

January 2024 P&C Renewal Results

6 February 2024

Growing preferred lines of business in attractive market conditions

Jean-Paul Conoscente, P&C CEO
Romain Launay, P&C Deputy CEO

Disclaimers

General

Numbers presented throughout this document may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated on complete figures (including decimals); therefore the document might contain immaterial differences in sums and percentages due to rounding. Unless otherwise specified, the sources for the business ranking and market positions are internal.

Forward-looking statements

This press release includes forward-looking statements, assumptions, and information about SCOR's financial condition, results, business, strategy, plans and objectives, including in relation to SCOR's current or future projects.

These statements are sometimes identified by the use of the future tense or conditional mode, or terms such as "estimate", "believe", "anticipate", "expect", "have the objective", "intend to", "plan", "result in", "should", and other similar expressions.

It should be noted that the achievement of these objectives, forward-looking statements, assumptions and information is dependent on circumstances and facts that arise in the future.

No guarantee can be given regarding the achievement of these forward-looking statements, assumptions and information. These forward-looking statements, assumptions and information are not guarantees of future performance. Forward-looking statements, assumptions and information (including on objectives) may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the inflation and geopolitical risks including but not limited to the Russian invasion and war in Ukraine on SCOR's business and results cannot be accurately assessed.

Therefore, any assessments, any assumptions and, more generally, any figures presented in this press release will necessarily be estimates based on evolving analyses, and encompass a wide range of theoretical hypotheses, which are highly evolutive.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2022 Universal Registration Document filed on April 14, 2023, under number D.23-0287 with the French Autorité des marchés financiers (AMF) posted on SCOR's website www.scor.com.

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

SCOR has no intention and does not undertake to complete, update, revise or change these forward-looking statements and information, whether as a result of new information, future events or otherwise.

Financial information

All figures in this presentation are unaudited unless otherwise specified.

Unless otherwise specified, all figures are presented in Euros.

Any figures for a period subsequent to 30 September 2023 should not be taken as a forecast of the expected financials for these periods.

All definitions can be found in the appendix.

All figures are at constant exchange rates as of December 31, 2023 unless otherwise specified.

All figures are based on available information as of January 25, 2024 unless otherwise specified.

Executing on Forward 2026 strategic plan

Grow portfolio during the 1.1.2024 renewals above the average Forward 2026 assumptions

Enhance diversification through preferred lines: Engineering, Marine, IDI, International Casualty

Accelerate the development of Alternative Solutions

Maintain a prudent approach to business exposed to climate change

Maintain a limited appetite for US Casualty

Growing preferred lines

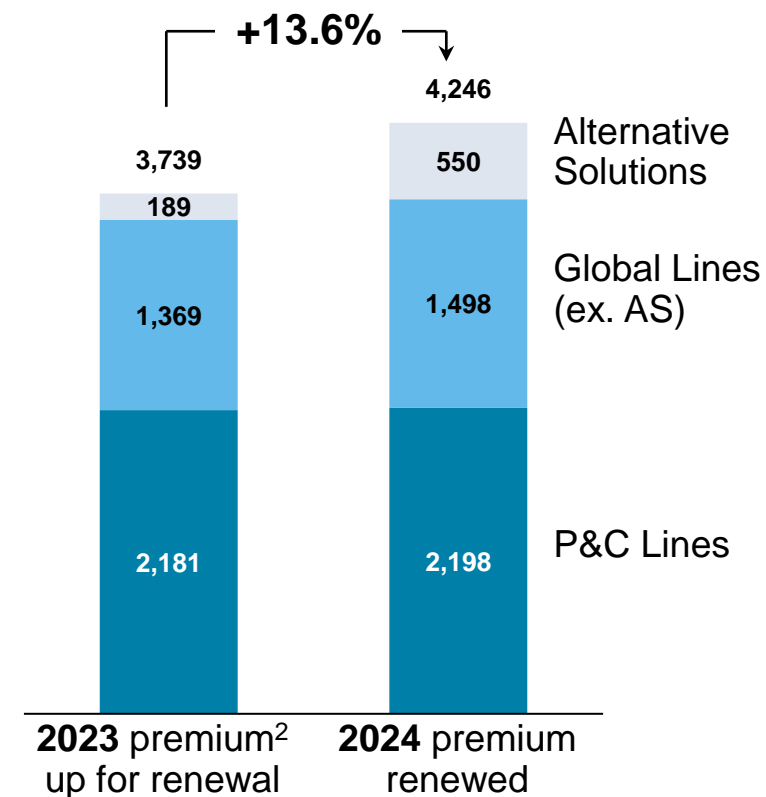
Targeted growth on diversifying lines

+13.3% EGPI¹ on Engineering, IDI, Marine and International Casualty

Sizable development of Alternative Solutions

More than x2 EGPI¹ on Alternative Solutions, driven by strong new business across geographies

EGPI change at 1.1 renewals (in EUR m)



4 | FX rates at 31/12/2023
 Excluding one large transaction in Europe and SCOR's 3rd party capital provision business at Lloyd's ("SUL").
 1. EGPI variation compared to 1.1.2023; 2. 2023 premiums adjusted for premium revisions, FX and late renewals

Improving further portfolio quality

Disciplined underwriting

Standing firm on 2023 improvements in **Terms and Conditions**

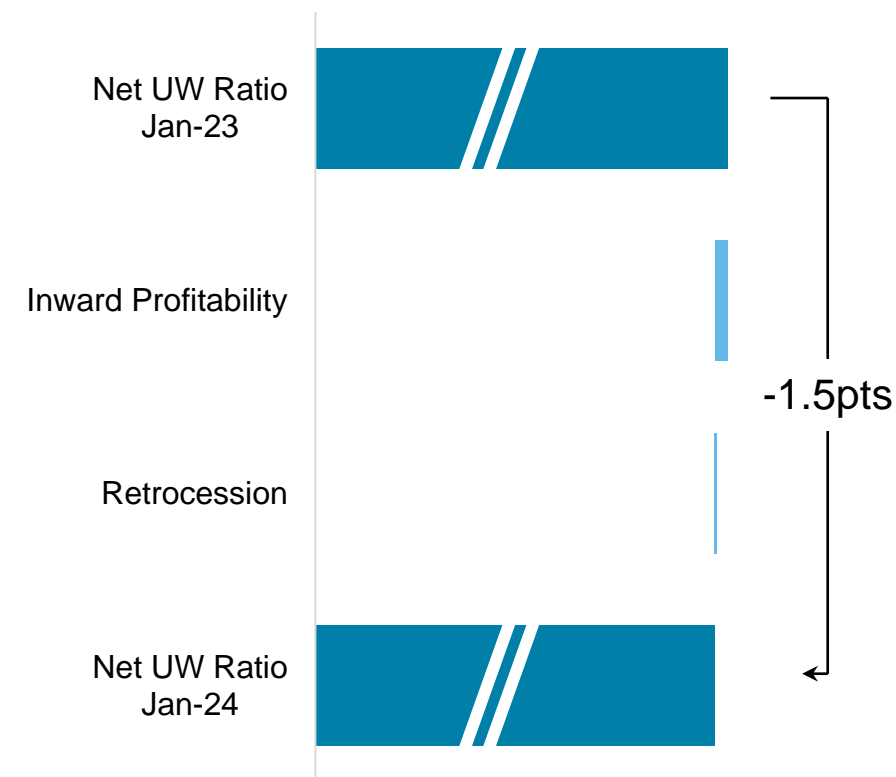
Price change

- +3.1% price change overall:**
- +6.6% on non-proportional
 - +1.5% on proportional

Retrocession

Improved protection with **enhanced capacity and coverage expansion at constant cost**

Net underwriting ratio change at 1.1 renewals (excluding Alternative Solutions)



Maintaining disciplined Nat Cat underwriting

**+10%
EGPI
growth**

Exposure change: +3.5%, from more limit bought by ceding companies in general to cope with inflation

Price change: +6.5%, across the Cat portfolio driven by Europe and US regional carriers

**Terms &
Conditions**

Disciplined on Terms & Conditions and stricter wording such as SRCC¹ cover limitations

Structure

Maintained discipline on treaty structures, such as Cat XL retentions which are still increasing to keep out of the most climate-sensitive business

Cat PML

Increased retrocession placed at attractive conditions, keeping an **underweight net exposure**

Decreasing US Casualty exposure

Market

Various levels of appetite from reinsurers for US Casualty business
Greater differentiation in clients / portfolio selection

SCOR view

We believe primary rate increases and improved reinsurance commissions are **not attractive to grow in this line**
We expect **annual claims inflation >10%** in the years to come hence the priced profitability continues to deteriorate

SCOR underwriting

Remaining prudent and renewing the portfolio only with selected clients leading to slightly decreasing EGPI
Relative size of renewed US Casualty business is limited (from 3.9% at 1.1.2023 to 3.3% at 1.1.2024)

Maintaining positive outlook for 2024

Continued discipline and adequate prices

Despite a more **balanced supply / demand** for well-structured programs and increased availability of retrocession, **risk-adequate prices** are anticipated for the rest of 2024

Sustained demand for alternative solutions

Strong pipeline from clients looking to optimize risk structure

Offering a wide range of structured solutions for insurance companies allowing us to secure broader diversification

Expanded capacity through risk partnerships

20% year-on-year capacity growth with existing risk partners, including expansion into non-Cat lines of business

Additional third-party capital raised in January, with **new risk partners**

Key takeaways

+13.6% EGPI growth with enhanced portfolio quality leading to underwriting ratio improvement of -1.5pts¹

More capital allocated to attractive diversifying lines: Marine, Engineering, IDI, International Casualty (EGPI +13.3%)

Accelerated development of Alternative Solutions (EGPI > x2), meeting client demand for customized solutions

Disciplined Nat Cat underwriting, unchanged underweight Cat exposures

Reduced size of US Casualty in the portfolio (3.3% at 1.1.2024)

Positive outlook for the upcoming renewals in 2024 with continued underwriting discipline

FX rates at 31/12/2023

9 | Excluding one large transaction in Europe and SCOR's 3rd party capital provision business at Lloyd's ("SUL").
NB CSM variation computed at constant economics, risk-adjustment and expenses. EGPI variation compared to 1.1.2023
1. Excluding Alternative Solutions

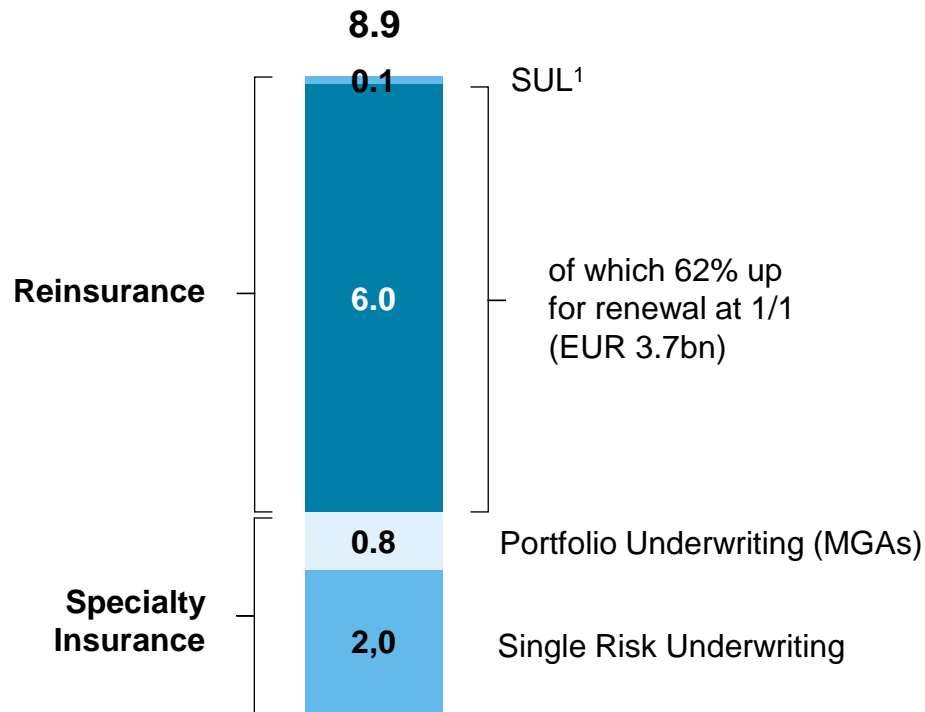


Appendix

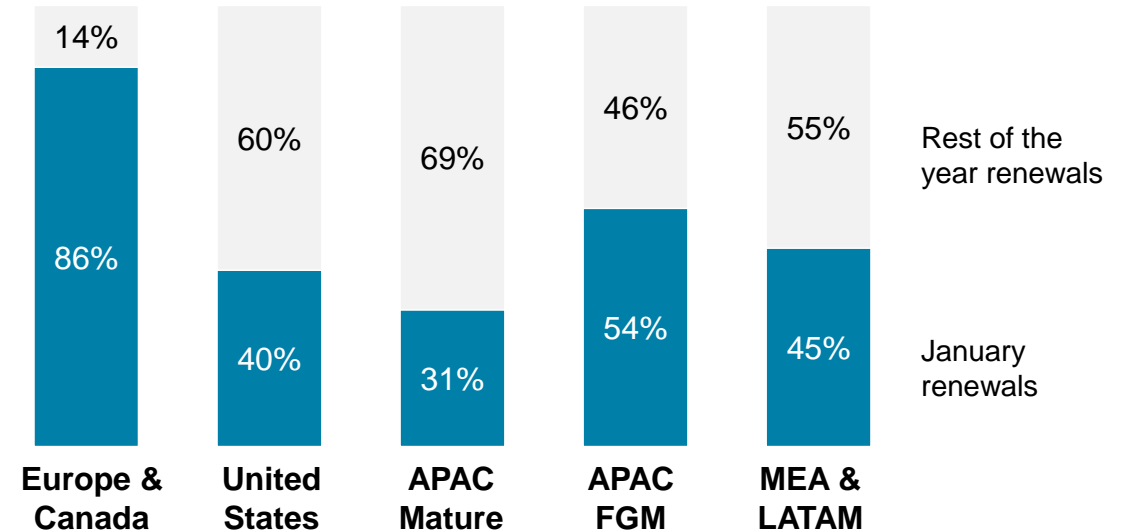
62% of SCOR's P&C reinsurance treaty premiums renewed at 1.1

Estimated 2023 UW Year premiums

In EUR billions



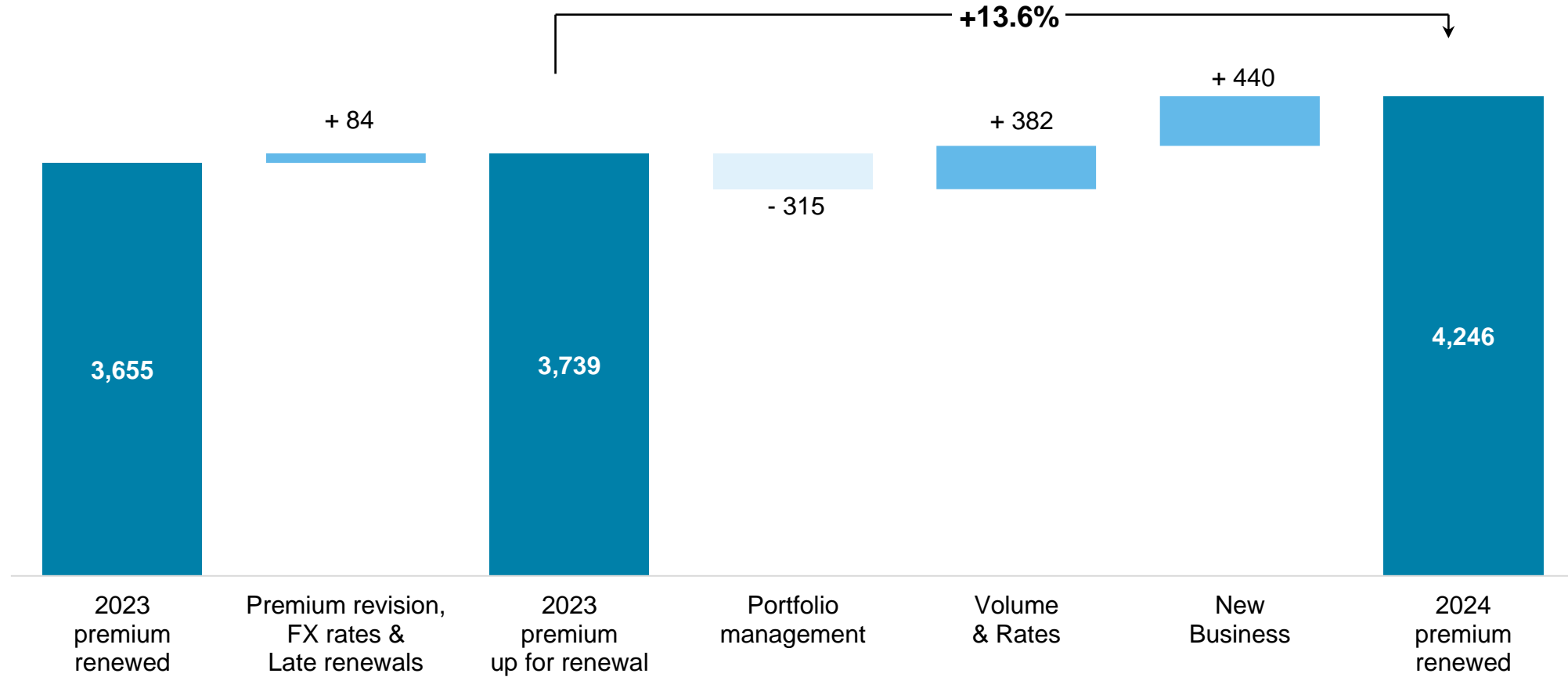
Reinsurance treaty renewal seasonality



Specialty Insurance single risk renewals are spread out throughout the year

Treaty reinsurance book grows by +13.6% at 1.1 renewals

EGPI rollforward 1.1.2023 to 1.1.2024
In EUR m



Growing share in preferred lines driven by new business in the US

Business mix geared towards preferred lines

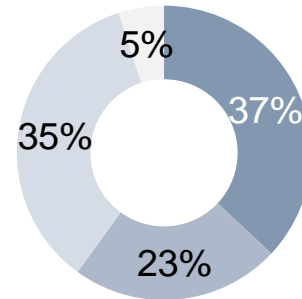
- Increased Alternative Solutions share
- Global Lines ex. AS grow by 9.4%¹, driven primarily by Engineering and Marine & Energy, and maintain a stable share
- Property Lines grow marginally while Casualty & Motor contract marginally. All decrease in relative share of the portfolio

Increased US share from preferred lines

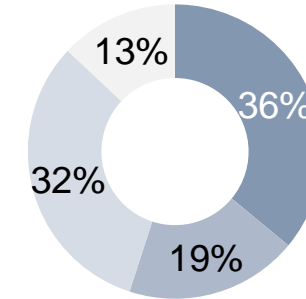
- Robust US growth driven first by Alternative Solutions new business and second by Global Lines
- Europe & Canada grow in line with the portfolio



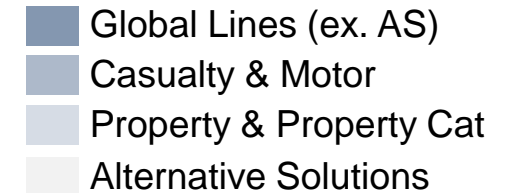
EGPI



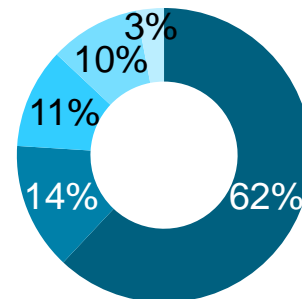
2023



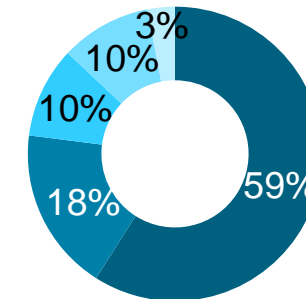
2024



EGPI



2023



2024



Definition

- **APAC Mature:** Asia-Pacific mature markets (Australia / New Zealand, Japan, South Korea)
- **APAC Fast Growth Markets:** Asia-Pacific excluding APAC Mature markets
- **Cancelled/restructured:** client or SCOR decided to cancel the business/programs and/or to change their programs (e.g. from Proportional to Non-Proportional)
- **EGPI:** Estimated Gross Premium Income, Underwriting Year
- **LatAm & MEA:** Middle East & Africa, Latin America and Caribbean
- **LoB:** Line of Business
- **PML:** Probable Maximum Loss, as measured by the net Aggregate Exceedance Probability 1-in-250 years
- **Price change:** “price change” defined as movement in price per unit of exposure and adjusted for structure change and share change. By definition, changes in commissions are not considered as price changes. All percentages based on weighted averages per segment and overall on premium volume
- **Reinsurance P&C Lines:** Property, Property Cat, Casualty, Motor, and other related lines (Personal Insurance, Nuclear, Terrorism, Special Risks, Motor Extended Warranty, and Inwards Retrocession)
- **Reinsurance Global Lines:** Agriculture, Aviation, Credit & Surety, Decennial, Engineering, Marine and Offshore, Space, Cyber and Alternative Solutions
- **Share variation:** client or SCOR decided to reduce or increase the share participation (e.g. SCOR increases share with client X from 10% to 20%)
- **Underwriting Ratio:** on an underwriting year basis, the sum of the loss ratio and the external charges ratio (cedant's commission and brokerage ratios)



Certified with **wiztrust**

All content published by the SCOR group since January 1, 2024, is certified with Wiztrust. You can check the authenticity of this content at [wiztrust.com](https://www.wiztrust.com).