P&C January 2022 renewal results

Jean-Paul Conoscente
P&C CEO

Romain Launay
P&C Deputy CEO

February 8, 2022

SCOR
The Art & Science of Risk

Disclaimer

General:
Numbers presented throughout this report 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 presentation 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 presentation includes forward-looking statements and information about the objectives of SCOR, in particular, relating to SCOR's current or future projects. These statements are sometimes identified by the use of the future tense or conditional mode, as well as terms such as "estimate", "believe", "have the objective of", "intend to", "expect", "result in", "should" and other similar expressions. It should be noted that the achievement of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future.
No guarantee can be given regarding the achievement of these forward-looking statements and information. Forward-looking statements and information and information about objectives may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the Covid-19 crisis on SCOR's business and results can not be accurately assessed at this stage, in particular given the uncertainty related to the magnitude, evolution and duration of the Covid-19 pandemic, to the short, medium and long-term effects on health and on the economy, and to the possible effects of future governmental actions or legal developments in this context.
This uncertainty follows from the high difficulty in working on sound hypothesis on the impact of this crisis due to the lack of comparable events, the ongoing nature of the pandemic and its far-reaching impacts on world-wide economies, on the health of the population and on our customers and counterparties. These hypothesis include, in particular:
- the duration of the pandemic, its impact on health on the short and long term, the availability, efficacy, effectiveness and take-up rate of the vaccines;
- the response of government bodies world-wide (including executive, legislative and regulatory);
- the potential judicial actions or social influences;
- the coverage and interpretation of SCOR's contracts under these circumstances;
- the assessment of the net claim estimate and impact of claim mitigation actions.

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

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

In addition, such forward-looking statements are not "profit forecasts" within the meaning of Article 1 of Commission Delegated Regulation (EU) 2019/980.
SCOR does not undertake any obligation to publish changes or updates regarding these forward-looking statements and information.

Financial information:
All figures in this presentation are unaudited unless otherwise specified.
Unless otherwise specified, all figures are presented in Euros.
Any figures for a period subsequent to 30 September 2021 should not be taken as a forecast of the expected financials for these periods.
All definitions can be found in the appendix.
All figures are at constant exchange rates as at December 31, 2021 unless otherwise specified.
All figures are based on available information as at January 21, 2022 unless otherwise specified.

SCOR delivers on its objectives of reducing volatility and improving margins, as communicated at its September Investor day

From September Investor Day

Value-accretive growth opportunities

Reinsurance

- Expand shares / writings on a selection of clients & lines of business, with a focus on Non-Cat lines of business
- Expand Global Lines portfolio, including from addition of targeted new underwriting teams

Specialty Insurance

- Accelerate our current development plan putting more capacity to work with limited change in risk appetite

Retrocession

- Optimize retrocession purchase with a redesign towards more earnings protection

2022 growth targets:

EGPI[1]: +15-20%

GWP: +15-18%[2]

Depending on market conditions

Net Combined Ratio trending towards 95% and lower

Delivered

1) Estimated Gross Premium Income, Underwriting Year
2) At constant exchange rate as of December 31, 2021

At January **treaty reinsurance renewals**, SCOR actively manages its book to allocate its capital to most profitable lines, while reducing climate-sensitive business

SCOR overall grows its **treaty reinsurance book by +19.0%** at 1.1 renewals

- Excluding one large structured transaction (a large balanced portfolio of non-Cat European business), the **underlying growth stands at +9.8%[1]**
- **Business mix:**
  - **Reduction of CAT exposures at 1.1** by -7%[2] due to insufficient net margins to remunerate volatility
  - Active development in **Global Lines**, with better return on capital
  - In **Property & Casualty lines**, portfolio management to optimize risk vs. profitability – overall modest premium growth of +4.8%
- **Geography:**
  - Growth coming from **Europe** (+15.0%)**,** leveraging further SCOR's leadership position in the region – with Ventures-clients being a key source of profitable business (+78% at 1.1) – and **Fast Growth Markets** (+14.7%)
  - Premium reduction in **North America** and **APAC Mature** due to the de-risking on a few large cat-exposed accounts

On a risk adjusted basis, the **priced net combined ratio improves by c. 0.5pts**

- SCOR's Cat **retrocession program renewed in line with plan**, with the overall reduction of Proportional and Aggregate XL capacity supply compensated by an increase in side-car capacity to 300m USD
- Combined with the various price increases, underwriting actions, repositioning of the portfolio and accounting for SCOR's updated view of risk (incl. economic and claims inflation), the overall actions translate into an improvement of the **estimated priced net combined ratio[4] of c. 0.5pts** on a risk adjusted basis

1) Excludes one large structured transaction
2) Impact on the in-force net Aggregate Exceedance Probability-250 from the Cat exposure reduction actions taken at 1.1 treaty renewals
3) SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts) ; whereas premium change includes new business
4) On an underwriting year basis

SCOR is continuously acting along the two main strategic axes highlighted in September 2021 IR Day to develop its franchise while optimizing its capital deployment

1 Reducing CAT exposures due to insufficient net risk return

- Rising prices on Cat-prone lines **do not lead to sufficiently improved net expected margins** relative to the expected volatility, after accounting for claims inflation, the impact of climate change and the increased cost of retrocession
- As a result, SCOR took a **series of actions to reduce its Cat exposures:**
  - Treaty portfolio repositioning largely in North America, exit of US primary wind-exposed MGAs
  - Treaty Property Cat premium after 1.1 renewals represent **13% of the renewed portfolio**, vs. 14% of the renewable basis

➢ **Overall, 11% reduction of P&C's net CAT PMLs[1] projected for full year 2022**

2 Repositioning the P&C portfolio

- At 1.1 **Treaty reinsurance** renewals, SCOR leverages its strong client relationships, to develop its positioning on Global Lines (+20.7%), for which better profitability and risk returns are expected compared to the overall reinsurance portfolio
- In **Specialty Insurance,** SCOR rebalances its large corporate single risks portfolio towards longer-tail lines particularly in Casualty and Financial Lines, while Property and Energy lines gradually stabilize, all still benefitting from continued rate-on-rate increases.
  - Overall, the large corporate single risks portfolio grows by +18.6% in 2021 vs. 2020, with a rate increase of +12.6%

➢ **Grow a larger "ballast" base to absorb peak Nat Cat volatility**

Given the actions taken since H2 2021 and the strong delivery at renewals, SCOR reiterates the September's Investor day assumptions of **gross written premiums growing at +15-18%[2,3]**, and a **net combined ratio trending towards 95% and below for 2022**

1) Measured by the net Aggregate Exceedance Probability-250, impact of all combined actions taken (including repositioning of the treaty reinsurance book and exit of primary US-wind exposed MGAs) on the overall P&C book's year end projected PML compared to year end 2021 PMLs
2) In Financial year, corresponding to an Estimated Gross Premium Income (Underwriting Year) of 15%-20% in 2022.
3) At constant exchange rate as of December 31, 2021

SCOR The Art & Science of Risk

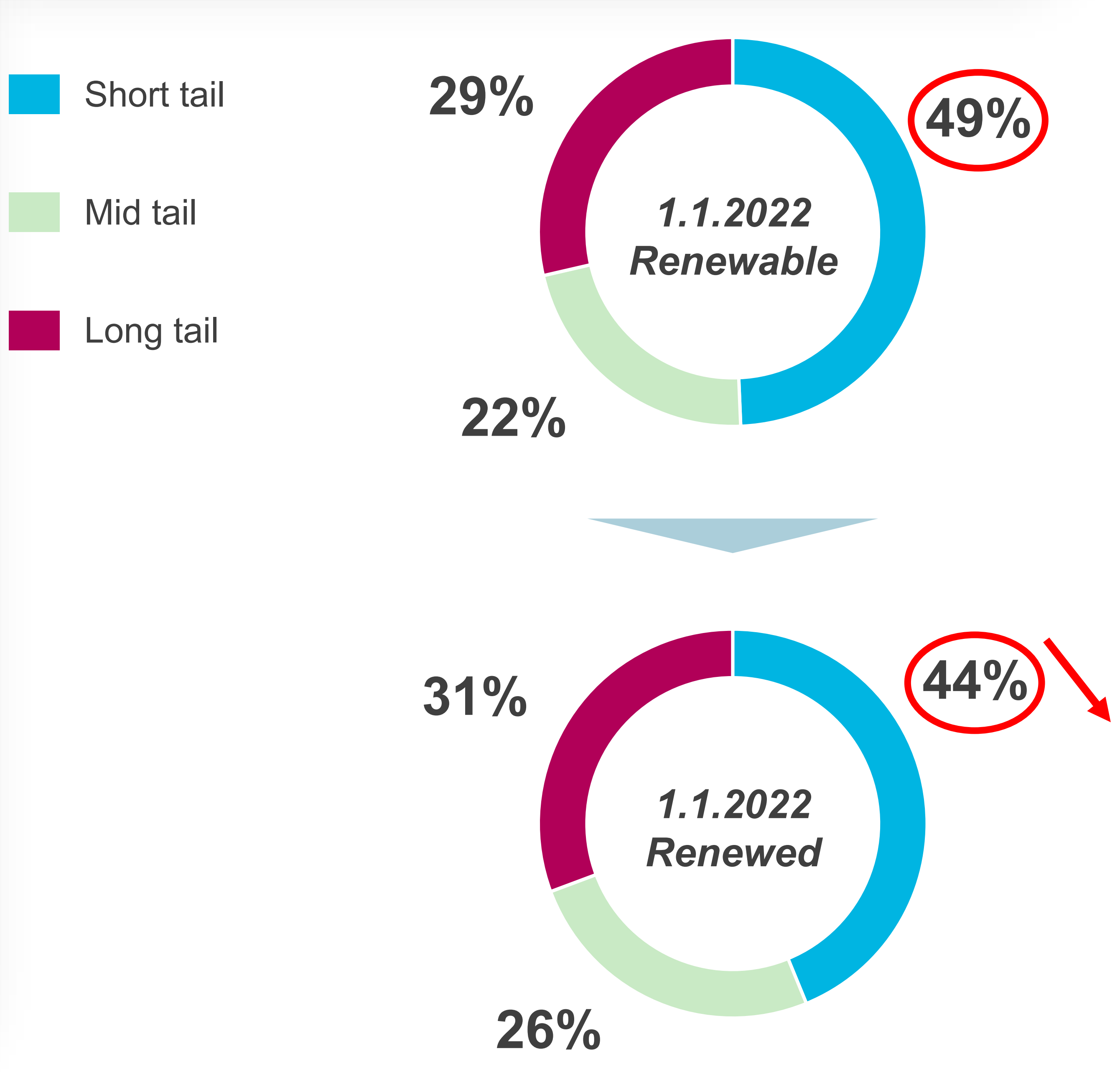
SCOR is actively shaping its P&C portfolio…

SCOR grows Specialty Insurance more than Treaty Reinsurance

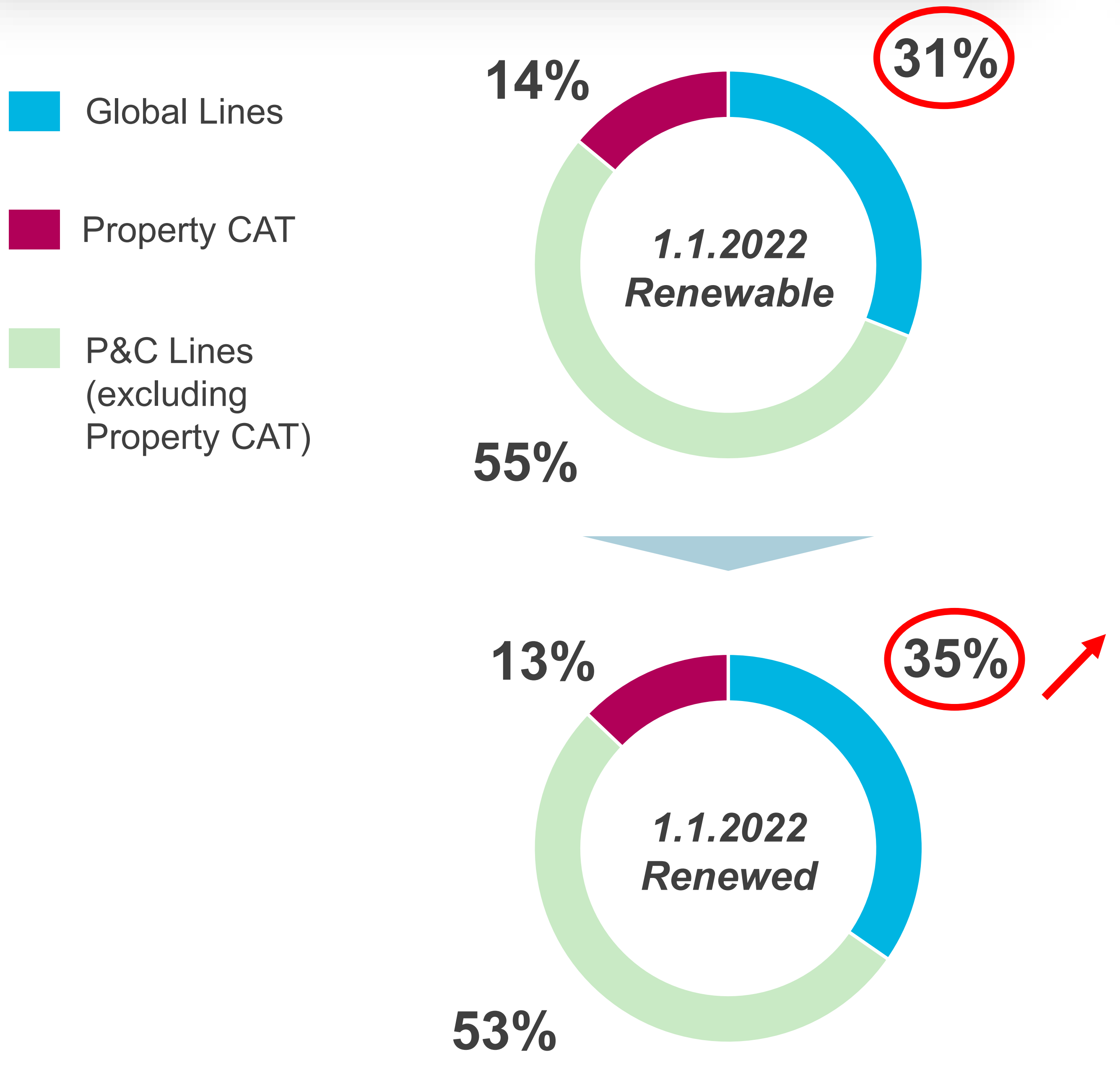
- SCOR continues to view Specialty Insurance as the most attractive segment in the current P&C (re)insurance market
- Share of Specialty Insurance in SCOR's P&C premium mix gradually increasing, reaching 26% in 2021 (from 25% in 2020)

Within treaty reinsurance, **SCOR rebalances its 1/1 portfolio towards Global lines and Europe**

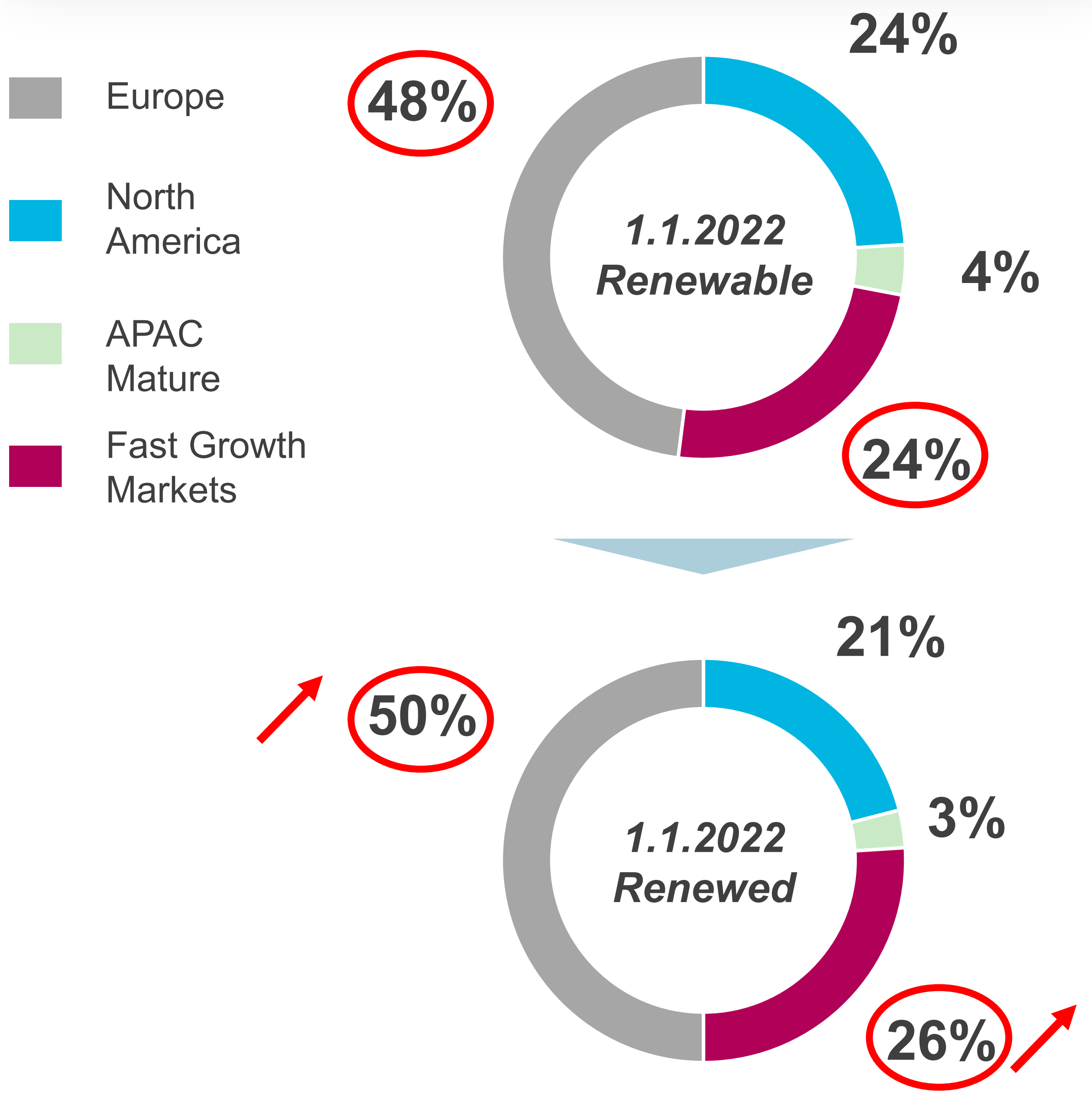
Growing Long-tail more than Short-tail[1]



Growing Global Lines more than other lines



Growing Europe & Fast Growth Markets more than the US



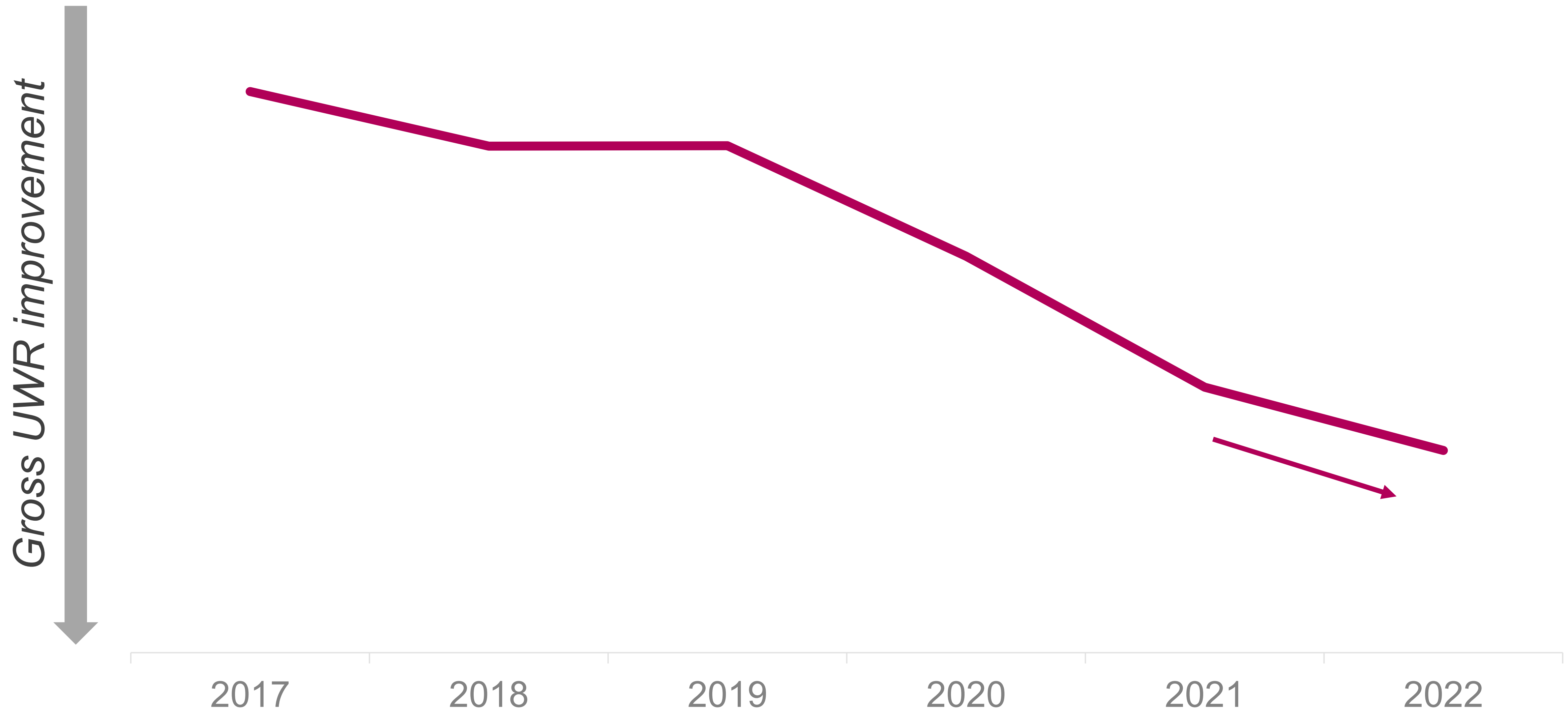
1) Breakdown of premium excluding SUL. Short tail = Property, Property Cat, Agriculture. Long tail = Casualty, Motor, Decennial. Mid tail = all other lines of business

… leading to a continued improvement of its expected return on capital

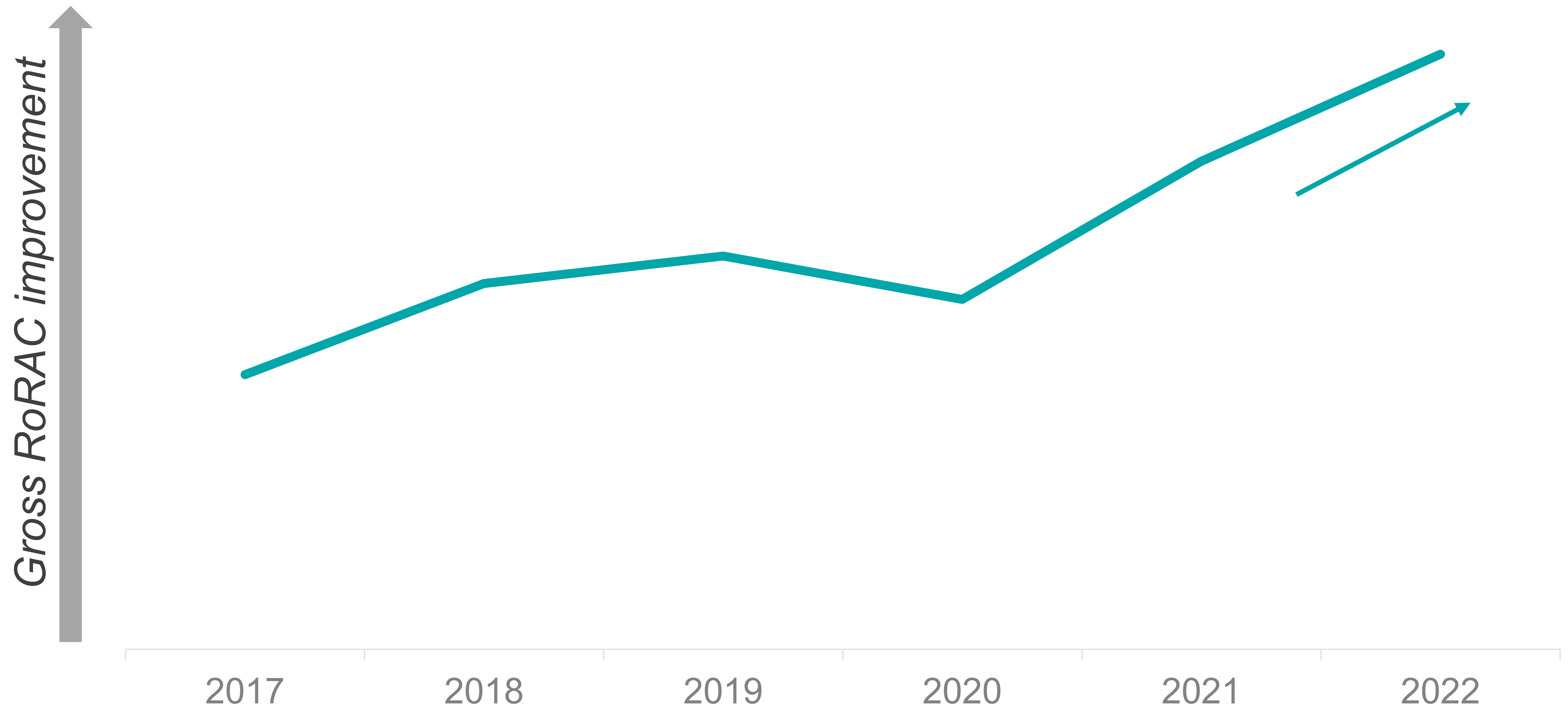
SCOR Treaty Reinsurance gross underwriting ratio and RoRAC[1] evolution for January renewals[2] – Jan-2017 to Jan-2022

In %

Gross underwriting ratio evolution at Jan 1st renewals[3]



Gross Return on risk-adjusted capital evolution at Jan 1st renewals[3]



- Expected profitability improvements are well **in excess of claims inflation**, which is accounted for in a granular manner (depending on the country and the underlying line of business)
- The priced net combined ratio overall improves by **c. 0.5pts year-on-year,** with a **broadly flat expected net profitability on Property Cat**
- The improved return on capital comes from a combination of **increased prices and rebalancing towards Global Lines**

1) Return on Risk Adjusted Capital (expected profitability / risk adjusted capital), per underwriting year
2) Excluding one large transaction
3) Excluding Property CAT

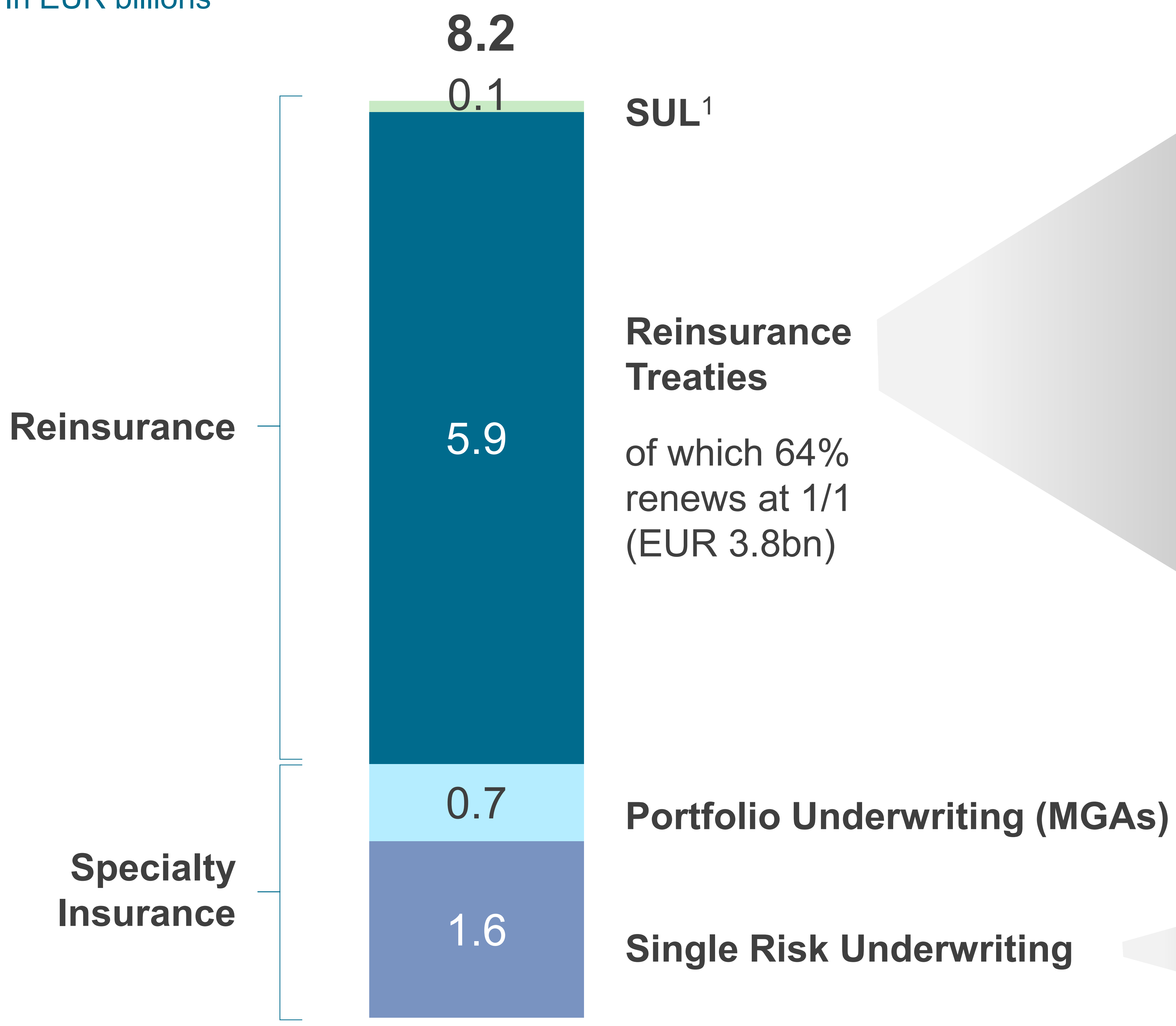
SCOR Global P&C January 2022 renewal results

1 Details on renewals

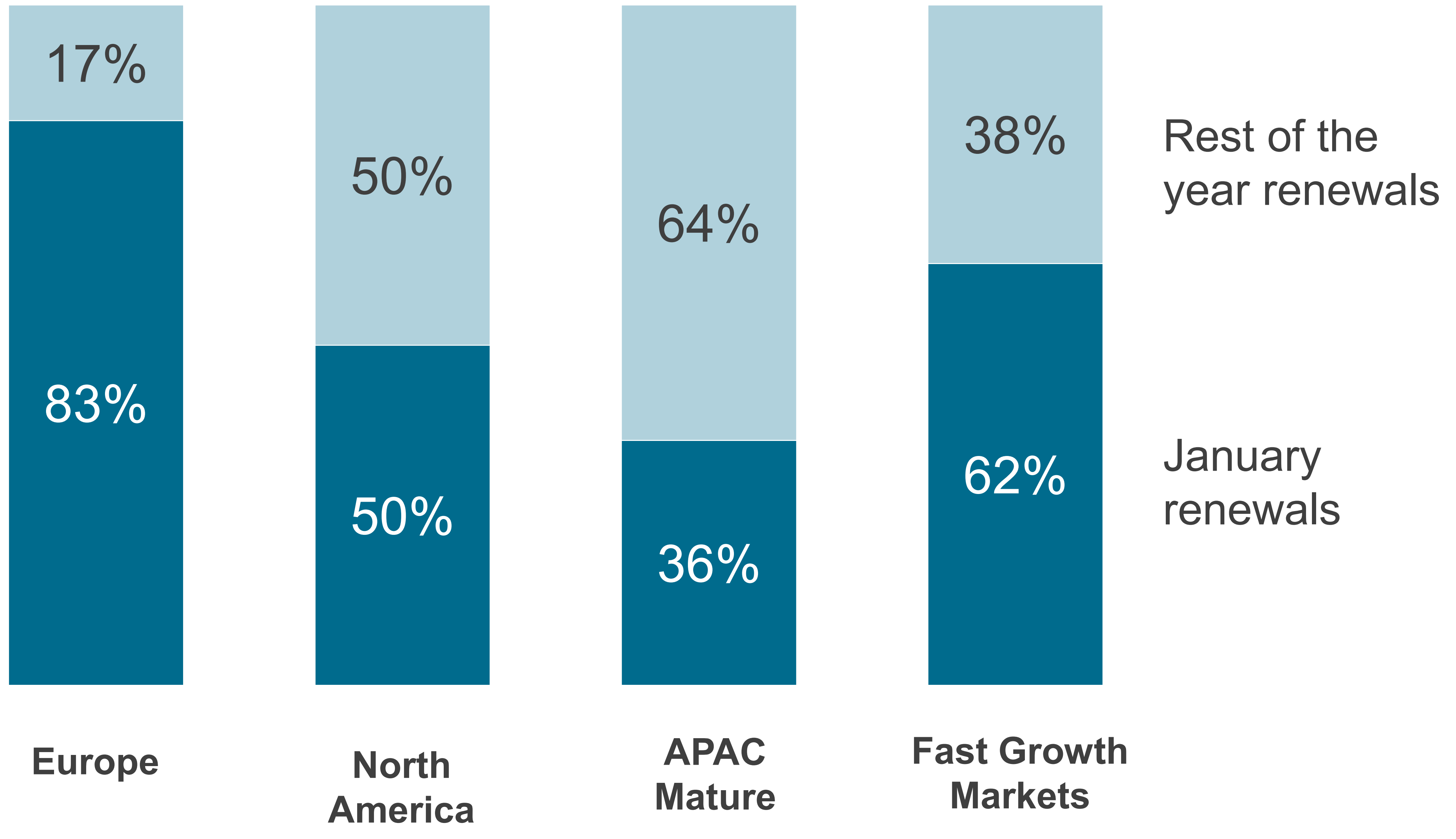
Around 64% of SCOR's **P&C reinsurance treaty** premium renew at 1.1, representing 46% of the overall P&C book

Estimated total 2021 UW Year premiums

In EUR billions



Reinsurance treaty renewal seasonality



Specialty Insurance single risk renewals are split homogenously throughout the year – information presented shows underwriting year 2021 over underwriting year 2020

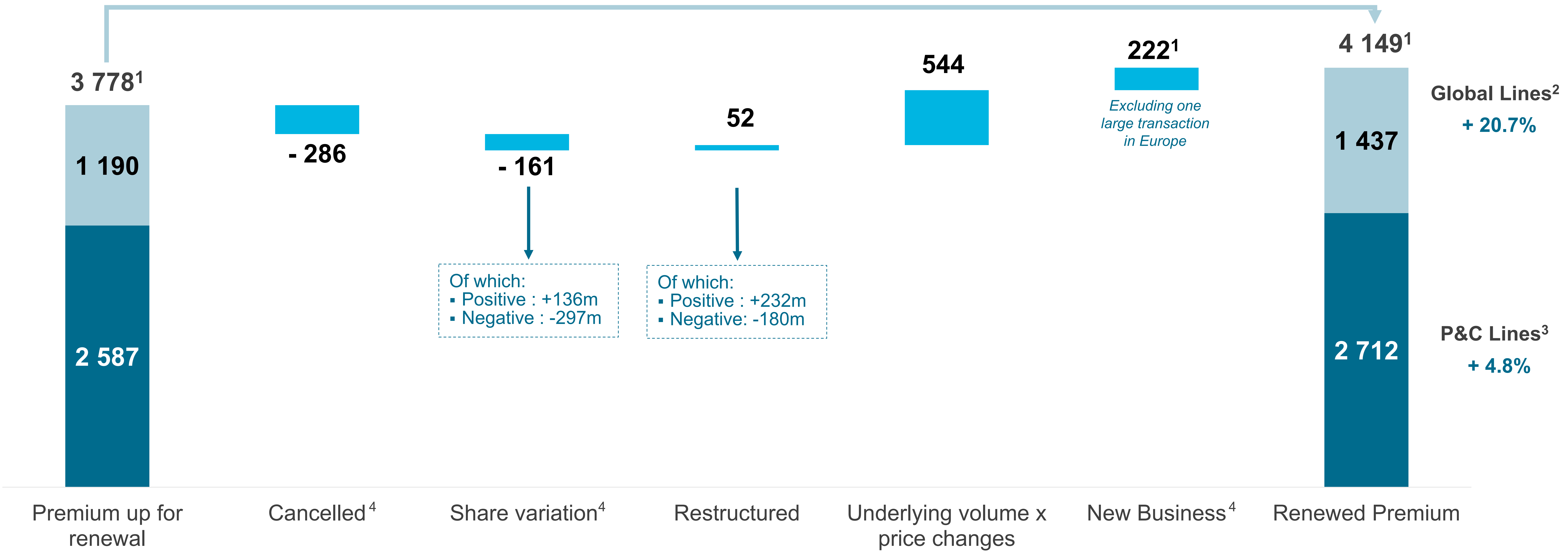
FX rates at 31/12/2021

1) SUL = SCOR Underwriting Limited, SCOR's 3rd party capital provision business at Lloyd's

SCOR **reinsurance treaty** underlying premium growth reaches 9.8%[1] at 1/1/2022, driven by Global Lines, in line with ambitions set at September 2021 Investor Day

Underlying premium change	**+ 9.8%[1]**
Total premium change	*+ 19.0%*
Priced net combined ratio evolution	c. -0.5pp
Price change	+4.9%

Gross premiums in EUR millions



FX rates at 31/12/2021

Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts) ; whereas premium change includes new business

1) Excluding one large transaction in Europe
2) Global lines include: Agriculture, Aviation, Credit & Surety, Inherent Defects Insurance, Engineering, Marine and Offshore, Space, Cyber and Alternative Solutions
3) P&C lines include: Property, Property Cat, Casualty, Motor, and other related lines (Personal Insurance, Nuclear, Terrorism, Special Risks, Motor Extended Warranty, and Inwards retrocession).
4) Cancelled business and Share variations include portfolio management actions. Portfolio management actions are deliberate share variations, deliberate cancellations and new business written

SCOR achieves its improved risk return portfolio composition in **treaty reinsurance** while reducing its exposure to Nat Cat volatility

SCOR year on year premium change[1] vs. priced gross underwriting margin

- **Global Lines** *(Premium: +20.7%; Price: +2.9%):*
  - In line with the ambitions set at September's Investor day, growth was focused on Global Lines where conditions and rate adequacy are deemed most favorable, with Credit & Surety, Marine & Energy contributing the most

- **P&C Lines**:
  - **Excluding Property Cat** *(Premium: +5.8%; Price: +4.4%)*: Growth coming mainly from Europe, notably on Casualty as well as Motor accompanying the growth of some of our Ventures clients
  - **Property Cat** *(Premium: +1.1%; Price: +13%)*: SCOR rebalancing away from Nat Cat business, due to insufficient net margins after retrocession cost, to remunerate expected volatility

FX rates at 31/12/2021

Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts) ; whereas premium change includes new business

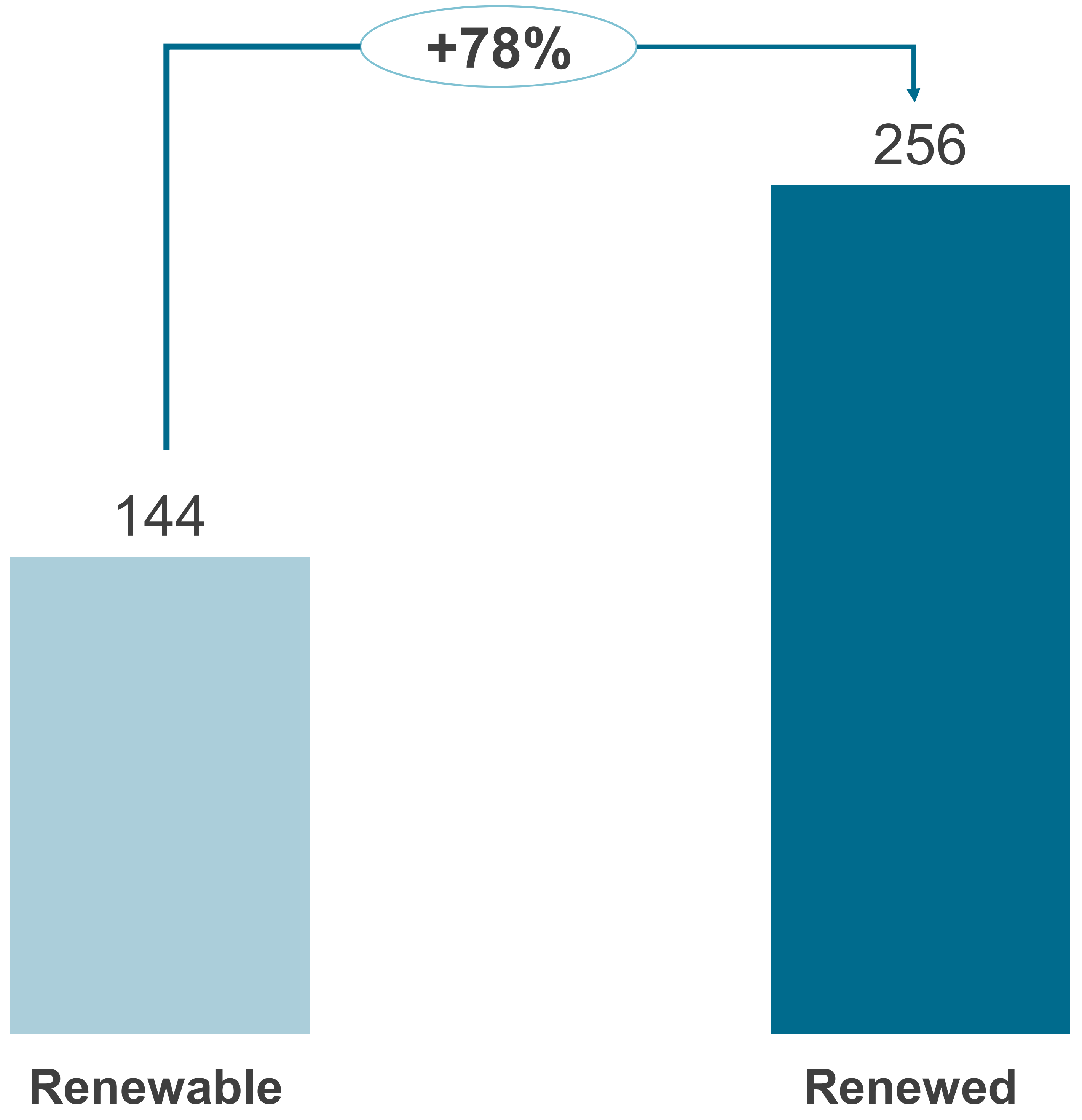
[1] Excluding one large transaction

[2] Includes: Agriculture, Aviation, Credit & Surety, IDI, Engineering, Marine & Offshore, Space, Cyber & Alternative Solutions

SCOR accompanies innovative Ventures clients in their development, capturing a growing and profitable premium pool

SCOR reinsurance premium with Ventures clients at 1.1 renewals

In EUR m



Average RoRAC[1]: c. 0.5 points better than the overall treaty reinsurance book

SCOR's Beliefs on Ventures

1. Selectively develop reinsurance's "customers of the future"
2. Leverage technology towards differentiation and increased reinsurance performance
3. Support insurers, to secure their reinsurance placement with SCOR
4. Adapt Specialty insurance to the rise of fintech, intangible economy and energy transition
5. Leverage industry position to make both investment and underwriting profits

- P&C Ventures is one of the **key strategic ambitions** for SCOR over Quantum Leap, with one of the two main investment theses being to **invest in "insurers of the future"**
- At 1.1 renewals, SCOR **largely grows its book through Ventures-clients, across a wide range of lines of business** (Motor, Agro, Energy, Credit)

1) Return on Risk Adjusted Capital (expected profitability / risk adjusted capital), per underwriting year

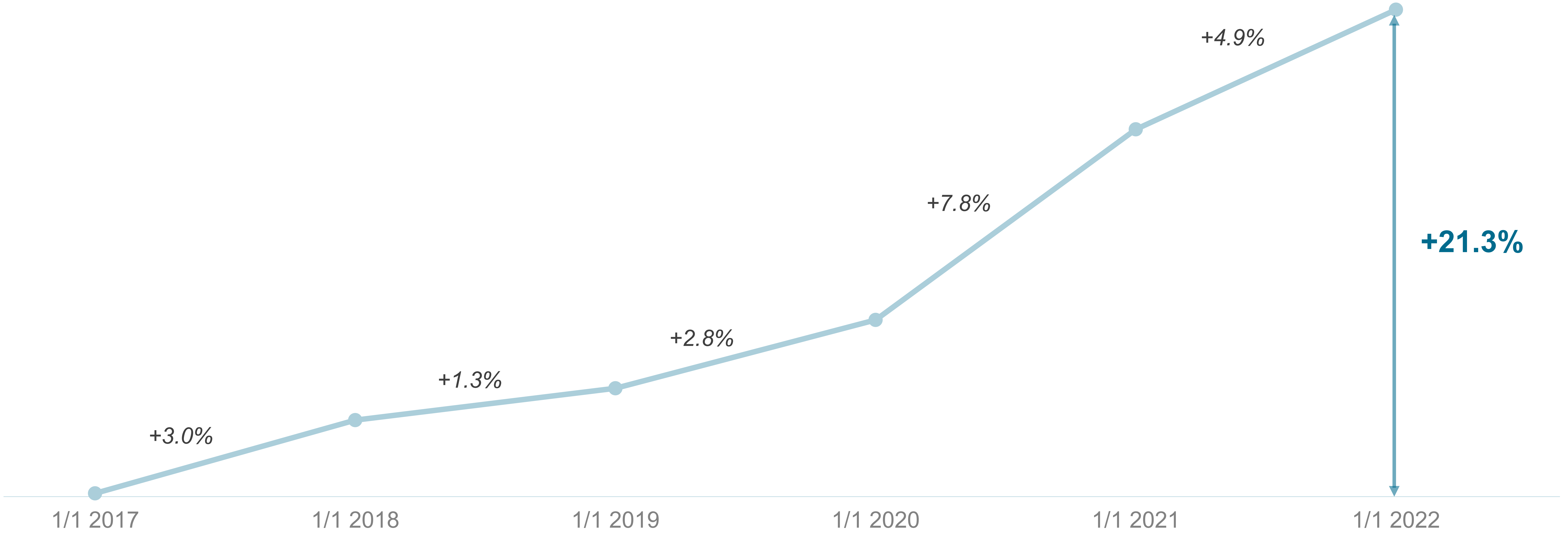
Appendices

SCOR
The Art & Science of Risk

At January 1st 2022, **Reinsurance treaties** benefit from a year-on-year rate hardening of 4.9%

SCOR Treaty Reinsurance price index[1] evolution for January renewals (as reported) – Jan-2017 to Jan-2022

In %



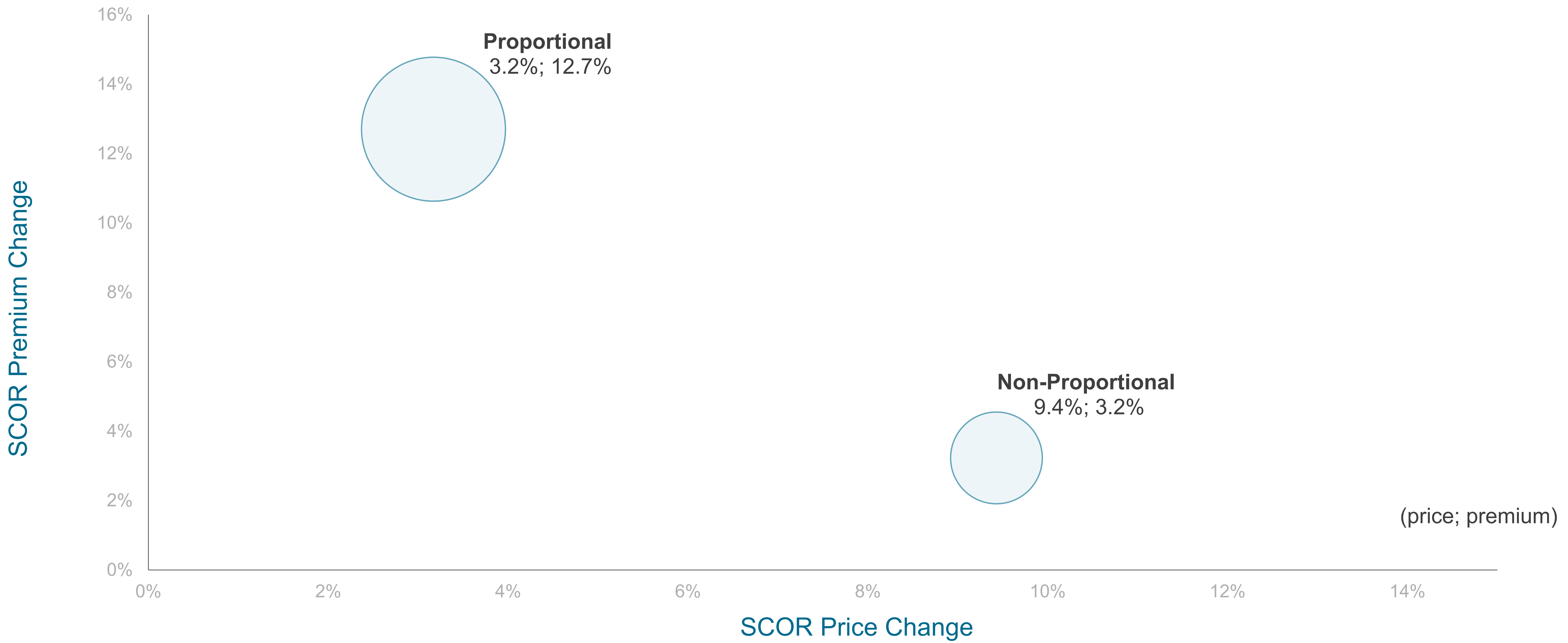
Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts) ; whereas premium change includes new business

1) Index rebased 1st January 2011 = 100

SCOR P&C **treaty reinsurance** gross premium and price change – Proportional vs Non-Proportional

SCOR year on year price vs premium change – Proportional and Non-Proportional [1]

In %



FX rates at 31/12/2021

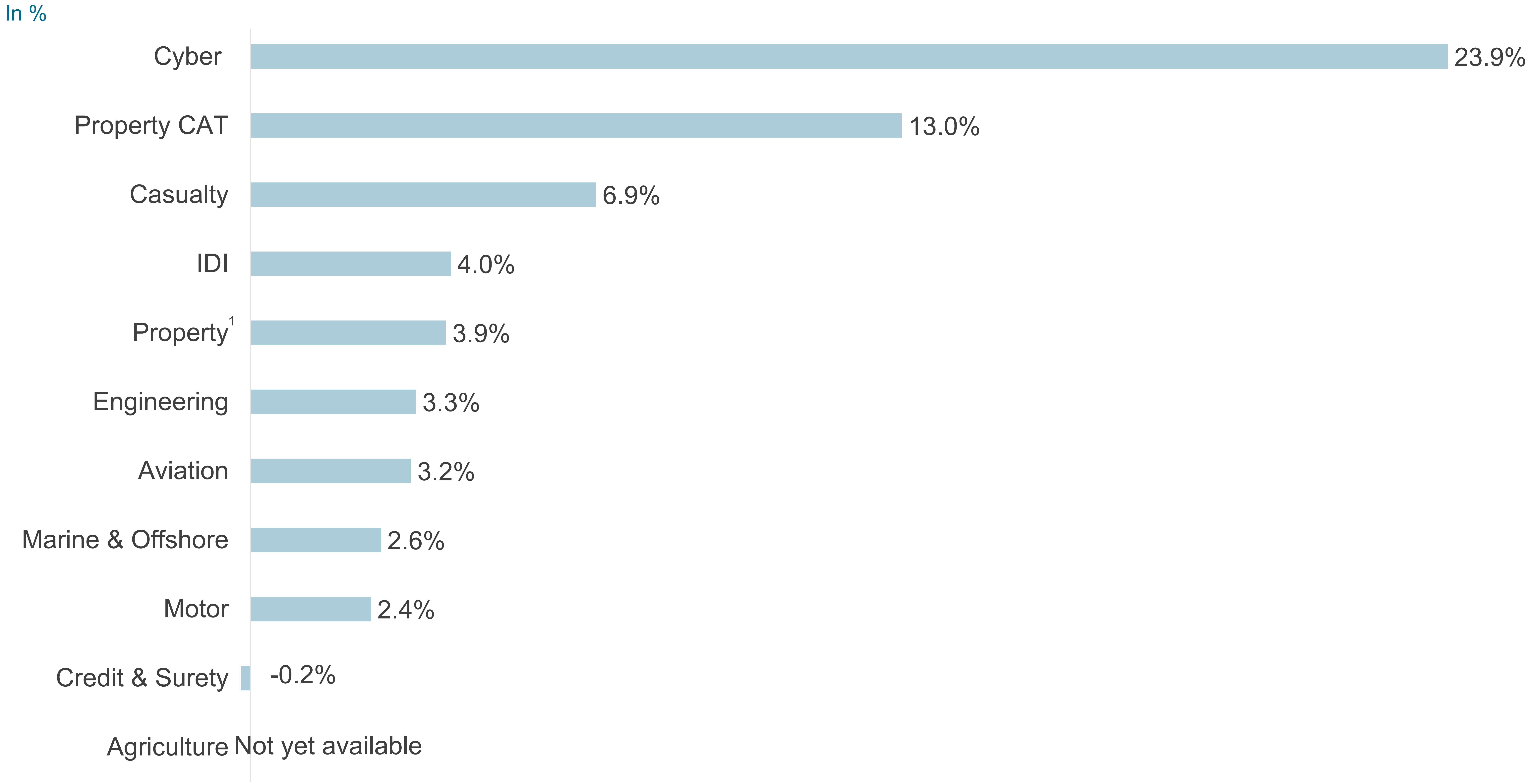
Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts) ; whereas premium change includes new business

[1] Excluding one large transaction

SCOR Global P&C's **treaty reinsurance** price change – By line of business

Price change	***+4.9%***

SCOR year on year price changes by Line of business



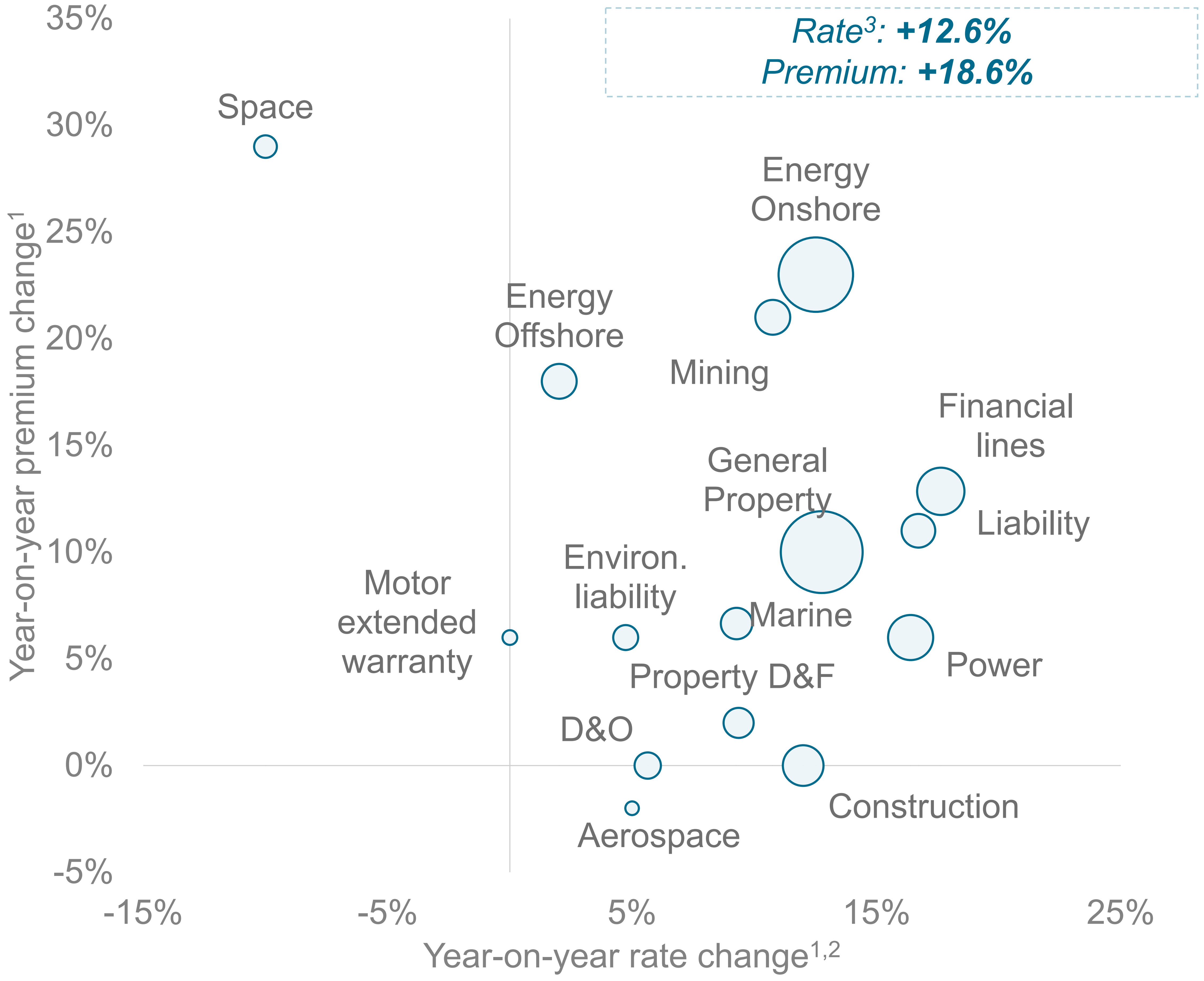
FX rates at 31/12/2021

Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts)

1) Property excluding Property CAT

In **Specialty Insurance large commercial insurance** (single risks), 2021 shows strong rate increases

Single Risk insurance and Facultative reinsurance[1] year-on-year rate vs. premium volume change[2]



Property Lines:

- Rate increases tapering throughout the year and moving from double digit to single digit towards year end, with retentions continuing to grow, accompanied with a decrease in limits and extensions.

Energy:

- Rates continue to increase in 2021 and start stabilizing towards year end
- Low claims activity in 2021 led to increased competition on a market where SCOR is further leveraging its leadership position

Casualty and Financial Lines:

- Rate momentum is continuing in Casualty, notably with social inflation leading to sustained hardening of the market in liability, albeit not at the level of last year
- Cyber is experiencing strong hardening (+69% rate change)

FX rates at 31/12/2021

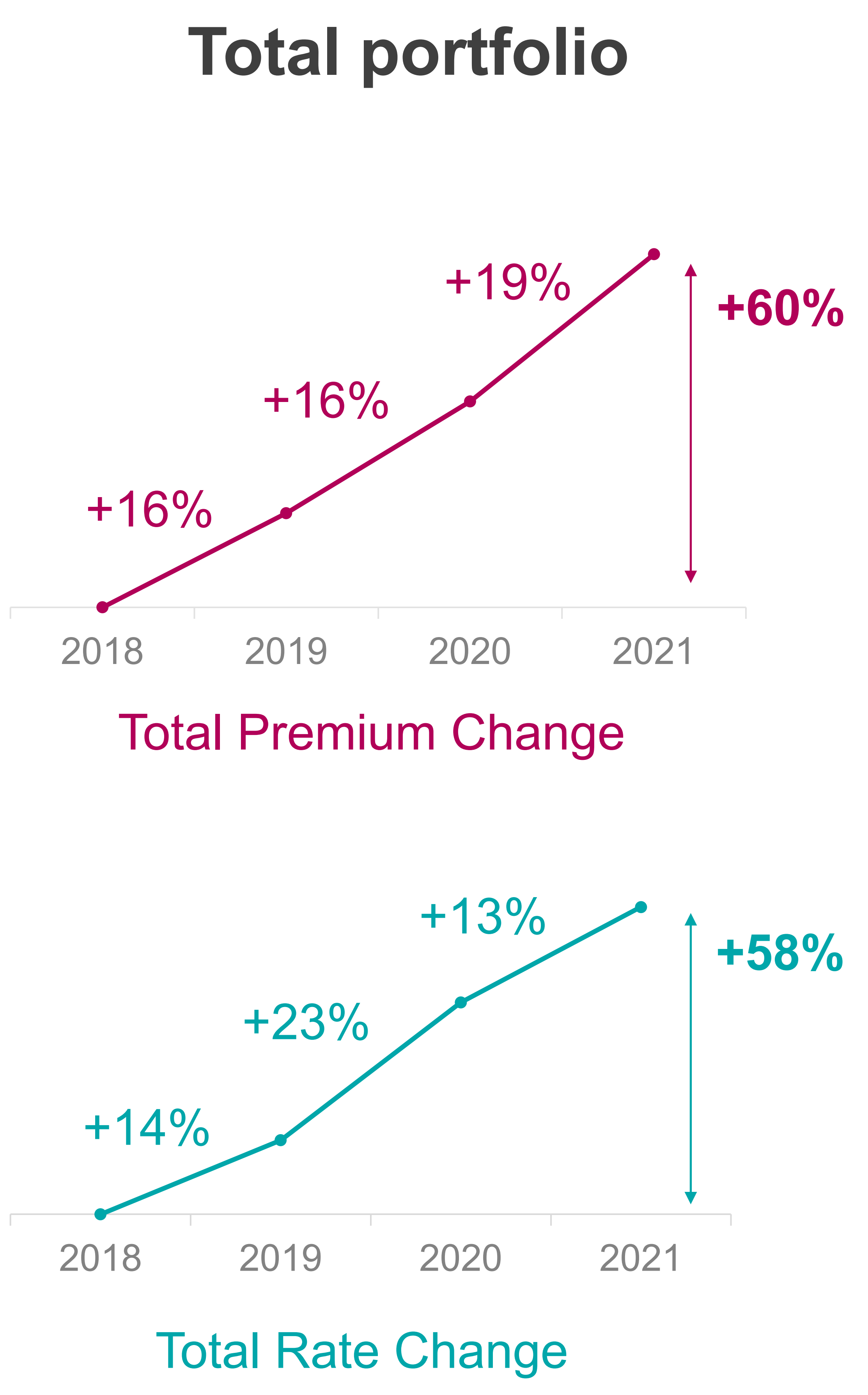
1)Political and Credit Risks (rate: +15% / premium: +118%), Cyber (rate: +69%, premium: +48%), Political Violence (rate: +32%) can not be displayed on this graph

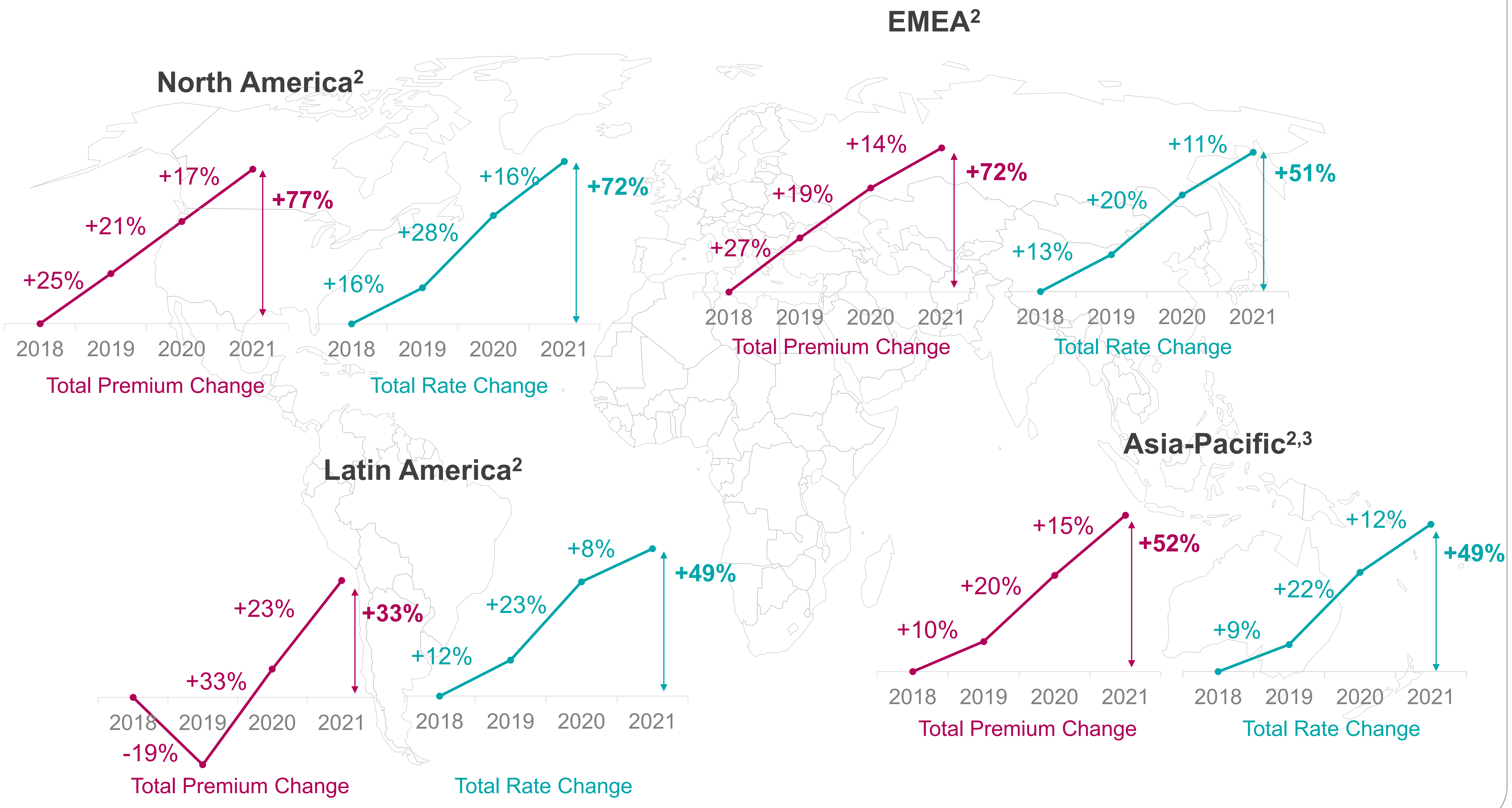
2)Full underwriting year 2021 vs. full underwriting year 2020. Bubble sizes represents the 2021 booked premiums

3)Rate change is adjusted for exposure, coverage and program structure changes; it is computed for renewable business, based on SCOR's underwriting tools and complemented by expert judgement

Specialty Insurance large commercial insurance (single risks) – historical total premium and rate[1] changes – and focus by region

Total Large Commercial single risks insurance and facultative reinsurance





Current FX rates
Rate change[1]: for renewable business only
Premium change: for all bound business including new business
1. Rate change is adjusted for exposure, coverage and program structure changes; it is computed for renewable business, based on SCOR's underwriting tools and complemented by expert judgement
2. Excludes Lloyd's business
3. Excludes Australia

SCOR The Art & Science of Risk

Definitions

- **APAC Mature:** Asia-Pacific mature markets (Australia / New Zealand, Japan, South Korea)
- **Cancelled/restructured:** client or SCOR decided to cancel the business/programs and/or to change their programs (e.g. from Proportional to Non-Proportional)
- **Fast Growth Markets:** Middle East & Africa, Latin America and Caribbean, Asia-Pacific excluding APAC Mature markets
- **Reinsurance Global Lines:** Agriculture, Aviation, Credit & Surety, Inherent Defects Insurance, Engineering, Marine and Offshore, Space, Cyber and Alternative Solutions
- **IDI:** Inherent Defects Insurance (Decennial)
- **LoB:** Line of Business
- **Price change:** “price change” defined as movement in price per unit of exposure. By definition, changes in commissions are not considered as price changes. All percentages based on weighted averages per segment and overall on premium volume.
- **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%)
- **Underlying volume x price changes:** combined effect of variations in underlying primary volume, in exposures and/or in rates (= ceded EGPI change for existing clients)
- **Underwriting Ratio:** on an underwriting year basis, the sum of the gross loss ratio and the external charges ratio (cedant's commission and brokerage ratios). Administration costs must be added to get the Combined Ratio
- **2022 Underwriting year premiums:** SCOR Global P&C premiums for contracts incepting between January 2022 and December 2022, expressed at December 31, 2021 closing exchange rates