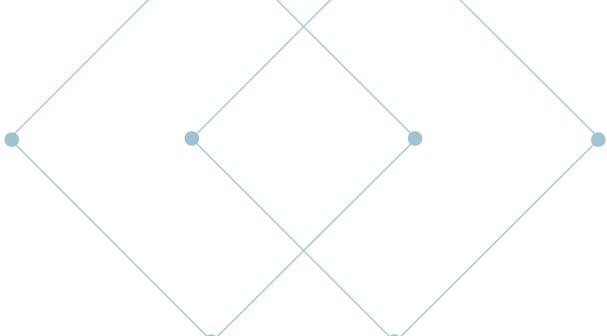
Appropriation of retained earnings In CHF	2017 (proposed)
Retained earnings carried forward from the previous year	361,841,175
Profit / (loss) for the financial year	35,286,925
Profit / (loss) carried forward - translation difference	(37,403,127)
Available retained earnings	359,724,972
Dividend proposed	(179,791,500)
RETAINED EARNINGS CARRIED FORWARD	179,933,472

A contribution to legal retained reserves was not put into effect because the legal retained and capital reserves already exceed 50% of the share capital.

Zurich, 19 April 2018

Denis Kessler
Chairman of the Board of Directors

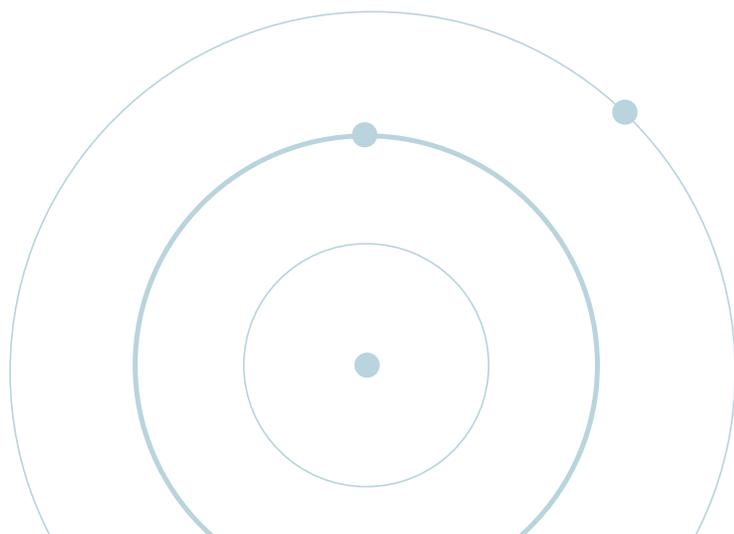
Andreas Frank
Chief Financial Officer



06

APPENDIX – FINANCIAL STATEMENTS IN CHF

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6.1 TRANSLATION

In accordance with the new accounting law, the Company has chosen to present its annual financial statements from 2015 onwards in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The method of translation from the functional and presentation currency EUR to the national currency CHF is as follows:

The balance sheet is translated with the closing rate (in 2017: EUR 0.85540 / CHF or CHF 1.16905 / EUR) except for the positions of the equity (without result of the year

and results carried forward), which are translated using the historical value of CHF 1.20179 / EUR. The difference between the translation and the historical values is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The figures in the income statement are translated from the functional currency EUR into national currency CHF with an average rate (in 2017: EUR 0.90166 / CHF or CHF 1.10907 / EUR). The difference between balance sheet and income statement translation is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The total translation difference transferred into retained earnings in the CHF balance sheet is composed as follows:

Translation difference 31.12.2017	EUR million	Exchange rate	CHF million
Equity excl. Profit of the year and retained earnings as at 31.12.2017 @ closing rate 2017	946.1	1.16905	1,106.0
- Equity excl. Profit of the year and retained earnings as at 31.12.2017 @ historical rate	(946.1)	1.20179	(1,137.0)
Profit / (loss) carried forward 31.12.2017 @ closing rate 2017	302.4	1.16905	353.5
- Profit / (loss) carried forward 31.12.2017 @ effective rate (2015-2017)	(302.4)	1.19662	(361.9)
Profit 2017, translated @ closing rate 2017	31.8	1.16905	37.2
- Profit 2017, translated @ average rate 2017	(31.8)	1.10907	(35.3)
Total translation difference	-		(37.4)

6.2 BALANCE SHEET – ASSETS – TRANSLATED INTO CHF

As at 31 December	Note	2017 CHF	2016 CHF
1.1 Investments	1	3,298,350,084	3,155,736,953
1.1.2 Participations	2	101,678,028	94,218,189
1.1.3 Bonds		2,138,648,247	2,242,129,484
1.1.4 Loans	3	233,922,152	217,139,046
1.1.6 Shares	4	277,542,292	218,682,257
1.1.7 Other investments		546,559,365	383,567,978
1.3 Receivables from derivative financial instruments		16,922,424	18,029,842
1.4 Deposits from assumed reinsurance business		1,515,167,304	1,442,319,367
1.5 Cash and cash equivalents		136,375,312	241,085,399
1.6 Reinsurers' share of technical provisions	6	83,455,476	71,615,220
1.10 Insurance receivables	5	940,746,199	953,877,865
1.11 Other receivables	5	15,751,354	28,667,212
1.14 Accrued income and prepaid expenses	5	24,329,447	22,693,033
1.15 ASSETS		6,031,097,598	5,934,024,890

6.3 BALANCE SHEET – LIABILITIES AND EQUITY – TRANSLATED INTO CHF

As at 31 December	Note	2017 CHF	2016 CHF
2.1 Technical provisions	6	4,226,343,877	4,159,376,125
2.1.1 Unearned premium reserves		689,711,869	659,072,861
2.1.2 Loss reserves		3,420,884,266	3,329,035,575
2.1.3 Claims reserves		108,545,983	164,836,946
2.1.4 Claim handling reserves		7,201,760	6,430,743
2.5 Liabilities from derivative financial instruments		7,181,982	21,944,875
2.6 Deposits from ceded business		140,322,268	129,013,444
2.7 Insurance liabilities	7	30,474,864	26,017,888
2.8 Other liabilities	7	4,028,580	1,054,702
2.9 Deferred income and accrued expenses	7	1,016,631	10,837,774
2.9.1 Taxes payable		-	9,814,523
2.9.2 Other accrued expenses		1,016,631	1,023,251
2.10 Subordinated liabilities	7,8	125,000,000	125,000,000
2.11 Liabilities		4,534,368,202	4,473,244,807
2.12 Share capital		400,000,000	400,000,000
2.13 Legal capital reserves		537,004,424	537,004,424
2.13.1 Additional paid-in capital		535,004,424	535,004,424
2.13.2 Organization fund		2,000,000	2,000,000
2.14 Legal retained earnings		200,000,000	200,000,000
2.15 Voluntary retained earnings		359,724,972	323,775,659
2.15.1 Profit / (loss) carried forward		361,841,174	303,997,702
2.15.2 Profit / (loss) of the year		35,286,925	166,150,472
2.15.3 Profit / (loss) carried forward - translation difference		(37,403,127)	(146,372,515)
2.17 Equity	9	1,496,729,396	1,460,780,083
2.18 LIABILITIES AND EQUITY		6,031,097,598	5,934,024,890

6.4 INCOME STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December		Note	2017 CHF	2016 CHF
1.	Gross written premium		1,568,883,422	1,573,848,878
2.	Ceded premium to reinsurers		(41,197,216)	(39,856,506)
3.	Net premium written (1 + 2)		1,527,686,206	1,533,992,373
4.	Change in unearned premium reserves		(13,195,291)	(61,871,310)
5.	Change in reinsurers' share of unearned premium reserves		1,270,150	-
6.	Net premium earned (3 + 4 + 5)		1,515,761,065	1,472,121,063
7.	Other technical income	10	28,843,680	24,136,863
8.	TECHNICAL INCOME (6 + 7)		1,544,604,744	1,496,257,926
9.	Gross claims and claim expenses paid		(904,172,574)	(892,520,326)
10.	Reinsurers' share of claims and claims expenses		8,812,267	8,664,643
11.	Change in technical provisions	11	(113,635,202)	102,777,699
12.	Change in reinsurers' share of technical provisions	11	10,833,104	(19,291,188)
14.	NET CLAIMS AND CLAIM EXPENSES INCURRED (9 to 12)		(998,162,405)	(800,369,172)
15.	Acquisition costs and administrative expenses		(524,459,687)	(565,981,520)
15.1	Commission on earned premium		(501,108,267)	(549,738,392)
15.2	Other administration expenses	12, 13, 14	(23,351,420)	(16,243,128)
16.	Reinsurers' share of acquisition + administration expenses		22,759	34,384
17.	Net acquisition costs + administrative expenses (15 + 16)		(524,436,928)	(565,947,136)
18.	Other technical expenses	15	(60,913,536)	(74,498,441)
19.	TECHNICAL EXPENSES (14 + 17 + 18)		(1,583,512,868)	(1,440,814,749)
20.	Investment income	16	134,651,915	158,038,886
21.	Investment expenses	17	(22,511,255)	(23,161,192)
22.	NET INVESTMENT INCOME (20 + 21)		112,140,660	134,877,693
24.	Other financial income	18	-	15,464,388
25.	Other financial expenses	18	(21,154,623)	(3,925,815)
26.	OPERATING INCOME (8 + 19 + 22 + 24 + 25)		52,077,913	201,859,444
27.	Interest expenses from interest-bearing liabilities		(4,223,160)	(4,218,762)
28.	Other income		1,716,064	-
29.	Other expenses	19	(3,169,023)	(3,289,819)
31.	PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)		46,401,794	194,350,863
32.	Income taxes		(11,114,868)	(28,200,391)
33.	PROFIT / (LOSS) (31 + 32)		35,286,925	166,150,472

6.5 CASH FLOW STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December	2017 CHF	2016 CHF
NET INCOME	35,286,925	166,150,472
Realized gains and losses on investment disposals	5,376,530	27,901,158
Change in amortization, accruals and impairments	5,374,744	3,213,940
Net increase in technical liabilities	56,236,552	42,607,139
Change in fair value of financial instruments	(13,965,453)	(25,723,263)
Other non-cash items included in operating results	(109,203,448)	(55,263,691)
NET CASH FLOWS PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	(20,894,150)	158,885,755
Change in accounts receivables, payables and deposits	(23,225,467)	118,148,065
Cash flows from other assets and liabilities	602,705	196,216
Change in taxes receivables and payables	(13,187,522)	5,111,652
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	(56,704,434)	282,341,688
Acquisitions of investments	(1,005,528,310)	(1,361,222,947)
Disposal of investments	1,068,316,963	1,242,493,383
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	62,788,653	(118,729,564)
Dividends paid	(108,307,000)	(109,809,000)
Interest paid on financial debts	(6,839,381)	(6,675,890)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(115,146,381)	(116,484,890)
Effect of exchange rate variations	4,352,074	(5,226,043)
TOTAL CASH FLOW	(88,232,777)	41,901,191
CASH AND CASH EQUIVALENTS AT 1 JANUARY	241,085,399	199,184,208
Net cash flow provided by / (used in) operating activities	(56,704,434)	282,341,688
Net cash flow provided by / (used in) investing activities	62,788,653	(118,729,564)
Net cash flow provided by / (used in) financing activities	(115,146,381)	(116,484,890)
Effect of exchange rate variations	4,352,074	(5,226,043)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	136,375,312	241,085,399

6.6 SELECTED NOTES TO THE FINANCIAL STATEMENTS – IN CHF

6.6.1 NOTE 1 - INVESTED ASSETS

Invested assets In CHF million	Book value	
	2017	2016
1.1 Investments	3,298.4	3,155.7
1.1.2 Participations	101.7	94.2
1.1.3 Bonds	2,138.7	2,242.1
1.1.4 Loans	233.9	217.0
1.1.6 Shares	277.5	218.7
1.1.7 Other investments	546.6	383.6
Real estate funds	71.7	74.5
Share funds	1.8	1.6
Bond funds	239.3	158.7
Loans and infrastructure funds	174.3	104.6
Hedge funds	16.1	14.8
Single private equity funds	43.4	29.2
TOTAL INVESTED ASSETS	3,298.4	3,155.7

6.6.2 NOTE 2 - PARTICIPATIONS

Company	Domicile	2017			2016		
		Capital	Share in voting rights (in %)	Book value (in thousands of CHF)	Capital	Share in voting rights (in %)	Book value (in thousands of CHF)
SCOR Holding (UK) Ltd.	London	GBP 101	100	101,678	GBP 101	100	94,218
PARTICIPATIONS				101,678			94,218

6.6.3 NOTE 3 - LOANS

As of 31 December 2017, outstanding loans for a total amount of CHF 233.9 million (2016 CHF 217.1 million) were related to other SCOR group entities:

- CHF 220.7 million (2016 CHF 204.6 million) granted to SCOR Holding (Switzerland) AG
- CHF 13.2 million (2016 CHF 12.5 million) granted to SCOR Realty Singapore PTE Ltd.

6.6.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2017, SCOR Switzerland AG held investments that have an observable market price and which are valued at the market price for a total amount of CHF 277.5 million as compared to CHF 218.7 million one year earlier. No other assets were booked at market value.

6.6.5 NOTE 5 - RECEIVABLES

Receivables In CHF million	as at 31 December 2017					as at 31 December 2016				
	Third	Parti- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
1.10 Insurance receivables	24.7	24.4	-	891.6	940.7	21.5	0.0	-	932.4	953.9
1.10.1 Receivables from reinsureds	23.6	24.0	-	891.6	939.2	19.6	0.0	-	932.4	952.0
1.10.2 Receivables from retrocessionaires	1.1	0.4	-	-	1.5	1.9	0.0	-	-	1.9
1.11 Other receivables	15.8	-	-	0.0	15.8	7.3	-	-	21.4	28.7
1.14 Accrued income	22.9	1.4	-	0.0	24.3	21.4	1.3	-	0.0	22.7
TOTAL RECEIVABLES	63.3	25.8	-	891.7	980.8	50.2	1.3	-	953.8	1,005.3

Total insurance receivables of CHF 940.7 million as per 31.12.2017 (2016 CHF 953.9 million) include receivables from reinsureds (related to assumed reinsurance business) of CHF 939.2 million (2016 CHF 952.0 million) and receivables from retrocessionaires (related to ceded reinsurance) of CHF 1.5 million (2016 CHF 1.9 million).

6.6.6 NOTE 6 - TECHNICAL PROVISIONS

Technical provisions as at December 31 In CHF million	2017			2016		
	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium	689.7	-	689.7	659.1	-	659.1
Provisions for insurance liabilities	3,536.6	(83.5)	3,453.2	3,500.3	(71.6)	3,428.7
TOTAL	4,226.3	(83.5)	4,142.9	4,159.4	(71.6)	4,087.8

6.6.7 NOTE 7 - LIABILITIES

Liabilities In CHF million	as at 31 December 2017					as at 31 December 2016				
	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total	Third	Partici- pants	Partici- pations	Other SCOR group entities	Total
2.7 Insurance liabilities	6.1	0.6	-	23.8	30.5	7.1	1.1	-	17.8	26.0
2.7.1 Liabilities to reinsureds	4.3	0.0	-	23.8	28.1	4.3	0.0	-	17.8	22.1
2.7.2 Liabilities to retrocessionaires	1.8	0.6	-	(0.0)	2.4	2.8	1.1	-	(0.0)	3.9
2.8 Other liabilities	0.1	0.4	-	3.5	4.0	0.2	0.9	-	-	1.1
2.9 Deferred income and accrued expenses	0.2	0.8	-	-	1.0	10.0	0.8	-	-	10.8
2.10 Subordinated liabilities	-	125.0	-	-	125.0	-	125.0	-	-	125.0
TOTAL LIABILITIES	6.4	126.8	-	27.3	160.5	17.3	127.8	-	17.8	162.9

Total insurance liabilities of CHF 30.5 million as per 31.12.2017 (2016 CHF 26.0 million) include liabilities to reinsureds (related to assumed reinsurance business) of CHF 28.1 million (2016 CHF 22.1 million) and liabilities to retrocessionaires (related to ceded reinsurance) of CHF 2.4 million (2016 CHF 3.9 million).

6.6.8 NOTE 8 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020. By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

6.6.9 NOTE 9 - EQUITY

In CHF million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2016	400.0	537.0	200.0	323.8	1,460.8
Elimination of the previous year's translation difference	-	-	-	146.4	146.4
Dividend paid to shareholders	-	-	-	(108.3)	(108.3)
Profit / (loss) of the year	-	-	-	35.3	35.3
New translation difference	-	-	-	(37.4)	(37.4)
Balance as of 31 December 2017	400.0	537.0	200.0	359.7	1,496.7

6.6.10 NOTE 11 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as at December 31	2017			2016		
	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
In CHF million						
Change in provisions for insurance liabilities	(113.6)	10.8	(102.8)	102.8	(19.3)	83.5
TOTAL	(113.6)	10.8	(102.8)	102.8	(19.3)	83.5

6.6.11 NOTE 12 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to CHF 23.4 million in 2017 as compared to CHF 16.2 million in 2016. The deviation is mostly driven by a true-up effect on the expenses allocated from SCOR Services Switzerland AG for the fiscal year 2015 booked in 2016 (income CHF 7.4 million).

6.6.12 NOTE 13 - AUDITOR'S FEES

In 2017, SCOR Switzerland AG paid CHF 279 thousand for audit services as compared to CHF 261 thousand in the previous year. No fees were paid to the statutory audit firm for other services neither in 2017 nor in 2016.

6.6.13 NOTE 16 - INVESTMENT INCOME

Investment income as per	2017				2016			
	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
In CHF million								
Participations	5.2	-	-	5.2	49.6	-	-	49.6
Bonds	31.0	12.6	-	43.6	30.5	21.6	-	52.1
Loans	5.7	-	-	5.7	5.7	-	-	5.7
Shares	0.9	0.4	72.6	73.9	0.7	2.3	33.4	36.4
Other investments	3.8	2.5	-	6.3	10.5	1.0	2.6	14.1
INVESTMENT INCOME	46.6	15.5	72.6	134.7	97.1	24.9	36.0	158.0

6.6.14 NOTE 17 - INVESTMENT EXPENSES

Investment expenses as per	2017				2016			
	Investment expenses	Realised losses	Unrealised losses	Total	Investment income	Realised gains	Unrealised gains	Total
In CHF million								
Participations	-	-	-	-	-	-	-	-
Bonds	(2.7)	(4.4)	-	(7.1)	(2.2)	(1.1)	-	(3.3)
Loans	-	-	-	-	-	-	-	-
Shares	(0.3)	(1.3)	(8.5)	(10.1)	(0.1)	(2.4)	(11.5)	(14.0)
Other investments	-	(0.1)	(5.2)	(5.3)	-	-	(5.8)	(5.8)
INVESTMENT EXPENSES	(3.0)	(5.8)	(13.7)	(22.5)	(2.3)	(3.5)	(17.3)	(23.1)

6.6.15 NOTE 18 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2017, other financial expenses of CHF -21.1 million consist of the negative result from foreign exchange of net CHF -15.6 million and in addition financial charges of CHF -5.5 million, which mainly relate to LOC and bank fees. In 2016 the positive net result from foreign exchange of CHF 15.7 million was included in other financial income of total CHF 15.5 million together with (negative) interests on cash and cash equivalents of CHF -0.2 million whereas other financial expenses of CHF -3.9 million solely comprised financial charges.

The following table shows a breakdown of the result from foreign exchange included in the income statement:

As at 31 December	2017 CHF	2016 CHF
FX result from technical items	71,463,460	123,877,161
Realized technical FX gain / (loss)	(51,307)	(38,136)
Unrealized technical FX gain / (loss)	71,514,768	123,915,296
FX result from investments	(99,657,115)	(121,009,006)
Realized investment FX gain / (loss)	(22,467,603)	(51,890,962)
Unrealized investment FX gain / (loss)	(77,189,512)	(69,118,044)
FX result from other items	819,874	(4,228,329)
Realized other FX gain / (loss)	154,719	(584,366)
Unrealized other FX gain / (loss)	665,155	(3,643,964)
FX RESULT BEFORE HEDGING	(27,373,780)	(1,360,174)
FX result from forward contracts on foreign currencies	11,758,162	17,106,376
Realized FX gain / (loss) from forward contracts	(1,490,771)	(8,811,126)
Unrealized FX gain / (loss) from forward contracts	13,248,932	25,917,502
FX RESULT AFTER HEDGING	(15,615,619)	15,746,202

6.6.16 NOTE 22 - LONG-TERM LEASING CONTRACTS

As of 1 January 2012, the building at General Guisan-Quai 26 in Zurich is leased by SCOR Switzerland AG together with SCOR Services Switzerland AG. The lease for the building is a fixed-term agreement until 31 December 2021. The rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the rental period up to 2021, total expenses of CHF 40.4 million are expected. The annual expenses of CHF 10.1 million will be charged directly to SCOR Services Switzerland AG to the statement of income of the respective fiscal year.

6.6.17 NOTE 23 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2017, the total volume of outstanding letters of credit amounted to CHF 743.6 million (2016 CHF 700.7 million):

- CHF 337.4 million (2016 CHF 363.3 million) issued by Citi Bank
- CHF 325.5 million (2016 CHF 275.5 million) issued by Bayern LB
- CHF 51.9 million (2016 CHF 49.1 million) issued by BNP Paribas
- CHF 8.9 million (2016 CHF 10.6 million) issued by Deutsche Bank, Luxembourg Branch
- CHF 2.2 million (2016 CHF 2.2 million) issued by Credit Suisse
- CHF 14.1 million (2016 CHF 0.0 million) issued by Natixis
- CHF 3.6 million (2016 CHF 0.0 million) issued by Commerzbank

Depending on the type of credit facility, banks providing such facilities may ask SCOR Switzerland AG to post collateral.

6.6.18 NOTE 24 - PLEDGED ASSETS

As of 31 December 2017, SCOR Switzerland AG held investments for an amount of CHF 813.3 million (2016 CHF 1'256.4 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under Investments but are not available to the Company as liquid free assets.

The following amounts of assets were pledged as of 31 December 2017:

- CHF 510.7 million (2016 CHF 841.3 million) as collateral for outstanding letters of credit
- CHF 287.4 million (2016 CHF 399.6 million) to support the Company's internal reinsurance transactions
- CHF 15.2 million (2016 CHF 15.5 million) as deposits with cedents

Bericht über die Finanzlage: Quantitative Vorlage "Marktnahe Bilanz Solo"

Währung: EUR
Angaben in Millionen

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
Marktnahe Wert der Kapitalanlagen	Immobilien			
	Beteiligungen	123		113
	Festverzinsliche Wertpapiere	2'011		2'064
	Darlehen			136
	Hypotheken			
	Aktien	256		366
	Übrige Kapitalanlagen			
	Kollektive Kapitalanlagen	328		41
	Alternative Kapitalanlagen			
	Sonstige Kapitalanlagen	115		16
	Total Kapitalanlagen	443		57
Finanzanlagen aus anteilgebundener Lebensversicherung				
Forderungen aus derivativen Finanzinstrumenten	17		14	
Marktnahe Wert der übrigen Aktiven	Flüssige Mittel	223		47
	Forderungen aus dem Versicherungsgeschäft	2'330		1'652
	Übrige Forderungen	208		98
	Sonstige Aktiven	0		1
	Total übrige Aktiven			
Total marktnahe Wert der Aktiven	5'609		4'548	
Bestmöglicher Schätzwert der Versicherungs-verpflichtungen (BEL)	Bestmöglicher Schätzwert der Rückstellungen für Versicherungsverpflichtungen			
	Direktversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Direktversicherung: Schadenversicherungsgeschäft			
	Direktversicherung: Krankenversicherungsgeschäft			
	Direktversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Direktversicherung: Sonstiges Geschäft			
	Aktive Rückversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Aktive Rückversicherung: Schadenversicherungsgeschäft	3'466		2'505
	Aktive Rückversicherung: Krankenversicherungsgeschäft			
	Aktive Rückversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Aktive Rückversicherung: Sonstiges Geschäft			
	Anteile Rückversicherer am bestmöglichen Schätzwert der Rückstellungen für Versicherungsverpflichtungen			
	Direktversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Direktversicherung: Schadenversicherungsgeschäft			
	Direktversicherung: Krankenversicherungsgeschäft			
	Direktversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Direktversicherung: Sonstiges Geschäft			
	Aktive Rückversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Aktive Rückversicherung: Schadenversicherungsgeschäft			
	Aktive Rückversicherung: Krankenversicherungsgeschäft			
	Aktive Rückversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
Aktive Rückversicherung: Sonstiges Geschäft				
Marktnahe Wert der übrigen Verpflichtungen	Nicht versicherungstechnische Rückstellungen			
	Verzinsliche Verbindlichkeiten	116		110
	Verpflichtungen aus derivativen Finanzinstrumenten	20		6
	Depotverbindlichkeiten aus abgegebener Rückversicherung	119		120
	Verbindlichkeiten aus dem Versicherungsgeschäft			
	Sonstige Passiven	34		27
Summe aus BEL plus marktnahe Wert der übrigen Verpflichtungen	3'756		2'769	
Differenz marktnahe Wert der Aktiven abzüglich der Summe aus BEL plus marktnahe Wert der übrigen Verbindlichkeiten		1'854		1'779

**Bericht über die Finanzlage: Quantitative Vorlage
"Solvabilität Solo"**

Währung: EUR
Angaben in Millionen

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
		in Mio. CHF	in Mio. CHF	in Mio. CHF
Herleitung RTK	Differenz marktnaher Wert der Aktiven abzüglich der Summe aus bestmöglichem Schätzwert der Versicherungsverpflichtungen plus Marktnaher Wert der übrigen Verpflichtungen	1'854		1'779
	Abzüge	-100		-150
	Kernkapital	1'754		1'629
	Ergänzendes Kapital	116		110
	RTK	1'870		1'739

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
		in Mio. CHF	in Mio. CHF	in Mio. CHF
Herleitung Zielkapital	Versicherungstechnisches Risiko	669		564
	Marktrisiko	148		167
	Diversifikationseffekte	-178		-169
	Kreditrisiko	162		109
	Mindestbetrag und sonstige Effekte auf das ZK	168		179
	Zielkapital	969		851

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
		in %	in %	in %
SST-Quotient	Risikotragendes Kapital / One-Year Change	202%		216%