REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

2016

SCOR

The Art & Science of Risk

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2016 REGISTRATION DOCUMENT

including **THE ANNUAL FINANCIAL REPORT**

SCOR

The Art & Science of Risk

A European Company with share capital of EUR 1,516,589,466.80
Registered Office: 5 avenue Kléber - 75016 Paris
Trade and Company register (RCS) Paris No. 562 033 357

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed on March 3, 2017 with the French financial markets authority (*Autorité des marchés financiers* – AMF) in accordance with Article 212-13 of its General Regulation. It can be used as a support document for a financial transaction only if presented together with a securities information note (note d'opération) approved by the AMF. This registration document was prepared by the issuer and is the responsibility of the person whose signature appears therein.

Pursuant to Article 28 of Regulation (EC) 809/2004 of April 29, 2004 of the European Commission implementing the Directive 2003/71/EC (the "Regulation (EC) 809/2004"), the following information is included by reference in this registration document (the "Registration Document"):

- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2015 and the report of the Statutory Auditors regarding said financial statements as presented in SCOR SE's registration document filed with the AMF on March 4, 2016 under number D.16-0108;
- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2014 and the report of the Statutory Auditors regarding said financial statements as presented in SCOR SE's registration document filed with the AMF on March 20, 2015 under number D.15-0181.

Parts of this or these documents which are not expressly included herein are of no concern to the investor.

#1

SCOR GROUP

A TIER 1 REINSURER
GLOBAL POSITION

WHAT IS REINSURANCE

Reinsurance is the heart of risk management, it enables insurers to cover their risks by ceding part of them, in order to mutualize them worldwide. SCOR covers major Non-Life risks including large catastrophe risks (both natrural and man-made catastrophes: hurricanes, floods, volcanic eruptions, explosions, fires, plane crashes, etc.), and Life biometric risks (trends and shocks on mortality, longevity and morbidity lines, both long term and short term). The challenge for reinsurance professionals consists of identifying, selecting, assessing and pricing risks, in order to be able to absorb them.

13.8
BILLION EUROS OF PREMIUM INCOME IN 2016

4th
LARGEST REINSURER IN THE WORLD

2,653
EMPLOYEES (EXCLUDING REMARK) OF 58 NATIONALITIES ACCROSS 29 COUNTRIES, EQUALLY DISTRIBUTED (48% WOMEN / 52% MEN)

+4,000
CLIENTS THROUGHOUT THE WORLD

RATING AGENCIES

S&P Global	AA-	Stable outlook
A.M. BEST	A	Positive outlook
Fitch Ratings	AA-	Stable outlook
Moody's	Aa3	Stable outlook

1.1. SELECTED FINANCIAL INFORMATION

1.1.1. GROUP KEY FIGURES

SCOR SE and its consolidated subsidiaries ("SCOR" or the "Group"), form the world's fourth largest reinsurer [1] serving more than 4,000 clients from its four organizational hubs (the "Hubs") located in Paris/London and Zurich/Cologne for Europe, Singapore for Asia and New York/Charlotte/Kansas City for the Americas.

Two of these Hubs resulted from the combination of previously existing Hubs with a view of strengthening the organizational structure of SCOR in Europe. The Zurich/Cologne Hub was established on October 1, 2014 and became fully operational in the first quarter of 2015. The Paris/London Hub was established on April 15, 2015 and became fully operational in the second quarter of 2015.

The sound 2016 year-end results and solidity of the balance sheet demonstrate the effectiveness of SCOR's strategy, based on extensive business and geographical diversification, while focusing on traditional reinsurance activities.

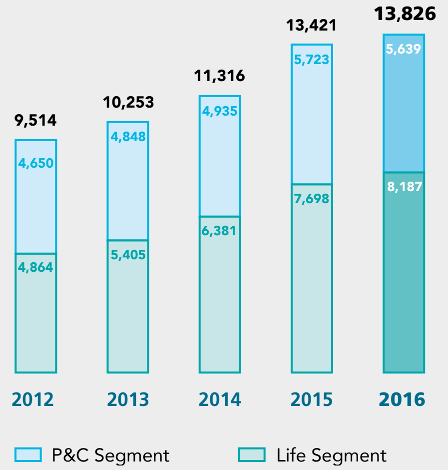
In EUR million	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014
Consolidated SCOR Group			
Gross written premiums	13,826	13,421	11,316
Net earned premiums	12,462	11,984	9,991
Operating result	951	1,048	825
Consolidated net income – Group share	603	642	512
Net investment income on invested assets (1)	670	666	576
Group cost ratio (2)	5.0%	5.0%	5.0%
Return on invested assets (2)	2.9%	3.1%	2.9%
Return on equity (2)	9.5%	10.6%	9.9%
Basic earnings per share *(in EUR)* (3)	3.26	3.46	2.75
Book value per share (*(in EUR)* (2)	35.94	34.03	30.60
Share price *(in EUR)* (4)	32.83	34.51	25.20
Operating cash flow (5)	1,354	795	894
Total shareholders' equity	6,695	6,363	5,729
SCOR Global P&C			
Gross written premiums	5,639	5,723	4,935
Net combined ratio (2)	93.1%	91.1%	91.4%
SCOR Global Life			
Gross written premiums	8,187	7,698	6,381
Life technical margin (2)	7.0%	7.2%	7.1%

(1) See Section 1.3.5.4 – Net investment income and investment income on invested assets.
(2) See Section 1.3.9 – Calculation of financial ratios, for detailed calculation.
(3) Earnings per share are calculated as net income divided by the number of ordinary shares, which includes the average number of shares over the reporting period, shares issued during the period and time-weighted treasury shares. See Section 4.6 Note 21 – Earnings per share for detailed calculation.
(4) Closing stock price on December 30, 2016 (December 31, 2015, 2014).
(5) In 2016, includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.

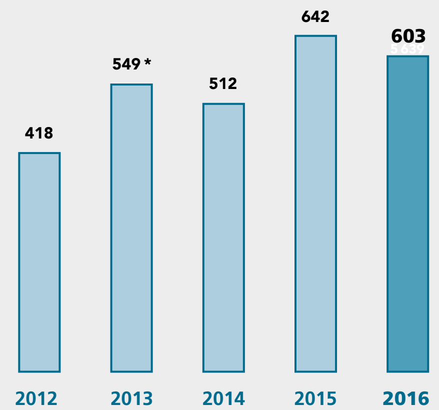
(1) By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2016".

1.1.2. OVERVIEW

GROSS WRITTEN PREMIUMS
In EUR million

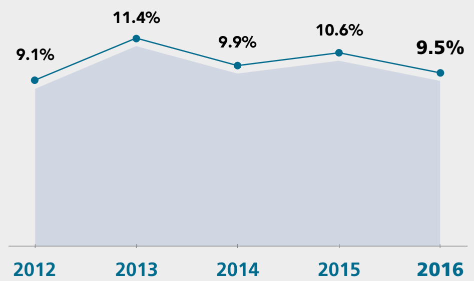


CONSOLIDATED NET INCOME – GROUP SHARE
In EUR million



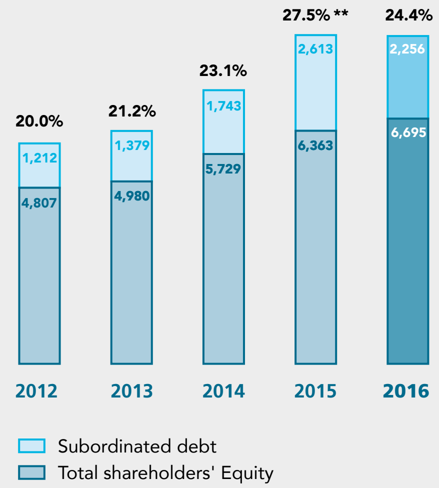
* *2013 consolidated net income – group share included gains from bargain purchases for EUR 202 million (net of acquisition related costs).*

RETURN ON EQUITY*
As a %



* *Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period on a pro rata temporis basis). The ROE calculation method was adjusted in 2014 to take into account material foreign exchange rates movements that do not occur evenly throughout the reporting period. A daily weighted average is applied used for the currency or currencies that experienced such movements and simple weighted average is applied used for the other currencies. The ratio previously reported in the 2013 Registration Document was 11.5% for 2013.*

SHAREHOLDERS' EQUITY, DEBT AND LEVERAGE RATIO* (AS A %)
In EUR million

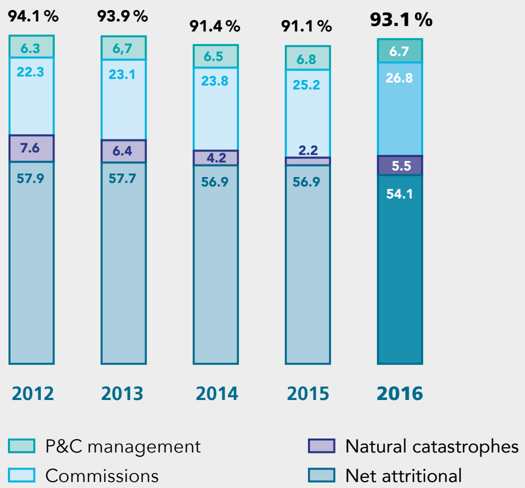


* *The leverage ratio is calculated as the percentage of subordinated debt compared to the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances.*

** *In September 2014 and December 2015, SCOR issued two subordinated notes for EUR 250 million and EUR 600 million, respectively, with the intention to refinance through the proceeds of these two notes the optional redemptions of the outstanding balance of the 6.154% undated deeply subordinated EUR 350 million notes callable in July 2016 and of the 5.375% fixed to floating-rate undated subordinated CHF 650 million notes callable in August 2016. The proceeds of these notes were also meant to be used for general corporate purposes. Had these redemptions been effective on December 31, 2015, the leverage ratio would have amounted to 20.6%. These redemptions occurred on the expected dates.*

NET COMBINED RATIO*

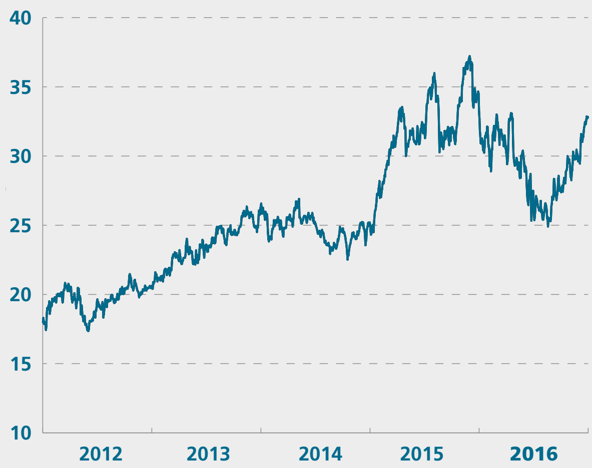
As a %



* The net combined ratio is calculated by taking the sum of incurred losses, commissions and management expenses net of retrocession, divided by earned premiums net of retrocession.

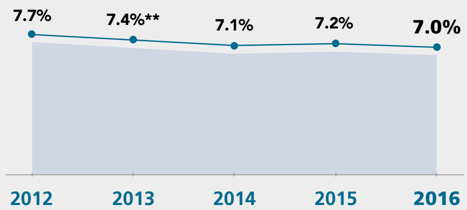
SHARE PRICE

In EUR



LIFE TECHNICAL MARGIN*

In %



* The Life technical margin is calculated as the percentage of net technical result plus income from funds held by ceding companies in relation to the net of gross and ceded earned premiums. The net technical result represents the result of the net reinsurance operations of the Life division including income and expenses either implied in the reinsurance and retrocession arrangements or fully related to these arrangements.

** The technical result calculation method was adjusted in 2014 to include revenues from Life reinsurance contracts that do not transfer significant reinsurance risk (presented in the investment income line of the 2013 Registration Document). The ratio previously reported in the 2013 Registration Document was 7.3% for the year ended December 31, 2013. This change has no impact on the 2012 ratio.

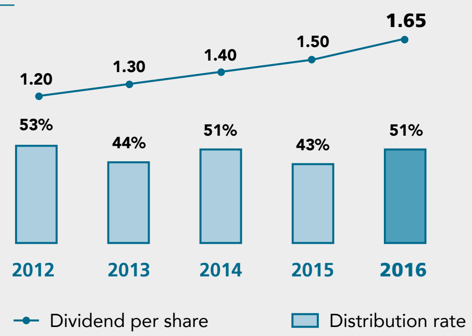
1.1.3. DIVIDEND DISTRIBUTION POLICY

DIVIDEND PER SHARE AND DISTRIBUTION RATE

In EUR

A resolution will be presented to the Annual General Meeting held during the first half of 2017, to approve the financial statements for the financial year 2016, proposing the distribution of a dividend of EUR 1.65 per share for the financial year 2016.

The statute of limitations for dividends is five years. Unclaimed dividends will be paid over to the French Treasury. See also Section 4.6 Note 21 – Earnings per share to the consolidated financial statements.



1.2. INFORMATION ABOUT THE SCOR GROUP

1.2.1. INTRODUCTION

Legal name and commercial name of the issuer

Legal name: SCOR SE

Commercial name: SCOR

Place and registration number of the issuer

R.C.S. number: Paris 562 033 357

A.P.E. Code: 6520Z

Date of incorporation and term of the issuer

The Company was incorporated on August 16, 1855, as a limited partnership (*société en commandite*), under the name Compagnie Impériale des Voitures de Paris. In 1866, the Company was converted into a joint stock company (*société anonyme*) under the name Compagnie Générale des Voitures de Paris. The Company changed its name to SCOR SA on October 16, 1989 and in 1990, absorbed Société Commerciale de Réassurance, created in 1970, and took over the reinsurance business of the latter. On May 13, 1996, SCOR SA changed its name to SCOR. On June 25, 2007, SCOR changed its legal form to a European Company (*Societas Europaea*) and became SCOR SE. In 2012, the Company relocated from Paris-La Défense to Paris. On April 25, 2013, the Company's term was extended for 99 years by decision of the Extraordinary Shareholders' Meeting and will expire on April 25, 2112 unless extended or previously dissolved.

Domicile and legal form of the issuer, legislation governing its activities, country of incorporation, address and telephone number of its registered office

Registered office and contact information of issuer

SCOR SE
5, avenue Kléber
75116 Paris

France
Tel.: +33 (0) 1 58 44 70 00
Fax: +33 (0) 1 58 44 85 00
www.scor.com
E-mail: scor@scor.com

Listing

In 1989, the Company and UAP Reassurances, a subsidiary of the state-owned Société Centrale de l'Union des Assurances de Paris, combined their Property and Casualty and Life reinsurance businesses. Following a reverse merger with Compagnie Générale des Voitures, the Company listed its ordinary shares on the Paris stock exchange and changed its name to SCOR SA and to SCOR in 1996. In the same year, UAP Reassurances sold its 41% stake in SCOR through an IPO. SCOR's American depositary shares were also listed on the New York stock exchange at that time. They were delisted in 2007 and the Company's securities were deregistered with the US Securities and Exchange Commission (SEC) on September 4, 2007.

As at the date of this Registration Document, SCOR SE's shares are listed on the Eurolist of Euronext Paris SA and on the SIX Swiss Exchange (formerly SWX Swiss Exchange) in Zurich, where they were admitted for trading on August 8, 2007.

Following the reorganization of Euronext indices on January 3, 2005, the ordinary shares are now included on the following indices: SBF 80, SBF 120, CAC Next 20, CAC Large 60, CAC All-Shares, CAC All Tradable, CAC Financials, Euronext FAS IAS and Euronext 100. The SBF 80 index is made up of 80 French stocks which are the most traded on the continuous segments not included in the CAC 40 index. The SBF 120 index consists of the 120 most actively traded French stocks. The CAC Next 20 index includes the most representative stocks in terms of free float-adjusted capitalization and share turnover not included in the CAC 40 index. The CAC Large 60 index is composed of the constituents of the CAC 40 and CAC Next 20 indices. The CAC All-shares index is composed of all the stocks listed on Euronext Paris with an annual velocity ratio of over 5%. The CAC All Tradable index includes all the stocks of the Euronext Paris market with a free float of at least 20%. The CAC Financials index is composed of the stocks included in the CAC All Tradable index belonging to the financial sector. The Euronext FAS IAS index is composed of the stocks included in the CAC All Tradable index that fulfill the following condition: at least 3% of the capital is controlled by employees, a minimum of 25% of the workforce in France should own shares of the company and a minimum of 15% of the overall workforce should own shares of the company. The Euronext 100 index comprises the 100 largest and most liquid stocks traded on Euronext.

SCOR SE has been included in the EuroStoxx Select Dividend 30 index of the 30 highest dividend paying European companies since March 12, 2010.

Applicable law and regulation

General

The Company was converted into a European Company (*Societas Europaea*) in 2007. As such, SCOR SE is governed by the provisions of Council Regulation (EC) No. 2157/2001 (the "SE Regulation") and those of European Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees, and by the provisions of French law relating to European Companies, as well as for all other matters partially covered or not covered by the SE Regulation, by French legal provisions applicable to sociétés anonymes, where they are not contrary to the specific provisions applicable to European Companies.

The Group's divisions' business activities of insurance, reinsurance and asset management are subject to comprehensive regulation and supervision in each of the jurisdictions where the Group operates. Given that the Group is headquartered in Paris (France), this supervision is based, to a significant extent, on European Union directives and on the French regulatory system. The Group's principal regulators in France are the financial markets authority (*Autorité des marchés financiers* – AMF), and the principal

French insurance and reinsurance regulator (*Autorité de contrôle prudentiel et de résolution* – ACPR). While the extent and nature of regulation varies from country to country, most jurisdictions in which SCOR's insurance and reinsurance subsidiaries operate have laws and regulations governing solvency standards, levels of reserves, permitted types and concentrations of investments, and business conduct to be respected by insurance and reinsurance companies. The supervisory authorities with jurisdiction over the Group's operations may conduct regular or unexpected examinations of the insurers'/reinsurers' or asset managers' operations and accounts and request specific information from the insurer or reinsurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer or reinsurer. This holding company legislation typically requires periodic disclosure concerning the corporate entity that controls the licensed insurer and other affiliated companies, including prior approval of transactions between the insurer, the reinsurer and other affiliated companies such as intercompany asset transfers and dividend payments by the authorized insurer or reinsurer. In general, these regulations are designed to protect the interests of insureds rather than shareholders.

Under the directive Solvency II and related European and French regulations, French companies, whose exclusive business is reinsurance, can only carry on said business after having obtained an official authorization, issued by the ACPR. Registered reinsurers in France can operate under certain conditions in the European Economic Area (EEA) under the freedom to provide services and/or the freedom of establishment (branch).

Solvency regulations

SCOR SE and its insurance and reinsurance subsidiaries are subject to regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect insureds. While the specific regulatory capital requirements (including the definition of admitted assets and methods of calculation) vary between jurisdictions, an insurance or reinsurance company's required capital can be impacted by a wide variety of factors including, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and equity markets.

SCOR group is regulated by the "Solvency II" European directive which applies since January 1, 2016, having been transposed into French law on April 2, 2015 through the ordinance No 2015-378 and related decree (No 2015-513, May 7, 2015) and arrêté (of May 7, 2015).

The Solvency II framework covers, among other matters, valuation of assets and liabilities, the treatment of insurance and reinsurance groups, the definition of capital and the overall level of required capital. A key aspect of Solvency II is that assessment of the Group's risks and capital requirements is aligned more closely with economic capital methodologies.

SCOR group is subject to supervision by the ACPR which has extensive oversight authority, including to review the Group's solvency capital requirements well as the solvency capital requirement of each French insurance or reinsurance company.

Since January 1, 2016, the regulatory solvency position of the Group has been assessed using SCOR's internal model, which was approved in November 2015 by the relevant supervisory authorities.

For additional information on the impact of these regulatory changes on the Group's operations and financial position, see Section 3.2.3.

For a detailed description of new governance requirements, see Section 2.

Other solvency regimes

Many regulators worldwide are developing new solvency regulatory frameworks similar to the Solvency II regulations as developed by the European Union. For example, the Chinese regulator (CIRC) has recently implemented "C-Ross", a regulatory regime imposing new capital requirements and heightened governance on the branches of foreign companies subject to CIRC supervision. For a detailed description of the statutory impact of these initiatives on the Group, see Section 3.2.3.

Asset management regulations

SCOR Investment Partners SE (formerly known as SCOR Global Investments SE) is subject to extensive regulation in the various jurisdictions in which it operates. These regulations are generally designed to safeguard client assets and ensure the adequacy of disclosures concerning investment returns, risk characteristics of invested assets in various funds, suitability of investments for client investment objectives and risk tolerance, as well as the identity and qualifications of investment managers. These regulations generally grant supervisory authorities broad administrative powers, including the power to limit or restrict the performance of business activities for failure to comply with such laws and regulations.

Data transfers to the USA

October 6, 2015, the Court of justice of the European Union invalidated the adequacy decision adopted by the European Commission on July 26, 2000 authorizing the transfer of personal data to US companies subscribing to the principles of the "security sphere" (Safe Harbor). The negotiations between, on one hand, the members of the European Union and its institutions and, on the other hand, the US authorities ended in the creation of a new legal framework, the US-EU Privacy Shield: its entry into force on August 1, 2016 allows the transfer of personal data to the US companies duly registered with the Department of Trade of the United States. In parallel of this new facility, other mechanisms continue to allow the transfer of personal data to the United States, such as (i) the insertion in contracts with

US companies of standard contractual clauses approved by the European Commission and specifying the obligations of data protection, or (ii) the use of internal rules of company (Binding corporate rules) approved by the national authorities of data protection for transfers within multinational groups. The Group thus remains confident in the use of the above mentioned ways to regularly transfer data across the Atlantic.

Reform of the European data protection rules

The global reform of the rules of personal data protection, contained in the Regulation (EU) 2016/679 of April 27, 2016, in force since May 24, 2016, updates within the European Union the principles of personal data processing put by the Directive on the personal data protection dated October 24, 1995. Companies shall have to organize their compliance before May 25, 2018. The main objectives of the reform are (i) the strengthening of the rights of the individuals, to grant them more control over their personal data and facilitate them the relevant access, (ii) the harmonization of the applicable laws within the European Union as well as a system of one-stop shop resulting in closer cooperation between the Data protection authorities, and finally (iii) a stricter regime of application according to which the Data protection authorities can pronounce fines up to 4% of the global turnover of a company infringing the European regulation.

Evolution of the regulatory and compliance environment

The legislative, regulatory and litigation environment in which the Group operates is constantly changing. In continental Europe, reinsurers, insurers, asset managers and other financial institutions could face a danger of increasing the number of legal dispute and associated costs, as a result of the introduction of class action.

Furthermore, complexity and extraterritorial scope of many legislations on fight against financial criminality (fight against money laundering, financing of terrorism and corruption, compliance with international financial sanctions) create serious risks of significant penalties in case of non-compliance. As an example, see the French Law Sapin II n° 2016-16-91 of December 9, 2016 on fight against corruption.

This complexity is likely to continue and could lead to increased costs of compliance incurred by financial institutions like SCOR.

1.2.2. HISTORY AND DEVELOPMENT OF SCOR

SCOR became a reinsurance company in 1970, at the initiative of the French government and with the participation of insurers on the Paris market, to create a reinsurance company of international stature under the name of Société Commerciale de Réassurance. SCOR rapidly developed in various world markets, building up a substantial international portfolio.

At the beginning of the 1980s, the French government's stake in the Company's share capital, held through the Caisse Centrale de Réassurance, was progressively reduced in favor of insurance companies that were active on the French market. (For more details, see Section 1.2.1 – Introduction).

In 2003, the Group reorganized its Life reinsurance business. The Group transferred all of the Group's Life reinsurance business throughout the world to SCOR Vie and its subsidiaries. SCOR Vie, whose corporate name was changed to SCOR Global Life in 2006, and which became a European Company (*Societas Europaea*) in 2007, and its subsidiaries, are all directly or indirectly wholly owned by SCOR SE.

On May 16, 2006, SCOR transferred all of its Non-Life reinsurance business in Europe, comprising Property & Casualty Treaties (including Credit and Surety business), large Corporate Accounts and Construction reinsurance to Société Putéolienne de Participations, a French subsidiary wholly owned by SCOR, whose corporate name was changed to SCOR Global P&C, with retroactive effect from January 1, 2006. In 2007, SCOR Global P&C adopted European Company (*Societas Europaea*) status via a merger by absorption of SCOR Deutschland Rückversicherungs AG and SCOR Italia Riassicurazioni SpA.

On November 21, 2006, SCOR completed the acquisition of Revios Rückversicherung AG (Revios), enabling it to become a leading worldwide Life reinsurer. Based in Cologne (Germany), Revios was the former Life reinsurance unit of Gerling Global Re Group and had successfully developed on a stand-alone basis from 2002 onward to become one of the leading European reinsurers specializing in Life reinsurance, with operations in 17 countries. The combination of Revios and SCOR Vie created SCOR Global Life SE, which is now one of SCOR's three primary operational subsidiaries (along with SCOR Global P&C SE and SCOR Global Investments SE, which became SCOR Investment Partners SE, described below), with responsibility for the Life reinsurance business.

In August 2007, SCOR acquired Converium (which became SCOR Holding (Switzerland) AG (SCOR Holding Switzerland)). SCOR's shares were also admitted to trading in Swiss Francs on the SWX Swiss Exchange (which later became the SIX Swiss Exchange) in Zurich.

Following the acquisition of Revios and Converium, SCOR restructured its operations around six regional management platforms, or "Hubs", which were phased in gradually:

- on May 5, 2008, for the Cologne Hub (combined with the Zurich Hub from October 1, 2014);
- on May 20, 2008, for the London Hub (combined with the Paris Hub from April 15, 2015);
- on June 18, 2008, for the Americas Hub;
- on June 27, 2008, for the Singapore Hub;

- on January 27, 2009, for the Zurich Hub (combined with the Cologne Hub from October 1, 2014);
- on February 24, 2009, for the Paris Hub (combined with the London Hub from April 15, 2015).

For more information on the Hub structure, see Section 1.2.3.1 – Brief description of the Group and of the position of the issuer.

On October 29, 2008, SCOR announced its decision to create SCOR Global Investments SE (which became SCOR Investment Partners SE), its asset management company (*société de gestion de portefeuille*) and third operational entity within the Group along with SCOR Global P&C SE and SCOR Global Life SE. This new company, incorporated on February 2, 2009, manages SCOR's investment portfolio and implements the investment strategy determined by the Group's Investment Committee chaired by the Group Chairman and Chief Executive Officer. SCOR Global Investments SE was approved by the AMF as a portfolio management company with effect from May 15, 2009. As a regulated portfolio management company, SCOR Investment Partners SE carries out its activities on an arms-length basis and with the operational independence required under Article L. 214-9 of the French Monetary and Financial Code (*Code monétaire et financier*).

On December 4, 2009, SCOR Global Life US Reinsurance Company, a wholly-owned subsidiary of the Group, acquired XL Re Life America Inc., a subsidiary of XL Capital Ltd, for an amount of EUR 31 million. The acquisition strengthened SCOR Global Life's services in the mortality protection field and reinforced its position in the US Life reinsurance market.

In 2011, the Lloyd's Market Franchise Board approved the creation of the Channel Syndicate 2015. SCOR is the sole capital provider for the Channel Syndicate, which in 2011 had an initial stamp capacity of GBP 75 million. Underwriting by the Channel Syndicate began on January 5, 2011. The portfolio of the syndicate focuses on direct insurance business in markets, including property, marine, accident and health, financial institutions and professional civil liability.

On August 9, 2011, SCOR acquired the mortality portfolio of Transamerica Re, a division of AEGON N.V., for USD 919 million. The transaction also included the acquisition of an Irish entity, which underwrited Transamerica Re's business risks. SCOR Global Life and Transamerica Re were merged into a new entity SCOR Global Life in North America: SCOR Global Life Americas Reinsurance Company (SCOR Global Life Americas).

On May 29, 2013, SCOR acquired a 59.9% stake in the capital of MRM S.A., a listed real estate company subject to the French REIT régime (*Régime des sociétés d'investissements immobiliers cotées* or SIIC), as part of a cash capital increase, after the restructuring of MRM S.A. group's banking and bond debts. This investment amounted to EUR 53.3 million.

On October 1, 2013, SCOR acquired Generali's life reinsurance operations in the US (Generali U.S. Holdings, Inc. or Generali U.S.) for total consideration of EUR 573 million (USD 774 million).

On April 1, 2014, SCOR announced that it had obtained approval from Lloyd's, the Financial Conduct Authority and the Prudential Regulatory Authority in the UK to create a Managing Agent at Lloyd's. The new Managing Agency, "The Channel Managing Agency Limited", has acted as Managing Agent for SCOR's own Lloyd's syndicate, Channel 2015, since April 1, 2014.

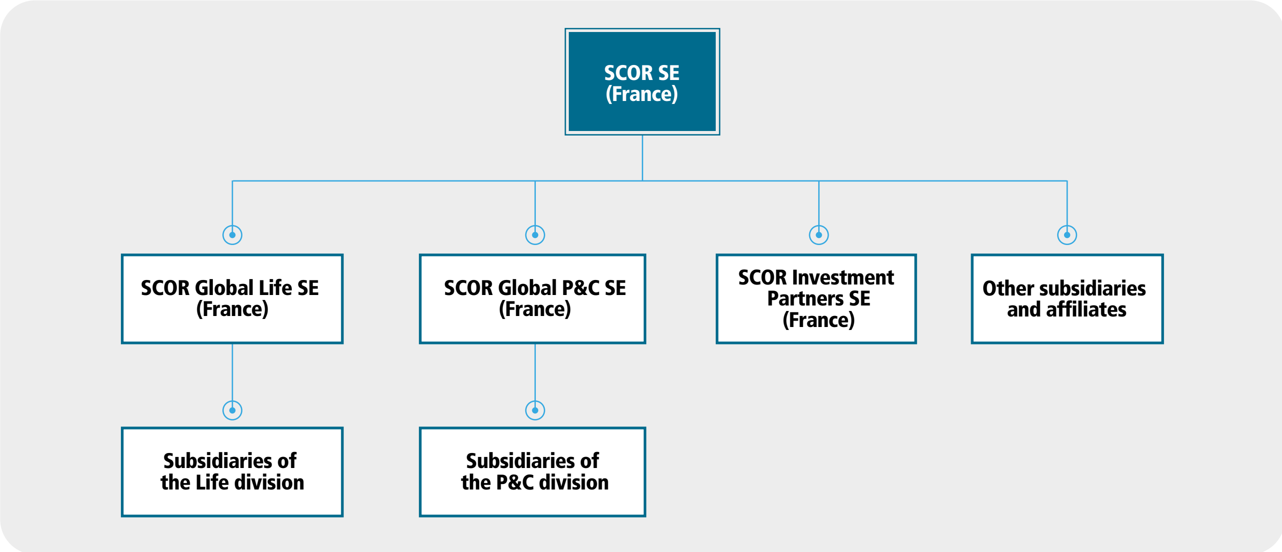
On September 1, 2014, SCOR announced the creation of a local entity in Brazil, SCOR Brasil Resseguros SA (SCOR Brasil Re), following the granting of a license to operate as a Local Reinsurer beside the Brazilian insurance authority SUSEP on August 26, 2014.

On August 27, 2015, the English subsidiary SCOR UK Company Limited created a Canadian branch (SCOR Insurance – Canadian branch) whose activities started at the beginning of 2016.

In 2016, SCOR SE obtained the so-called "R3" authorization from the Insurance Regulatory and Development Authority of India (IRDAI) allowing the Group to open a Composite Branch office in India to conduct Life and P&C reinsurance business. The Indian branch is expected to start underwriting business in 2017.

1.2.3. ORGANIZATIONAL STRUCTURE OF SCOR

The main operational entities of the Group are presented in the chart below (1):



1.2.3.1. BRIEF DESCRIPTION OF THE GROUP AND OF THE POSITION OF THE ISSUER

Group operating companies

The Group parent company whose stock is listed on the Euronext Paris regulated market is SCOR SE.

The Group is a three engine group driven by SCOR Global Life, SCOR Global P&C and SCOR Global Investments. The Group's organizational choices were guided by the principles of mobilization of skills and expertise, operating efficiency, structural simplicity, clear reporting lines and balance between teams from the Group's different entities.

SCOR Global P&C, the Group's Non-Life division, operates worldwide through the branches of two main global reinsurance companies (SCOR Global P&C SE and SCOR SE) and the branches of a global insurance company (SCOR UK Limited) as well as insurance and reinsurance subsidiaries in Spain, Italy, Switzerland, the UK, Germany, South Africa, Russia, the Americas and Asia-Pacific, including China, India, South Korea, Hong Kong and Singapore.

SCOR Global Life, the Group's Life division, operates worldwide through the branches of two main global reinsurance companies (SCOR Global Life SE and SCOR SE) as well as insurance, reinsurance, distribution and distribution solutions subsidiaries in Germany, the UK, Ireland, Italy, Spain, Switzerland, Netherlands, Sweden, Belgium, Canada, the US, Latin America, Russia, South Africa, Australia, New Zealand, China, Singapore, Malaysia and South Korea.

SCOR Global Investments, the third division of the Group, manages the investment portfolio of the Group's legal entities. It is composed of the Group Investment Office and SCOR Investment Partners SE, a portfolio management company, approved by the AMF. The Group Investment Office manages the interaction between the SCOR Group and SCOR Investment Partners in managing the risk appetite, monitoring investment risks and setting investment guidelines. SCOR Investment Partners manages directly the assets of many SCOR group subsidiaries and manages also the funds on the behalf of the Group and third party clients.

The Group's subsidiaries, branches and offices are connected through a central network of applications and data exchange platforms, which allow local access to centralized risk analysis, underwriting or pricing databases and also gives access to information on local market conditions, to be shared among the Group's subsidiaries, branches and offices. In addition, by regularly rotating personnel between the Group's head offices in Paris and its non-French subsidiaries and branch offices, the Group encourages its underwriters, actuaries, modelers, claims experts and risk controllers to share and exchange experience across its various geographic markets and business lines.

SCOR SE wholly owns its operating subsidiaries (excluding the loaned securities held by directors).

(1) The full organizational chart is available on SCOR's website (www.scor.com).

SCOR SE also makes loans to its subsidiaries and issues them guarantees so that they can underwrite under favorable conditions, letting them benefit from its credit ratings. SCOR SE provides actuarial, accounting, legal, administrative, systems, internal audit, investment, and human resources support to Group subsidiaries. Finally, SCOR SE acts, as needed, as retrocessionaire for its two operational subsidiaries through proportional treaties which are renewed annually and form the basis for internal control within the Group through the annual allocation of capital to the operating subsidiaries based on the profitability expected from their underwriting activity. The contracts that formalize the relationships between SCOR SE and its subsidiaries are presented in Appendix C, 5 Note 4 – Transactions with subsidiaries, affiliates and others.

The Group's restructuring

SCOR launched and completed several major restructuring projects, notably between 2005 and 2010, in order to simplify the legal structure of the Group and clearly differentiate between the operations of Life reinsurance subsidiaries and Non-Life reinsurance subsidiaries, with a view to optimizing the annual allocation of capital between operations under the Solvency I regime. In the context of Solvency II, SCOR announced in September of 2016 that it was considering merging its three reinsurance SE entities (SCOR SE, SCOR Global P&C SE and SCOR Global Life SE) as a way to optimize its legal entities' structure. At the date of this registration document, the merger is on track and is expected to be completed in 2019.

The "New SCOR" project

As part of the implementation of the New SCOR project announced in June 2005, SCOR first transferred all of its NonLife reinsurance business in Europe to Société Putéolienne de Participations (which became SCOR Global P&C), a French subsidiary wholly owned by SCOR. Secondly, SCOR SE, SCOR Global P&C SE and SCOR Global Life SE (formerly known as SCOR Vie) adopted European Company (*Societas Europaea*) status on June 25, August 3 and July 25, 2007 respectively.

European Company status enables SCOR SE to strengthen its European and transnational identity, facilitate acquisitions in Europe, improve its flexibility in financial matters and capital allocation, simplify regulatory controls and reduce its local structures, by giving preference to branches, rather than local subsidiaries. The Group is thereby demonstrating its ambition to be a company with European roots and global reach.

Reorganization of the North American entities

Following the 2011 acquisition of the mortality reinsurance business of Transamerica Re, SCOR Global Life reorganized its activities in the US and merged SCOR Global Life Reinsurance Company of America into SCOR Global Life U.S. Reinsurance Company. SCOR Global Life U.S. Reinsurance Company was renamed SCOR Global Life Americas Reinsurance Company (SGL Americas).

Following the 2013 acquisition of Generali U.S. Holding, Inc., Generali USA Life Reassurance Company, the primary operating company, relocated from Missouri to Delaware and was renamed SCOR Global Life USA Reinsurance Company.

The Hub structure

SCOR has structured its operations around several regional management platforms, or Hubs: the Paris/London Hub (effective April 15, 2015), the Zurich/Cologne Hub (effective October 1, 2014), the Americas Hub and the Singapore Hub.

Each Hub has local, regional [1] and Group responsibilities, with the heads of each Hub reporting to the Group Chief Operating Officer. Each Hub typically includes the following functions: a director of legal and compliance, a director of Information technology support, a director of finance and a director of human resources. This organization enables:

- SCOR's operational structures and support functions to be optimized by creating service entities in charge of managing pooled resources, including information technology, human resources, legal and others in the Group's main locations;
- several Group functions to be carried out and managed in geographical locations other than Paris in order to benefit fully from the competencies within different hubs. The Hubs are not responsible for generating revenues or for underwriting or claims management. The local underwriting and claims management teams have direct reporting lines within the respective P&C and Life divisions. Hub shared service costs are then allocated to the divisions; and
- the Group to develop a global culture while keeping local specificities.

Management reviews the operating results of the Non-Life and Life operating segments individually to assess the operational performance of the business and to allocate resources. For more information on SCOR's operating segments, see Section 4.6, Note 4 – Segment information.

The Hub structure is designed to facilitate access to local markets through a network of local subsidiaries, branches and representative offices, to better identify profit centers in each major reinsurance market, obtain a deeper understanding of the specific features of local risks and develop local management and underwriting expertise, and thereby improve customer service and maintain relationships with ceding companies. Since the acquisition of the mortality reinsurance business, including the operational assets and personnel, of Transamerica Re, and the acquisition of Generali U.S. Holding Inc., Charlotte, North Carolina, and Kansas City, Missouri, have become key locations for the Life division. As part of these integrations, Charlotte and Kansas City have joined New York as key competence centers for the Americas Hub.

(1) Paris/London Hub: South Africa, Europe including Russia and other than Germany, Austria, and Switzerland; Zurich/Cologne Hub: Switzerland, Germany, Austria and Israel and one subsidiary in Argentina; Singapore Hub: Asia and Australia; Americas Hub: North America and Latin America.

1.2.3.2. LIST OF ISSUER'S SIGNIFICANT SUBSIDIARIES AND BRANCHES

See:

- Section 1.2.3 – Organizational structure of SCOR;
- Appendix C – 5 Note 2 – Investments;
- Section 4.6 Note 22 – Related party transactions;
- Section 4.6 Note 2.1 – Significant subsidiaries, investments in associates and joint ventures;
- Section 4.7 – Information on holdings;
- Section 1.2.3.1 – Brief description of the Group and of the position of the issuer (regarding the role of SCOR towards its subsidiaries);
- Section 4.6 Note 3 – Acquisitions and disposals;
- Section 2.1.2 – Board of Directors (regarding the duties carried out in the subsidiaries by the managers of the Company);
- Section 2.1.4 – Executive Committee (regarding the duties carried out in the subsidiaries by the managers of the Company); and
- Section 2.3.3 – Special report of the Statutory Auditors on related party agreements and commitments.

1.2.4. RATINGS INFORMATION

The Company and certain of its insurance subsidiaries are rated by recognized rating agencies.

At December 31, 2016, the relevant ratings for the Company were as follows [(1)]:

	Financial Strength	Senior Debt	Subordinated Debt
S&P Global	**AA-** stable outlook	**AA-**	**A**
A.M. BEST	**A** positive outlook	**a+**	**a-**
Moody's	**Aa3** stable outlook	**N/A**	**A2 (hyb)**
FitchRatings	**AA-** stable outlook	**A+**	**A-**

On September 23, 2016, Moody's upgraded SCOR's insurance financial strength rating to "Aa3" from "A1", and its subordinated debt rating to "A2" (hyb) from "A3" (hyb). According to Moody's, this decision reflects the "Group's improved franchise, its diversified business profile and lower exposure than peers to the segments currently under the most pricing pressure, a continued high stability of profits and strong and stable capitalization."

On September 21, 2016, A.M. Best affirmed the financial strength rating of "A" (Excellent) and the long-term issuer credit rating of "a+" of SCOR and its main subsidiaries. The outlook of these ratings remains positive.

On September 12, 2016, SCOR has been informed of the decision by Standard & Poor's (S&P) to affirm the financial strength rating for the Group and its main subsidiaries at "AA-", with a "stable outlook", and to maintain the counterparty credit ratings at "AA-/A-1+".

On July 6, 2016, Fitch Ratings affirmed SCOR's insurer financial strength rating at "AA-" and long-term issuer default Rating at "A+". Fitch Ratings also affirmed the ratings of SCOR's main subsidiaries. The outlooks are stable.

On December 15, 2015, Moody's raised the outlook of SCOR to "positive" from "stable", and affirmed its insurance financial strength rating of "A1" and its "A3" (hyb) subordinated debt rating. According to Moody's, this decision reflects "the continued improvement in SCOR's market position and franchise, the rating agency's expectation of continued high stability of SCOR's earnings resulting from the Group's diversified business model and lower exposure to the most volatile reinsurance segments than peers, as well as SCOR's strong capitalization and risk management".

On September 11, 2015, A.M. Best revised the outlook of SCOR and its main subsidiaries to "positive" from "stable", as well as affirming the financial strength rating of "A" (Excellent) and the issuer credit ratings of "a+", to reflect, according to A.M. Best's statement, "the Group's track record of solid earnings and stability in risk-adjusted capitalization despite the prevailing competitive market conditions". With regard to SCOR's debt instruments, A.M. Best also revised the outlook to "positive" from "stable" and affirmed the issue ratings.

(1) Sources: www.standardandpoors.com; www.ambest.com; www.moodys.com and www.fitchratings.com

On September 7, 2015, Standard & Poor's (S&P) upgraded SCOR's financial strength rating to "AA- stable outlook" from "A+ positive outlook" and raised the Group counterparty credit ratings to "AA-/A-1" from "A+/A-1" having taken into account the fact that, according to S&P's statement, "the Group has demonstrated its very strong competitive position through resilience in pricing and technical profitability in its P&C book and has reinforced its leading position in the U.S. Life reinsurance market."

On July 21, 2015, Fitch Ratings upgraded SCOR's insurer financial strength rating from "A+ positive outlook" to "AA- stable outlook" and affirmed the long-term issuer default rating at "A+". Fitch Ratings notably mentioned having taken into account "the development of SCOR's reinsurance franchise, the scale and diversity of which have improved significantly through external growth and swift integration of acquired operations, helping to generate a more stable level of profitability". The rating agency also noted "the level of capitalization that Fitch considers to be very strong" as well as "a consistent and prudent reserving philosophy".

For more information on risks arising from financial ratings, please see Section 3.2.4 – Downgrade risk.

1.2.5. BUSINESS OVERVIEW

Since 2002, SCOR has defined its strategy and principle orientations through the creation of several three-year plans: "Back on Track" (2002-2004), "Moving Forward" (2004-2007), "Dynamic Lift" (2007-2010), "Strong Momentum" (20102013), "Optimal Dynamics" (2013-2016) and "Vision in Action" (2016-2019). The success of its various plans, along with the Group's acquisitions of Revios (in 2006), Converium (in 2007), Transamerica Re (in 2011) and Generali U.S. (in 2013) have contributed to the diversification strategy by balancing the proportion of the consolidated premiums written between its Non-Life and Life segments and has enabled the Group to preserve both its solvency and its profitability.

In September 2016, SCOR launched its new three-year strategic plan, "Vision in Action". This plan covers the period from mid-2016 to mid-2019. It respects SCOR's four strategic cornerstones, which are:

- a strong franchise, achieved by:
  - deepening its presence in the local Non-Life and Life markets in which SCOR operates by strengthening client relationships and through best-in-class services and product innovation, and
  - further developing the Non-Life US franchise and expanding in Life fast-growing Asia-Pacific markets through organic growth;
- a high degree of diversification of Non-Life and Life business and geographical presence, providing more stable results and robust capital diversification benefits;
- a controlled risk appetite, on both sides of the balance sheet; and
- a robust capital shield policy (see Section 3.3.5 – Retrocession and other risk mitigation techniques).

With "Vision in Action", SCOR continues to focus on its two equally weighted strategic targets, profitability and solvency:

- a ROE at or above 800 basis points above the five-year rolling average of five-year risk-free rates over the cycle;
- an optimal solvency ratio in the 185-220% range (percentage of SCR, according to the internal model)[1].

It also affirms the Group's consistent shareholder compensation policy set by the SCOR's Board of Directors. SCOR aims to remunerate shareholders through cash dividends, and if relevant, does not exclude special dividends or share buy-backs. Overall the Board will aim to maintain a minimum dividend payout of 35% over the cycle, while pursuing low variation in the dividend per share from year to year.

SCOR's risk appetite framework

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

SCOR's risk appetite framework encompasses four concepts: risk appetite, risk preferences, risk tolerances, and footprint scenarios:

(1) Ratio between the Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

Risk appetite

Risk appetite defines the quantity of risk that SCOR is willing to accept to achieve a desired level of profitability. This determines where the Group wishes to position itself on the assumed risk-expected return spectrum, between extremely risk averse (low risk-low return) and extreme risk taker (high risk-high return). SCOR uses a target solvency ratio as well as a target expected profitability. These two components provide a comprehensive definition of its risk appetite. The Group actual solvency ratio and profitability profile are regularly reported to the Board of Directors via the Risk Committee.

Risk preferences

Risk preferences are qualitative descriptions of the risks which SCOR is willing to accept. The Group aims to cover a wide range of reinsurance risks and geographical areas. On the other hand, it has no desire to take operational, legal, regulatory, tax or reputational risks. This does not mean that the Group is immune to these risks. These risk preferences determine the risks to be included in the Group's underwriting guidelines.

Risk tolerances

Risk tolerances are the limits required by SCOR's stakeholders (e.g. clients, shareholders, regulators, etc.). The Board of Directors defines and approves risk tolerance limits for the Group in terms of solvency by risk driver, and extreme scenario in order to ensure that the Group's risk profile remains aligned with its risk appetite framework. SCOR uses various risk assessment measures to verify that its exposures remain within these limits. These measures can take several forms depending on the technical constraints or the level of information available and are based on either internal model outputs, scenarios or expert opinions.

Footprint scenarios

Footprint scenarios are an innovative and complementary risk management tool. Whereas risk drivers and extreme scenarios are probability-based, the footprint approach consists of carrying out an impact assessment on the Group under a deterministic scenario. This approach is complementary to a probability-based view.

Taking into account SCOR's current exposure and all risk mitigation instruments, footprint scenarios provide impact assessments of past events on the Group's actual solvency ratio, liquidity, and current operations. SCOR regularly produces and evaluates footprint scenarios, providing comfort that the impact of such events on the Group's current solvency would be limited.

1.2.5.1. THE REINSURANCE BUSINESS

Principles

Reinsurance is a contract under which a company, the reinsurer, agrees to indemnify an insurance company, the ceding company, against all or part of the insurance risks underwritten by the ceding company under one or more insurance contracts. Reinsurance differs from insurance, primarily because of its higher level of mutualization by geography and by line of business.

Functions

Reinsurance has four essential functions:

- it offers the direct insurer greater security for its capital and solvency, as well as protection against the potentially high volatility of results when abnormally high frequency or severity of losses or events occur, by covering the direct insurer above certain contractually set amounts per event or in the aggregate;
- it allows insurers to increase the maximum amount they can insure for a given loss or series of losses by enabling them to underwrite a greater number of risks, or larger risks, without excessively raising their need to cover their solvency margin and, therefore, to increase their capital base;
- it gives insurers access to substantial available liquidity in the event of major loss events; and
- it provides insurers with efficient alternative capital solutions.

Reinsurance, however, does not discharge the ceding company from its liability to policyholders. Reinsurers themselves may feel the need to transfer some of the risks underwritten and/or some of the accumulated exposures derived from such risks to other reinsurers (known as retrocessionaires).

In addition, reinsurers may also provide advisory services to ceding companies by:

- helping them define their reinsurance needs and devise the most effective reinsurance program to better plan their capital needs and solvency margin;
- supplying a wide panel of support services, particularly in terms of knowledge sharing, best practices and risk assessment, modeling and management tools;
- providing expertise in certain highly specialized areas such as complex risk analysis and pricing; and
- enabling ceding companies to build up their business, particularly when launching new products requiring significant upfront investment or financing or when investing in new markets by starting their own operations or acquiring portfolios or companies.

Reinsurers, including SCOR, are usually compensated for the provision of such advisory services through the cedents' reinsurance premiums, rather than through fee-based compensation.

Types of reinsurance

Treaty and facultative

The two basic types of reinsurance arrangements are treaty and facultative reinsurance.

In treaty reinsurance, the ceding company is contractually bound to cede and the reinsurer is bound to assume a specified, contractually defined portion of a type or category of risks insured by the ceding company. Treaty reinsurers, including SCOR, do not separately evaluate each of the individual risks assumed under their treaties and, consequently, after a review of the ceding company's underwriting practices, they are dependent on the original underwriting decisions made by the ceding company's primary policy writers.

In facultative reinsurance, the ceding company cedes and the reinsurer assumes all or part of the risks covered by a particular specified insurance policy or by insurance policies covering a specific ultimate group insured as part of the same program. Facultative reinsurance is negotiated separately for each insurance policy that is reinsured. Facultative reinsurance is normally purchased by ceding companies for individual risks not covered by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties or for unusual risks. Underwriting expenses and, in particular, personnel costs, are higher relative to premiums written on facultative business because each risk is individually underwritten and administered. The ability to separately evaluate each risk reinsured, however, increases the probability that the underwriter can price the contract more accurately to reflect the risks involved.

Proportional and non-proportional reinsurance

Both treaty and facultative reinsurance can be written on (i) a proportional (or quota share) basis and/or (ii) a non-proportional (or excess of loss or stop loss) basis.

With respect to proportional (or quota share) reinsurance, the reinsurer, in return for a predetermined portion or share of the insurance premium charged by the ceding company, indemnifies the ceding company against the same portion of the losses under the covered insurance contract(s). In the case of reinsurance written on a non-proportional basis, through an excess of loss or a stop loss contract, basis, the reinsurer indemnifies the ceding company against all or a specified portion of the loss sustained, on a claim by claim basis or for amounts incurred, in excess of a specified amount, known as the ceding company's retention or reinsurer's attachment point, and up to a negotiated reinsurance contract limit.

Although the frequency of losses under a quota share reinsurance contract is usually greater than on an excess of loss contract, it is generally simpler to predict the losses on a quota share basis and the terms and conditions of a quota share contract can be structured to limit the indemnity offered under the contract. A quota share reinsurance contract therefore does not necessarily imply that a reinsurance company assumes greater risk exposure than on an excess of loss contract.

Excess of loss reinsurance is often written in layers. One or a group of reinsurers accepts a tranche or layer of risk above the ceding company's retention up to a specified amount, at which point another reinsurer or a group of reinsurers accepts the next layer of liability. The stacked layers protecting the same underlying portfolio are called a program, and after protection from the upper layer is exhausted liability reverts to the ceding company. The reinsurer taking on the risk immediately above the ceding company's retention layer is said to write primary or working layer or low layer excess of loss reinsurance. A loss just above the ceding company's retention will create a loss for the lower layer reinsurer, but not for the reinsurers on the higher layers. Loss activity in lower layer reinsurance tends to be more predictable than in higher layers due to greater historical frequency, and therefore, like quota share reinsurance, underwriters and actuaries have more data to price the underlying risks with greater confidence.

Premiums payable by the ceding company to a reinsurer for excess of loss reinsurance are not directly proportional to the premiums that the ceding company receives because the reinsurer does not assume a direct proportion of the risk. In contrast, premiums that the ceding company pays to the reinsurer for quota share reinsurance are proportional to the premiums that the ceding company receives, consistent with the proportional sharing of risk. In addition, in quota share reinsurance, the reinsurer generally pays the ceding company a ceding commission. The ceding commission is usually based on the ceding company's cost of acquiring the business being reinsured, including commissions, premium taxes, assessments and miscellaneous administrative expenses, and also may include a partial repayment of profit for producing the business.

Breakdown of the Group's business

The Group is organized into three divisions (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which two reportable operating segments and one corporate cost center referred to as "Group Functions". The reportable operating segments are: the SCOR Global P&C business, with responsibility for property and casualty insurance and reinsurance (also referred to in this Registration Document as "Non-Life"); and the SCOR Global Life business, with responsibility for life reinsurance (also referred to in this Registration Document as "Life"). These two businesses represent SCOR's two "operating segments" for purposes of IFRS 8 – Operating segments, and are presented as such in its consolidated financial statements, included in Section 4 – Consolidated financial statements. Each operating segment underwrites different types of risks and offers different products and services, which are marketed via separate channels; responsibilities and reporting within the Group are established on the basis of this structure. SCOR Global Investments is the asset management division of the Group. Its role is complementary to the two operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with the contract liabilities. SCOR Global Investments also manages assets on behalf of third parties although these activities are currently not considered material. Therefore SCOR Global Investments is not considered a separate reportable operating segment for purposes of IFRS 8 – Operating segments.

The Group organizes its operations around four regional management platforms, or "Hubs" named Paris/London and Zurich/Cologne for Europe, Singapore for Asia and New York/Charlotte/Kansas City for the Americas. Each of the Hubs has local, regional and Group responsibilities, with heads of each Hub reporting to the Group Chief Operations Department. Each Hub includes the following functions: a Legal and Compliance Officer, a Head of Information Technology, a Head of Finance, a Head of Human Resources and a Risk Manager. Hub shared service costs are allocated to the segments based on allocation keys. For a description of the Hub structure, see Section 1.2.3 – Organizational structure of SCOR.The SCOR Global P&C segment carries out its global operations through the subsidiaries and branches of its two main global reinsurance entities (SCOR Global P&C SE and SCOR SE) and through an operating insurance entity (SCOR UK Limited). Through those entities, their subsidiaries and branches, SCOR Global P&C is represented in three business regions EMEA, the Americas and Asia/Pacific and operates in four business areas: Property and Casualty Treaties; Specialty Treaties (including Credit and Surety, Decennial Insurance, Aviation, Space, Marine, Engineering, Agriculture risks and Alternative Solutions); Business Solutions (large corporate accounts underwritten through facultative insurance and reinsurance contracts and occasionally as direct insurance); and Business Ventures and Partnerships. In addition, SCOR Global P&C writes direct insurance, primarily on a business-to-business basis to cover certain large industrial P&C risks through the Business Solutions area of SCOR Global P&C and through the participation in Lloyd's syndicates among which Channel 2015 for which SCOR is the sole capital provider. For a description of products and services, see Section 1.2.5.2 – Non-Life reinsurance.

The SCOR Global Life segment operates worldwide through the subsidiaries and branches of the global reinsurance companies SCOR Global Life SE and SCOR SE. Via this network SCOR Global Life is represented in its three business regions Americas, EMEA and Asia/Pacific reinsuring Life and Health insurance risks along the three product lines Protection, Longevity and Financial Solutions with a strong focus on biometric risks. In order to achieve this, SCOR Global Life manages and optimizes the in-force book, deepens the franchise and have the best team, organization and tools. The franchise strategy is composed of three elements, which are the expansion of the footprint in protection to defend and strengthen market presence around the world, the diversification of the risk profile by growing health and longevity, and growth of consumer demand by supporting clients with unique distribution solutions. SCOR Global Life intends to achieve diversification, both from a geographical and a product lines perspective. For a description of products and services, see Section 1.2.5.3 – Life reinsurance.

SCOR's cost center is referred to in this Registration Document as "Group Functions". Group Functions is not an operating segment and does not generate revenues. The costs in Group Functions are Group-related and are not directly attributable to either the P&C or Life segment. Group Functions includes the cost of departments fulfilling duties for the benefit of the whole Group, such as Group Internal Audit, Group Finance Department (Tax, Accounting, Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Operations Departments (Legal, Communication, Human Resources, Information Technology) and Group Chief Risk Officer expenses (Actuarial, Risk Management, Prudential Affairs, Internal Modeling).

SCOR Global P&C and SCOR Global Life, through their respective legal entities, are leading global reinsurers, executing an underwriting policy focused on profitability, developing value-added services and adhering to a cautious financial policy. As at December 31, 2016, the Group served more than 4,000 clients throughout the world. SCOR's strategy of offering both P&C and Life products provides it with the benefits of balanced diversification (in terms of risks, geography and markets), which is a cornerstone of its strategy.

1.2.5.2. NON-LIFE REINSURANCE

SCOR's Non-Life segment is divided into four business areas:

- Property and Casualty Treaties;
- Specialty Treaties;
- Business Solutions (underwriting of large corporate accounts); and
- Business Ventures and Partnerships.

Property and Casualty Treaties

SCOR's Property and Casualty Treaties business area underwrites proportional and non-proportional reinsurance treaties.

Property

SCOR's property treaties typically cover damage to the underlying assets (automobiles, commercial premises or industrial sites) and direct or contingent business interruption losses caused by fire or other perils, including natural catastrophes.

Casualty

SCOR's casualty treaties typically cover original risks of general liability, product liability or professional indemnity. Accordingly, they include treaties covering motor liability and general third-party liability. Motor liability reinsurance covers property damage, bodily injuries and other risks arising from the coverage of both drivers and passengers in private vehicles and commercial fleets.

Specialty Treaties

The Group's main Specialty reinsurance activities include Credit and Surety, Decennial Insurance, Aviation, Space, Marine, Engineering, Agricultural Risks and Alternative Solutions. SCOR underwrites these risks through proportional and non-proportional treaties as well as facultative reinsurance.

Credit and Surety

Under credit insurance, the insurer covers the risk of losses from the non-payment of commercial debts. Surety insurance is a contract under which a guarantor makes a commitment to a beneficiary to perform or pay the obligation of the secured debtor. Political risk insurance covers the risk of losses due to measures taken by a government or similar entity which endangers the existence of a sales contract or commitment made by a public or private company of the country in which the covered operations are performed.

Decennial Insurance

According to laws in France, Italy and Spain, as well as in other jurisdictions, or by contractual obligation, decennial insurance must be purchased to cover major structural defects and collapse for a certain period, typically ten years after completion of construction.

Aviation

Aviation insurance covers damage caused to aircraft, injuries to persons transported and damage to third parties caused by aircraft or air navigation, as well as losses resulting from products manufactured by companies in the aerospace sector.

Space

Insurance for the space sector covers the launch preparation, launch, and the in-orbit operation of satellites, primarily commercial telecommunication and earth observation satellites.

Marine

Marine Insurance includes insurance for hull and cargo as well as shipbuilding insurance. It also includes insurance for fixed and mobile offshore oil and gas units in construction and in operation.

Engineering

Engineering insurance, which is divided into Construction All Risks and Erection All Risks insurance, includes basic Property and Casualty coverage and may be extended to the financial consequences of a delay in start-up (advanced loss of profits) caused by losses indemnifiable under Property and Casualty coverage.

Agricultural Risks

SCOR Global P&C provides insurance/reinsurance solutions in the field of multiple peril crop, aquaculture, forestry and livestock insurance.

Alternative Solutions

To cope with the broader needs of reinsurance buyers in transferring risk, and to benefit from these changes by broadening its services to clients, the Group has developed within the SCOR Global P&C division a dedicated center of expertise that provides insurance and corporate clients with a wider range of hybrid reinsurance solutions for the transformation, financing or transfer of risks. Consequently, the Group is able to assist clients in their active and effective capital management. This business unit combines the division's expertise in terms of Structured Risk Transfer (SRT), Alternative Risk Financing (ARF) and Insurance Linked Securities (ILS).

Business Solutions

The Group's activity in the Business Solutions area covers all insurable risks of industrial groups and services companies (large corporate accounts). These risks are underwritten through facultative insurance and reinsurance contracts, and occasionally as direct insurance, in an international network around two main business departments: "Natural Resources" and "Industrial & Commercial Risks".

Natural Resources

Natural Resources insurance covers midstream and downstream business (mainly the oil and gas, refining, petrochemicals, liquefaction, gasification, power generation and distribution, new energy sources and mining sectors), and upstream business (oil and gas exploration and production, offshore construction), shipbuilding groups and oil services companies.

Industrial & Commercial Risks

Industrial & Commercial Risks insurance covers manufacturing and heavy industries (automotive, pulp and paper, aeronautics/ defense, high tech) and finance and services (infrastructures, intellectual services, general contractors, distribution and trading).

Business Solutions is aimed at risk managed enterprises and professional buyers seeking global risk financing solutions. The risks shared with the ceding and/or captive insurance companies are high-value industrial or technically complex risks. In property and casualty lines, such as Property Damage & Business Interruption, Construction All Risks, Erection All Risks, Comprehensive General Liability, Product Liability or Professional Indemnity, the risks involve insured amounts which typically are beyond the ceding companies' own means.

Business Ventures and Partnerships

SCOR's Business Ventures and Partnerships business area historically included the provision of capital to third-party businesses, including Lloyd's syndicates. SCOR contributes to several Lloyd's, including Channel 2015, for which SCOR is the sole capital provider.

SCOR has an ongoing partnership agreement with GAUM (Global Aerospace Underwriting Managers).

The Group also participates in insurance and reinsurance pools, mainly Assuratome and Assurpol.

1.2.5.3. LIFE REINSURANCE

SCOR's Global Life segment underwrites Life reinsurance business in the following product lines:

- Protection;
- Financial Solutions;
- Longevity.

Protection

Protection encompasses traditional Life reinsurance business on living and death benefits. The main risks undertaken are mortality, morbidity and behavioral risks for individuals and groups of individuals. Protection is predominantly underwritten in the form of proportional treaties (quota share, surplus basis or a combination of both). Quota share treaties include structures whereby SCOR Global Life's exposure is identical to those of its clients, and risk-based premium structures whereby treaty conditions differ from those of the underlying policies. A minority of the portfolio is underwritten in the form of non-proportional contracts: excess of loss per person, catastrophe excess of loss or stop loss.

The Protection reinsurance market, as well as SCOR Global Life's Protection portfolio, is characterized by the dominance of long-term contractual relationships. SCOR Global Life also writes short-term Protection business, in markets and product lines in which this is common practice.

Protection covers the following products and risks in reinsurance arrangements:

Mortality

Mortality protection represents more than 64% of the SCOR Global Life portfolio based on gross written premiums for the year ended December 31, 2016. SCOR Global Life actively underwrites mortality risk in all the geographical markets in which it operates.

Disability

Disability insurance mitigates the loss of income when the insured is totally or partially unable to continue his or her professional occupation or any occupation for which he or she is suited due to sickness or accident.

Long-Term Care

Long-Term Care (LTC) insurance covers the inability of the insured to perform predefined activities of daily living, resulting in the insured needing constant assistance from another person.

Critical Illness

Critical Illness (CI) insurance typically pays a lump sum benefit, to be used at the policyholder's discretion, if the insured suffers from a serious condition and survives a defined period.

Medical

Medical insurance covers medical and surgical expenses incurred by the insured person.

Personal Accident

Personal Accident insurance pays a lump sum benefit if the insured person dies or is seriously injured as a result of an accident.

Financial Solutions

Financial Solutions combines traditional Life reinsurance with financial components providing liquidity, balance sheet, solvency and/or income improvements to the client. This type of reinsurance treaty is typically used by cedents to fund growth, stabilize earnings or optimize their solvency position (capital relief).

Longevity

Longevity products cover the risk of negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing of the cover provided by insurers or pension funds.

1.2.5.4. UNDERWRITING, DISTRIBUTION, CATASTROPHE RISK, CLAIMS AND RESERVES

For information on underwriting, catastrophe risk, claims and reserves, see Section 3.3.1.4 – Management of underwriting risks related to the P&C business and Section 3.3.2.7 – Management of underwriting risks related to the Life reinsurance business.

Distribution by production source

Reinsurance can be written through professional reinsurance brokers or directly from ceding companies. The involvement of a broker in the placement of a reinsurance contract is a decision belonging to the ceding insurance company, which depends on local market practices, the cedent's worldwide reinsurance market knowledge, the complexity of the risks the cedent intends to transfer and the corresponding available reinsurance capacity in the market, as well as the cedent's capability and resources to structure market submission data, place risks and manage the placements. In most of the cases, reinsurance programs are syndicated to several reinsurers, which follow a leader, and in some instances a co-leader.

The proportion of brokered and direct business written by the Group's subsidiaries varies according to market and cedent practices. For the year ended December 31, 2016, Non-Life wrote approximately 61% of gross written premiums through brokers and 39% through direct business, while Life wrote approximately 6% through brokers and approximately 94% through direct business.

For the year ended December 31, 2016, SCOR's largest brokers for Life were Aon Group with approximately 2% of the Group's Life gross written premiums and Willis Group with approximately 1%. SCOR's largest brokers for Non-Life were Aon Group with approximately 19% of the Group's Non-Life gross written premiums, MMC with approximately 15% and Willis Group with approximately 10%.

The direct reinsurance market remains an important distribution channel for reinsurance business written by the Group. Direct placement of reinsurance enables SCOR to access clients who prefer to place their reinsurance partly or in totality directly with reinsurers based upon the reinsurer's in-depth understanding of the ceding company's needs.

1.2.5.5. CAPITAL SHIELD STRATEGY

The Group reconciles its strategic objectives with the protection of its capital via its "Capital Shield Strategy", which articulates the Group's risk appetite. This strategy is based on an economic approach and aims to protect the Group against potential shock losses. The policy builds on the following four concepts: traditional retrocession, capital market solutions, the solvency scale and the contingent capital facility.

For more information on the Capital Shield Strategy, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques. For information on the Atlas structured entities used in the Capital Shield Strategy, refer to Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation.

1.2.5.6. INVESTMENTS

Investment philosophy and process

In 2008, SCOR decided to internalize the management of its insurance business investment portfolio, in order to implement its investment strategy centrally and globally, with strict monitoring of the risk appetite and a dynamic positioning according to an enhanced asset liability management (ALM) process, integrating economic and market expectations.

The investment portfolio is positioned dynamically in order to optimize the financial contribution from the investment portfolio to the Group's results and capital allocation. SCOR follows a capital-driven investment process, ensuring through a very strict ALM process that the tactical asset allocation is aligned with the Group's risk appetite. Meanwhile, the Group has set very stringent risk limits (value at risk "VaR", investment guidelines) that enable permanent monitoring of limits to protect the Group from extreme market events and severe loss scenarios.

SCOR has set up a rigorous governance process and an ERM-focused organizational structure:

- the Board of Directors approves risk appetite, risk limits and as a consequence, the capital allocated to insurance business investments on the basis of the Risk Committee's recommendations;
- the COMEX approves the overall investment strategy and the macro-positioning of the investment portfolio on the basis of the Group Investment Committee's recommendation.

The Group's asset management mandate, assigned to SCOR Global Investments, consists of:

- proposing the macro-positioning of the invested assets portfolio in line with the approved risk appetite and risk limits, respecting a strict ALM process, economic and market expectations, accounting rules and a strict foreign exchange congruency matching between assets and liabilities;
- implementing the investment strategy;
- optimizing the absolute return on invested assets and focusing on the recurrence of yields while controlling their volatility. This objective is achieved through active and dynamic management of the portfolio, the identification of cycles and market opportunities and strict qualitative and quantitative risk management.

Group Investment Committee

The Group Investment Committee is chaired by the Group's Chairman and Chief Executive Officer and is composed of the Group Chief Financial Officer, the Group Chief Risk Officer, the Chief Economist, the Chief Executive Officer of SCOR Global P&C, the Chief Executive Officer of SCOR Global Life, the Chief Executive Officer of SCOR Investment Partners and other representatives of SCOR Global Investments. The Group Investment Committee meets at least each quarter and defines the strategic and tactical asset allocation as well as the risk appetite of the Group.

SCOR Global Investments

SCOR Global Investments is the SCOR Group's asset management division and consists of two entities: (i) the Group Investment Office and (ii) a regulated asset management company, SCOR Investment Partners.

Group Investment Office

The Group Investment Office manages the interaction between the SCOR Group and SCOR Investment Partners in managing the risk appetite, monitoring investment risks and setting investment guidelines. It is also responsible for portfolio monitoring and reporting, development of the Group's strategic and operating plans, financial forecasts and performance analysis of SCOR's investments.

SCOR Investment Partners

SCOR Investment Partners centralizes the management of all the assets of the Group entities, however in some jurisdictions, such management is delegated to external asset managers. The SCOR Investment Partners investment team is organized around six asset management desks:

- aggregate, focusing on rates, covered bonds and investment grade credit;
- credit, focusing on high yield debt and on leveraged loans;
- equities and convertible bonds;
- infrastructure loans;
- Insurance-Linked Securities (ILS); and
- direct real estate investments and real estate loans.

Based on the expertise initially developed for the management of the SCOR Group's invested assets, SCOR Investment Partners decided in 2012 to open some of its investment strategies to third-party investors. While this business currently remains in the development phase, SCOR Investment Partners is maintaining good momentum and is increasing its third-party assets, which stood at EUR 2.2 billion as at December 31, 2016 (including undrawn commitments).

SCOR Investment Partners benefits from third-party asset management through management fees on the assets under management. SCOR Investment Partners has eight investment strategies which are open to third parties with funds in key products such as High Yield, Private Debt (corporate, infrastructure and real estate loans), ILS and Convertible Bonds.

1.2.5.7. DEPENDENCY OF THE ISSUER WITH RESPECT TO PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS AND NEW MANUFACTURING PROCESSES

See Sections 3 – Risk factors and risk management mechanisms and 1.2.6.2 – Research and development, patents and licenses.

1.2.6. SCOR INVESTMENTS IN TANGIBLE AND INTANGIBLE ASSETS

1.2.6.1. PROPERTY, PLANT AND EQUIPMENT

Major existing or planned property, plant and equipment

SCOR owns offices in Paris (France), Cologne (Germany), London (UK), Singapore and Madrid (Spain), where its local subsidiaries and branches have their corporate offices. Any surplus space is leased to third parties as part of SCOR's investment management business. The Group leases office space for its other business locations. It leases space separate from its head office for the purpose of safeguarding its data storage facilities for business continuity planning purposes. The Group believes that the Group's offices in each country in which it operates are adequate for its current needs.

SCOR owns a 5,000 m^2 office and retail leasehold building at 10 Lime Street in London. As at December 31, 2016, the building was occupied at 53% by SCOR for its London Hub office. The remaining space was rented to third parties. In June 2015, a second building at 32 Lime Street with a surface area of 1,800 m^2 was made available to SCOR which had committed to acquire it for its operational needs in 2014.

In 2012, SCOR moved into its new office building in Paris, with a surface area of more than 20,000 m^2, located at 5, avenue Kléber. The building is held by its OPCI (French real estate UCIT) SCOR-Properties, and occupied at 85% by SCOR, the remaining area being rented to third parties. On December 28, 2012, the lease of SCOR's former headquarters (La Défense, Paris), was terminated. Nevertheless, the Group is continuing to lease one floor for IT projects. In November 2016, a second building at 50 rue La Pérouse with a surface area of 1,500 m^2 was acquired. The building was delivered in January 2017 and the moving-in is expected during the summer 2017.

In Cologne, SCOR moved in 2012 into its new office building with a surface area of more than 6,000 m^2 located at 10, Goebenstrasse, held by the German branch of SCOR SE "SCOR Rückversicherung Direktion für Deutschland, Niederlassung der SCOR SE", and fully occupied by SCOR.

In October 2013, SCOR Reinsurance Asia Pacific PTE LTD, signed a sale and purchase agreement to acquire two floors with a surface area of 2,016 m^2 for its operational needs in a leasehold building under construction in Singapore. In 2014, four units of an additional floor were acquired in the same building with a surface area of 274 m^2. In 2015, four additional units of another floor were acquired with a surface area of 269 m^2. In November 2014, the floors formerly occupied by SCOR in another building were sold and rented pending the delivery of the new building. The building is now completed and the teams are expected to move into the new spaces during the spring 2017.

The Madrid office with a surface area of 1,700 m^2 is fully occupied by SCOR for its operational needs.

SCOR also holds additional property investments as part of its asset management strategy.

For more information on the Group's real estate, see Section 4.6 – Notes to the consolidated financial statements, Note 9 – Miscellaneous assets and Note 7 – Insurance business investments.

Environmental issues that may affect the utilization of property, plant and equipment

See the social and environmental report in Appendix D, Note 2 – Environmental impact of SCOR's activity.

1.2.6.2. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Research and development activities

Biometric risks such as mortality, longevity, disability and long-term care are at the heart of underwriting in Life reinsurance. Since these risks are subject to shocks and various trends, SCOR Global Life closely monitors their developments in six Research & Development (R&D) Centers:

- R&D Center for Mortality Insurance: carrying out mortality studies on life portfolios, enhancing modelling for pricing, reserving and capital modelling and providing support in setting assumptions for new business, in particular new products, and reserving;
- R&D Center for Longevity Insurance: carrying out mortality studies on pension and annuity portfolios, enhancing risk modelling for pricing, reserving and capital modelling and providing support in setting assumptions for new business, in particular new products, and reserving;
- R&D Center for Long-Term Care (LTC) and Disability Insurance: providing support in the development of LTC and disability products (definitions, pricing, guidelines) and the monitoring of the corresponding portfolios;
- R&D Center for Critical Illness: dedicated to the analysis of critical illness risks; complex risks due to multiple definitions, cover types and socio-economic environments;
- R&D Center for Medical Underwriting and Claims Management: evaluating the impact on insurance of new medical advances, for both known pathologies and the most recently discovered ones; advising clients on the pricing of substandard risks; and
- R&D Center for Policyholder Behavior: providing support mainly in modeling and pricing lapse behavior within protection products.

The Centers have entered into many scientific partnerships over the years, the current ones being with: the Assmann Foundation on cardiovascular diseases (EUR 100,000 annually), the Erasmus University on the impact of cancer screening programs (EUR 58,000 over three years ending in 2016) and the Pierre et Marie Curie University at the PitiéSalpêtrière Hospital on HIV developments (EUR 30,000 annually).

The R&D Centers are part of SCOR Global Life's range of services: analyses and risk projections produced by the Centers are used by SCOR Global Life's teams to advise their clients on the implementation and monitoring of their life and health insurance products.

The Centers provide input at the product development stage, giving advice on definitions, underwriting standards, pricing and reserving. They contribute to the monitoring of biometric risks by carrying out experience studies on portfolio data and by undertaking prospective risk modeling.

The R&D Centers are part of the Actuarial & Risk Department of SCOR Global Life. Their employees are based in Paris, Cologne, Dublin, Charlotte, Kansas City, Chicago and Singapore and are active worldwide, responding to requests from the local teams in charge of business development and client relationships.

At the forefront of risk modeling, particularly extreme risks in Life and Non-Life businesses, the Group devotes considerable resources to fundamental research and the promotion of scientific risk management techniques in various disciplines. As well as prize-winning internal research projects, conducted with the assistance of students from renowned schools and universities, SCOR has signed partnership agreements with the following institutions:

- the Risk Foundation, in collaboration with Toulouse University's Institut d'Économie Industrielle (IDEI) and Paris Dauphine University, is dedicated to the risk market and to value creation, with a research program specially focused on Long-Term Care. For SCOR, this implies costs of EUR 1.5 million spread over five years;
- a Research Chair in Finance, in cooperation with the Jean-Jacques Laffont Foundation based in Toulouse, focuses on risk management, long-term investment, corporate governance and asset management strategy. For SCOR, the related cost is EUR 1.5 million spread over five years;
- the Insurance Risks and Finance Research Center in cooperation with Nanyang Business School (Singapore), whose aim is to promote research in the field of risk management. For SCOR, the related cost is SGD 2.5 million spread over five years; and
- the Paris School of Economics, which conducts research in the field of economic analysis and modeling in order to improve medium- to long-term forecasting of economic and financial risks. For SCOR, the related cost is EUR 510,000 spread over three years.

Alongside these partnership agreements, the Group works to further scientific research in the field of risks through sponsorship initiatives (see Appendix D) conducted by its corporate foundation, the SCOR Corporate Foundation for Science.

SCOR also organizes Actuarial Awards in Europe (Germany, France, Italy, Spain and Portugal, Sweden, Switzerland and the United Kingdom), and in Asia (Singapore). The Group places great importance on the development of actuarial science and each year awards prizes for the best academic papers in the field of actuarial science. These prizes are designed to promote actuarial science, develop and encourage research in this field and contribute to the improvement of risk knowledge and management. The SCOR Actuarial Awards are recognized as a mark of excellence in the insurance and reinsurance industries. The winning papers are selected on the basis of criteria including an excellent command of actuarial concepts, the use of high-quality analysis instruments, and subjects that could have a practical application in the world of risk management.

Since 2015, SCOR has also been organizing, with the partnership of the French Institut of Actuaries, an actuarial symposium in Paris. In November 2015, the theme was centered around "Actuarial and Data Science", in December 2016, the theme will be "Scientific laws and mathematical models: from physics to actuarial science".

In addition to the above, scientific risk management techniques are promoted, and knowledge shared, via the following:

- involvement in collective studies through the Geneva Association and the teaching of insurance and scientific risk management techniques in schools and universities (e.g. the 218 Master's at Paris Dauphine, the Zurich ETH, the University Ca'Foscari in Venice Italy and the MBA offered by the École nationale d'assurance (ENASS);
- as an expression of SCOR's commitment to the knowledge and science of risk, in 2013 SCOR appointed a Group Scientific Advisor to the Chairman and Chief Executive Officer. This advisor is notably responsible for promoting scientific risk assessment techniques among the Group's clients and in academic circles, and for developing research in major fields, in order to ensure sound management of the Group's business portfolio and internal model.

Information technologies

SCOR was one of the first reinsurers to implement a global information system. This strategy is reaffirmed during the integration process after a new acquisition, when SCOR aims to rapidly reestablish a global integrated information system. In accounting, consolidation and financial reporting, SCOR has delivered its global SAP solution, embedding a unique chart of accounts and standard processes in all its Hubs throughout the Group. Over recent years, the accounting teams have worked alongside the IT Department, to design this new global finance system which is critical for SCOR.

The Group's Life and Non-Life reinsurance global back-office operates on a custom software package known as "Omega." Omega was designed to allow the tracking of brokers and ceding companies within the Group, grant online underwriting authorization throughout the world, track premiums and claims, analyze the technical profitability of contracts, and perform quarterly closings based on the latest estimated results. The Omega databases reflect the reinsurance risk of SCOR Global P&C and SCOR Global Life's portfolios worldwide. After an extensive study, the Group decided to update and improve Omega, thereby capitalizing on this key asset. The Omega2 project, which included technical modernization and the development of structuring functional improvements, has been completed as planned mid-2016.

The focus in 2016 was again on strengthening SCOR's front office applications to improve risk selection, anticipation and reactivity in markets and products, and simulations of results. A number of projects have been launched in recent years which will continue through 2017. Accounting forecasts are developed from underwriting plans and comparative analyses are produced in standard reports. New reserving and financial modeling tools have been implemented over recent years. Non-Life pricing is closely managed using xAct, the global in-house standard P&C treaty pricing tool, which uses standardized models, and profitability analysis, to provide full visibility of proportional and non-proportional business. The underwriting and pricing process of large industrial or specialty risks is now supported by new in-house solutions like ForeWriter and Pacman, embedding the SCOR professionals' expertise. Control of exposure to natural catastrophes and pricing is under improvement through the development of the SCOR Cat Platform which monitors all liabilities and accumulations through use and calibration or the model combination deemed as most efficient. Still with SGP&C, the development of a new Claims Platform has been delivered. In the Life business, the embedded value calculation has been revised and integrated in the internal model. Other front-office solutions have been developed for SCOR Global Life to harmonize and enhance the underwriting of substandard risks and develop tele-underwriting in different countries. In the US market in particular, underwriting solutions like Velogica are proposed to SCOR's Life clients. The integration of Life Individual policy management systems is done in the US.

The Group continues to work on extending and automating its Asset and Liability Management tool. This internal model is central in the Solvency II compliance process, in which the SCOR's Information Technology Department is deeply involved.

Two years ago, SGI has launched a strategic project, SGI 2.0, the first achievement of which was the outsourcing of middle and back office activities related to asset management to BNP Paribas Securities Services. This decision will allow to leverage their expertise in post-trade execution activities. A specific internal organization and related new procedures have been put in place to monitor the performance and the operational risks of this outsourcing. Front-office activities remain in-house, using the Bloomberg AIM solution currently being deployed.

The Group is promoting a paperless environment. Internally, global document-sharing processes have been set up for the Life and Non-Life divisions. With its clients, SCOR is able to automatically process claims, reinsurance and financial accounts received electronically in the standard formats defined by ACORD, an association created for the development of e-processing in insurance and reinsurance, without having to re-enter them. SCOR is also chairing the global Ruschlikon initiative, launched with major brokers and reinsurers to develop e-administration in the reinsurance industry.

The SCOR technical environment is based on a secured international network, a cloud-based global data center with a fully replicated dual site, and a standard workstation deployed everywhere in the world. SCOR has also implemented an ambitious security plan based on stronger physical and logical access controls, cyber security reinforcement, large program for data protection, and recovery in the event of any type of disaster.

SCOR's IT Department is playing a key role in implementing the Group's "Green SCOR" policy, and drives a number of elements of this multi-year plan, including data center consolidation, server virtualization, new low-energy desktops and laptops, and reductions in printing. Mobility is still being enhanced through ongoing developments in line with technological progress and business needs that require a more permanent connection with the company, while complying with security standards.

Finally, the IT strategy is aligned with the SCOR business objectives. The mandate of SCOR IT under the past strategic plan has been largely completed with new solutions in the back-office and front-end areas to ensure operational excellence and business development. The recently announced strategic plan, "Vision in Action", has identified new directions for SGP&C, SGL, SGI and the Corporate Functions, which have been analyzed to define the new strategy for the SCOR information system. The digital transformation of SCOR, steered by the Business Divisions in close partnership with the IT Department, will generate key evolutions of the SCOR information system, as planned in the ambitious "Digital SCOR" program.

1.2.6.3. INVESTMENTS

Principal investments made over the past three financial years

See Section 3.4.2 – Management of market risks, for a description of risk management connected with SCOR investments in debt instruments and equity securities as well as with investments it owns.

See Section 1.2.2 – History and development of SCOR, and Section 4.6.3 Note 3 – Acquisitions and disposals.

See Section 1.2.5.6 – Investments.

See Section 1.2.6 – SCOR investments in tangible and intangible assets.

Principal investments in progress

None.

Principal future investments

SCOR's success relies on the consistent implementation of the four principles on which its strategic plans, "Dynamic Lift", "Strong Momentum", "Optimal Dynamics" and now "Vision in Action" are based: a strong franchise, extensive diversification, a controlled risk appetite and a robust capital shield. Success in implementing such a strategy requires that, at regular intervals, the Group assesses whether opportunities which may present themselves relating to the optimization of its business portfolio via acquisitions and disposals and which would be likely to deliver value for its shareholders are in line with this consistent set of principles.

1.3. MARKET AND FINANCIAL REVIEW

1.3.1. REINSURANCE MARKET DEVELOPMENTS

The global reinsurance industry comprises Life and Non-Life reinsurance.

Life reinsurance is a concentrated industry with significant regulatory and operational barriers to entry. Most global Life reinsurers are based in established markets with rigorous regulatory frameworks suitable for long-term business. Global Life reinsurers have developed strong underwriting, pricing, actuarial, claims management and product development capabilities, as well as long-term relationships with their clients. Because of the long-term nature of some Life risks, the Life reinsurance market historically has been less cyclical than Non-Life.

Non-Life reinsurance is a cyclical market. The cyclical trends observed in prior years largely continued in 2016, though the market's pricing declines moderated. Pricing in Non-Life reinsurance has declined because supply has increased faster than demand. Supply has risen due to a number of factors including increasing traditional capacity, new forms of capacity, actual losses being lower than expected losses, and retained earnings. Demand has risen less quickly due to factors including consolidation of reinsurance spend, increased retention, and new products taking time to develop. Macroeconomic uncertainty continued in 2016 with interest rates low but volatile and the global political situation changing materially. The insurance industry's "protection gap" remains a long-term opportunity that market participants have continued to address with some success in 2016.

The growth rate of alternative capital appears to have slowed in the course of 2016, and such capacity remains predominantly focused on peak-zone catastrophe risks and other modelled perils, which negatively affects the pricing of inwards reinsurance business in the affected lines but also makes outwards retrocession more efficient. Similarly, the trend towards new "hedge fund re" vehicles appears to be attenuating. The risk transfer chain remains under pressure with all actors striving to achieve cost savings, often by squeezing out or putting pressure on other participants. It remains to be seen which innovations will prove to be sustainable in the Non-Life market following market-turning losses.

1.3.2. FINANCIAL MARKET DEVELOPMENTS

The occurrence of major external shocks, such as the British decision to leave the European Union and the unexpected outcome of the US presidential election, as well as the downturn in commodity prices, have significantly contributed to the change in the economic paradigm, where fears of extended low growth/low inflation have given way to the theme of the return of inflation and changes to free trade.

Consequently, the bond markets, after having reached record low interest rate levels in July with -0.20% for German 10-year bonds and 1.35% for 10-year US bonds, have seen negative performances. At the end of 2016, the 10-year German rate is positive once again at 0.2% and the 10-year US yield stands at 2.45%.

Higher inflation expectations are accompanied by better growth prospects, with risk markets such as credit and equity posting strong performances. Thus, the performance of the US high-yield market stands at 17.4% and that of the European market at 9%, the difference emanating mainly from the US high-yield market's preference for the energy sector. With regard to equities, Donald Trump's pro-cyclical and protectionist program has added significant value to US businesses. Thus, over the year, the Dow Jones posted a performance of 16.5%, the S&P of 11.95% and the Russell 2000 of 21.28%, outperforming the European indices such as the Euro Stoxx 50 (+4.83%) and the CAC 40 (+8.81%).

The energy and finance sectors recorded the best performances, thanks to the rise in oil prices in the first instance and the steepening of yield curves plus deregulation hopes in the second. Thus, over the year, the performance of the MSCI World Energy index stands at 27.6%, and that of the MSCI World Financial index stands at 13.3%. Conversely, the health sector posted a negative performance, for example with the MSCI World Health Care index down by -6.32%.

1.3.3. SIGNIFICANT EVENTS OF THE YEAR

On December 27, 2016, the Insurance Regulatory and Development Authority of India has granted SCOR "R3 authorization", after having granted SCOR "R2 authorization" on November 8, 2016, allowing the Group to open a Composite Branch office in India to conduct Life and P&C reinsurance business.

On December 15, 2016, SCOR announced the launch of a new 3-year contingent capital facility. This takes the form of a contingent equity line, providing the Group with EUR 300 million coverage in case of extreme natural catastrophe or life events impacting mortality.

On July 28 and August 2, 2016 respectively, SCOR completed the calls of the entire balance of its EUR 350 million and CHF 650 million perpetual subordinated note lines.

On May 24, 2016, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 500 million. The coupon was set at 3.625% (until May 27, 2028), and is reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.90%. The notes mature on May 27, 2048. It is currently SCOR's intention to use the proceeds for general corporate purposes. The proceeds from the notes are expected to be eligible for inclusion in SCOR's regulatory capital, in accordance with applicable rules and regulatory standards, and as equity credit in the rating agency capital models.

On January 13, 2016, as part of its policy of diversifying its capital protection tools, SCOR sponsored a new catastrophe bond, Atlas IX Series 2016-1, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the US and earthquakes in the US and Canada. The risk period for Atlas IX 2016-1 runs from January 13, 2016 to December 31, 2019.

1.3.4. INFORMATION ON SCOR'S COMPETITIVE POSITION

SCOR competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance and insurance companies, some of which have a larger market share than its own, greater financial resources and, in certain cases, higher ratings from the rating agencies. Competition in the types of reinsurance and insurance that the Group underwrites is based on many factors, including financial strength as perceived by the rating agencies, customers and their brokers, underwriting expertise, reputation and experience in the lines of reinsurance and insurance written, country of operation, premiums charged, the quality of the proposed reinsurance structures, the services offered and the speed at which claims are paid.

SCOR's competitors include independent and state-owned reinsurance companies, subsidiaries or affiliates of established worldwide insurance companies, and reinsurance departments of certain primary insurance companies. Among the Group's major competitors are European reinsurers (for example, Swiss Re, Munich Re and Hannover Re) and US/Bermudian reinsurers (for example, Partner Re, RGA, Chubb, Axis Capital, TransRe, Odyssey Re, GenRe and Everest Re). Also Lloyd's of London is recognized as a major competitor.

SCOR SE and its consolidated subsidiaries formed the world's fourth largest reinsurer (1) in 2015, serving more than 4,000 clients.

1.3.5. REVENUES & EARNINGS SUMMARY

The Group's financial data are presented in Section 1.1 – Selected financial information and in Section 4 – Consolidated financial statements. The commentary below is based on the financial data presented in the aforementioned sections.

See also Section 4.6 – Notes to the consolidated financial statements, Note 1 – Accounting principles and methods, Note 15 – Net contract liabilities and Note 24 – Insurance and financial risks.

1.3.5.1. OPERATING RESULT

SCOR is characterized by its strategic positioning aimed at diversifying its exposures. To this end, the Group seeks to preserve:

- the diversification of its business by maintaining a broadly balanced split between its Life and Non-Life reinsurance activities. The business volume split for the year ended December 31, 2016 was approximately 59% for Life reinsurance and 41% for Non-Life reinsurance based on gross written premiums;
- the geographic diversification of the Group's business by:
  - operating in a large number of countries, both mature and emerging,
  - maintaining its policy of being positioned on strong-growth markets such as Asia-Pacific and Latin America,
  - operating as a mixed Non-Life and Life reinsurer in China using the license received in 2011, enabling SCOR to add Life reinsurance services to the existing Non-Life activities, and
- the diversification of underwritten risks by product lines in Life reinsurance (Protection, Financial Solutions, Longevity) and in Non-Life reinsurance (Property and Casualty Treaties, Specialty Treaties, Business Solutions (large corporate accounts underwriting through facultative insurance and reinsurance contracts and occasionally as a direct insurance for industrial groups and services companies) and Business Ventures and Partnerships).

Gross written premiums

Gross written premiums for the financial year ended December 31, 2016 amounted to EUR 13,826 million, an increase of 3.0% compared to EUR 13,421 million in 2015. At constant exchange rates the growth is 5.3%. The overall increase in gross written premiums of EUR 405 million in 2016 is due to an increase of EUR 489 million for SCOR Global Life, offsetting the decrease of EUR 84 million for SCOR Global P&C.

Gross written premiums for the financial year ended December 31, 2015 amounted to EUR 13,421 million, an increase of 18.6% compared to EUR 11,316 million in 2014. The overall increase in gross written premiums of EUR 2,105 million in 2015 was due to an increase for SCOR Global P&C of EUR 788 million and EUR 1,317 million for SCOR Global Life.

(1) By Net Reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2016".

Breakdown of gross written premiums by segment

In EUR million	2016		2015		2014	
By division						
SCOR Global P&C	5,639	41%	5,723	43%	4,935	44%
SCOR Global Life	8,187	59%	7,698	57%	6,381	56%
TOTAL	**13,826**	**100%**	**13,421**	**100%**	**11,316**	**100%**
Non-Life reinsurance						
Treaties	3,125	55%	3,012	53%	2,709	55%
Business Solutions (facultative)	683	12%	723	13%	614	12%
Specialties	1,176	21%	1,168	20%	1,036	21%
Joint-Ventures & Partnerships	655	12%	820	14%	576	12%
TOTAL SCOR GLOBAL P&C	**5,639**	**100%**	**5,723**	**100%**	**4,935**	**100%**
Life reinsurance						
Protection [1]	6,460	79%	6,137	80%	5,212	82%
Financial Solutions [1]	1,038	13%	1,003	13%	923	14%
Longevity	689	8%	558	7%	246	4%
TOTAL SCOR GLOBAL LIFE	**8,187**	**100%**	**7,698**	**100%**	**6,381**	**100%**

(1) In 2015, SCOR Global Life's individual treaties have been reallocated based on a review of product line definitions. The gross written premiums in Protection and Financial Solutions previously reported in the 2014 Registration Document were EUR 5,088 million and EUR 1,047 million respectively for the year ended December 31, 2014.

See Section 4.6 – Notes to the consolidated financial statements, Note 4 – Segment information, for further details on the results of the segments.

Distribution by geographical area

In 2016, SCOR generated approximately 39% of its gross written premiums in Europe, Middle East and Africa (EMEA) compared to 41% in 2015), with significant market positions in France, Germany, Spain and Italy, 46% of its gross written premiums in the Americas (2015: 43%) and 15% of its gross written premiums in Asia (2015: 16%).

The following table shows the breakdown by gross volume of Life and Non-Life premiums written by geographical area based on market responsibility, taking into account the country in which the ceding company operates for treaty business and location of the insured for facultative business:

	Total			SCOR Global Life			SCOR Global P&C		
In EUR million	2016	2015	2014	2016	2015	2014	2016	2015	2014
EMEA [1]	5,355	5,449	4,912	2,677	2,515	2,261	2,678	2,934	2,651
Americas [1]	6,318	5,840	4,678	4,429	4,130	3,323	1,889	1,710	1,355
Asia Pacific [1]	2,153	2,132	1,726	1,081	1,053	797	1,072	1,079	929
TOTAL	**13,826**	**13,421**	**11,316**	**8,187**	**7,698**	**6,381**	**5,639**	**5,723**	**4,935**

(1) In 2015, SCOR Global Life's individual treaties have been reallocated based on a review of region allocations. The gross written premiums for SCOR Global Life in EMEA, the Americas and Asia Pacific previously reported in the 2014 Registration Document were EUR 2,103 million, EUR 3,498 million and EUR 780 million, respectively for the year ended December 31, 2014,

Net earned premiums

Net earned premiums for the year ended December 31, 2016 amounted to EUR 12,462 million as compared to EUR 11,984 million and EUR 9,991 million for the years ended December 31, 2015 and 2014, respectively. The overall increase in net earned premiums of EUR 478 million from 2015 to 2016 and EUR 1,993 million from 2014 to 2015 is consistent with the evolution in gross written premiums.

Net investment income

Net investment income[1] for the year ended December 31, 2016 amounted to EUR 670 million as compared to EUR 666 million and EUR 576 million for the years ended December 31, 2015 and 2014, respectively. The net return on investments in 2016 was 2.5% compared to 2.6% in 2015 and 2.5% in 2014. The increase in investment income from 2015 to 2016 is mainly due to the active portfolio management strategy implemented by SCOR Global Investments, which translated into substantial realized capital gains of EUR 207 million, mostly achieved on the real estate and fixed income portfolios and to a lesser extent on the other investments portfolio. The return on invested assets in 2016 was 2.9% as compared to 3.1% in 2015 and 2.9% in 2014[2].

Gross benefits and claims paid

Gross benefits and claims paid were EUR 9,848 million, EUR 9,499 million and EUR 7,835 million in 2016, 2015 and 2014, respectively. The level of gross benefits and claims paid for SCOR Global P&C increased to EUR 3,164 million during 2016 from EUR 3,135 million in 2015 (2014: EUR 2,788 million). For SCOR Global Life the level of gross benefits and claims paid increased to EUR 6,684 million in 2016 from EUR 6,364 million in 2015 (2014: EUR 5,047 million).

Net retrocession result

The net results of the Group's retrocession program were a net cost of EUR 388 million, EUR 336 million and EUR 385 million in 2016, 2015 and 2014, respectively.

However, the impact of alternative retrocession coverage, Atlas VI (SCOR Global P&C) and Atlas IX (SCOR Global Life) (See Section 3.3.5 – Retrocession and other risk mitigation techniques) are not included in the net cost of retrocession as the products are accounted for as derivatives.

The total amount recorded in 2016 "other operating expenses" in relation to Atlas CAT bonds and the mortality transfer contract was EUR 35 million (2015: EUR 19 million).

Expenses

The Group cost ratio[3] calculated as the total of all management expenses less certain non-controllable expenses (e.g. bad debts), legal settlements, acquisition expenses and amortization, divided by gross written premiums, was 5.0% for the year ended December 31, 2016, unchanged from 5.0% in 2015 (2014: 5.0%). Management expenses for the years ended December 31, 2016, 2015 and 2014 were EUR 815 million, EUR 776 million and EUR 649 million respectively, on a comparative basis.

Operating income

Operating income for the year ended December 31, 2016 amounted to EUR 951 million as compared to EUR 1,048 million in 2015 and EUR 826 million in 2014. The decrease between 2015 and 2016 is notably due to a higher number of natural catastrophes. For the year ended December 31, 2016, the operating segment SCOR Global Life contributed EUR 396 million (EUR 364 million and EUR 285 million in 2015 and 2014, respectively) and SCOR Global P&C EUR 680 million (EUR 808 million and EUR 648 million in 2015 and 2014, respectively) to the operating result. In 2016, 2015 and 2014, EUR (125) million, EUR (124) million and EUR (107) million respectively, related to Group functions.

2015 and 2014 operating income benefitted from the strong technical performance of SCOR Global Life, the robust profitability of SCOR Global P&C and a rather benign year in terms of natural catastrophes.

(1) See Section 1.3.9 – Calculation of financial ratios.
(2) The return on invested assets' calculation method was adjusted in 2014 to exclude revenues from Life reinsurance contracts that do not transfer significant reinsurance risk (presented in the investment income line of the 2013 Registration Document).
(3) The effective tax rate calculation method has been adjusted in 2015 to exclude the share in results of associates from income before tax. The effective tax rate previously reported in the 2014 Registration Document was 24.5% for 2014.

Consolidated net income – Group share

SCOR generated consolidated net income of EUR 603 million in 2016, compared to EUR 642 million and EUR 512 million respectively for the years ended December 31, 2015 and 2014.

In 2016, SCOR benefited from a strong performance from both operating segments, and an active portfolio management strategy implemented by SCOR Global Investments which safeguarded shareholders' interests while delivering solid returns. In 2016, the effective tax rate was 21.7%.

In 2015, SCOR benefited from a strong operating performance, a prudent asset management policy which safeguarded shareholders' interests while delivering solid returns and a rather benign year in terms of natural catastrophes. In 2015, the effective tax rate was 26.0%.

In 2014, SCOR benefited from a strong operating performance, a prudent asset management policy of SCOR Global Investments which safeguarded shareholders' interests while delivering solid returns and a rather benign year in terms of natural catastrophes. In 2014, the effective tax rate was 24.4% [1].

Return on equity was 9.5%, 10.6% and 9.9% for the years ended December 31, 2016, 2015 and 2014 respectively. Basic earnings per share were EUR 3.26, EUR 3.46 and EUR 2.75 for the years ended December 31, 2016, 2015 and 2014, respectively.

1.3.5.2. SCOR GLOBAL P&C

SCOR Global P&C is a leading P&C reinsurer with a worldwide footprint.

The business comprises traditional reinsurance transactions: Treaty, Business Solutions, and Specialty Lines reinsurance. SCOR Global P&C capitalizes on a long-standing franchise, experience, and an extensive data base comprising multi-line expertise.

The January 2016 renewals were characterized by a market environment that shows some signs of levelling out for certain types of contracts and exposures, but where competition regained some momentum since the very end of 2015. SCOR Global P&C continued to find pockets of profitable new business, counterbalancing the premium reductions caused by increased selectivity and heightened portfolio management, thereby maintaining overall expected profitability. This has been made possible by a combination of several factors, such as the successful deployment of the client-focused initiative in the US, and having developed the right culture and the right tools to manage global client relationships and steer business in real time.

2015 was characterized by an increasingly competitive market environment. SCOR Global P&C capitalized on the quality of its franchise and the active management of its portfolios, to secure renewals that bear witness to its strong competitive position.

In 2014, SCOR Global P&C actively pursued its P&C treaty business portfolio management strategy by further expanding the proportional property, motor and casualty businesses and by improving geographical diversification in Asia and the Americas.

Gross written premiums

In 2016, gross written premiums decreased by -1.5% compared to 2015. At constant exchange rates the growth is 1.2%.

Compared to 2015, growth at constant exchange rates was driven by the performance of the Property and Casualty Treaties (mainly in the Casualty and Natural Catastrophes portfolios).

In 2015, gross written premiums increased by 16% compared to 2014. At constant exchange rates the growth was 4.9%, in line with the forecasts at the beginning of the year.

In 2014, gross written premiums increased by 1.8% compared to 2013. At constant exchange rates the growth was 2.7% in line with the assumption of EUR 5 billion annual gross written premiums indicated in the January 2014 renewals disclosure.

Combined ratio

SCOR Global P&C achieved a net combined ratio [2] of 93.1% in 2016 against 91.1% in 2015 and 91.4% in 2014.

In 2016, this ratio reflects very strong technical results, with a decreasing net attritional loss ratio (54.1% compared to 56.9% in 2015) despite higher natural catastrophes compared to 2015. Natural catastrophes had a 5.5% impact on the Group net combined ratio for year-end 2016 compared to a 2.2% impact in 2015 and a 4.2% impact in 2014.

In 2015 the combined ratio reflected very strong technical results, with a stable net attritional loss ratio 56.9% (versus 56.9% in 2014) despite some significant man-made losses and the lower impact of natural catastrophes compared to 2014. Natural catastrophes had a 2.2% impact on the Group net combined ratio for year end 2015 compared to a 4.2% impact in 2014.

In 2014, the combined ratio reflected very strong technical results, driven by the year-on-year improvement of the attritional ratio 56.9% (versus 57.7% in 2013) and the lower impact of natural catastrophes compared to 2013. Natural catastrophes had a 4.2% impact on the Group net combined ratio for the year end 2014 compared to a 6.4% impact in 2013.

(1) The effective tax rate calculation method has been adjusted in 2015 to exclude the share in results of associates from income before tax. The effective tax rate previously reported in the 2014 Registration Document was 24.5% for 2014.
(2) See Section 1.3.9.5 – Combined ratio.

Impact of natural catastrophes

SCOR defines a catastrophe as a natural event involving several risks and causing pre-tax losses, net of retrocession, totaling EUR 3 million or more.

The following table highlights losses due to natural catastrophes for the years 2016, 2015 and 2014:

	As at December 31		
	2016	2015	2014
Number of catastrophes occurred during the financial year	18 (3)	11 (5)	8 (6)
In EUR million			
Losses and loss adjustment expenses due to catastrophes, gross	323 (4)	117	231 (7)
Losses due to catastrophes, net of retrocession (2)	274 (4)	111	179 (7)
Group net loss ratio (1)	59.6% (4)	59.1%	61.1% (7)
Group net loss ratio excluding catastrophes	54.1% (4)	56.8%	56.9% (7)

(1) Loss ratios are calculated on the basis of Non-Life claims, expressed as a percentage of Non-Life premiums earned.
(2) Net of retrocession and reinstatement premiums (assumed and retrocession).
(3) Including Hurricane Matthew, Fort McMurray Wildfires, Earthquakes in Ecuador, in Taiwan, in Kaikoura and in Italy, Floodings in Europe, in Sri Lanka, in Texas, in Louisiana, in Johannesburg and in United Arab Emirates, Typhoon Meranti and Cyclone Winston.
(4) The impact of developments on the following 2015 catastrophes are included in the 2016 cat ratio: UK Flooding, Chennai Floods (India), US Northeast Winterstorms, Storm Niklas, US South & Midwest Weather, Chile Earthquake 2015, Typhoon Rainbow/Mujigae, Italy Snow & Windstorm, South Carolina Floods, Chilean Storm & Mudslides and Texas & Oklahoma Heavy Rains.
(5) Including UK Flooding, Chennai Floods (India), US Northeast Winterstorms, Storm Niklas, US South & Midwest Weather, Chile Earthquake 2015, Typhoon Rainbow/Mujigae, Italy Snow & Windstorm, South Carolina Floods, Chilean Storm & Mudslides and Texas & Oklahoma Heavy Rain.
(6) Including European Hails (Ela), Japan Snowstorm, USA Floods (Warren Michigan), Cyclone Hudhud, Hurricane Odile, Chile Earthquake, Southern Alberta Hailstorm and Typhoon Rammasun.
(7) Andreas Hailstorm (July 2013) and South Africa Hailstorm's development impacts are included in 2014 cat ratio.

In 2016, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 307 million as at December 31, 2016:

In EUR million **Cat losses**	**Date of loss**	**Estimated loss net of retrocession as at 12/31/2016**
Hurricane Matthew	10/05/2016	55
Fort McMurray Wildfire	05/06/2016	51
Kumamoto Earthquake	04/14/2016	31
European Hailstorm	06/23/2016	30
European Floods	06/01/2016	26
Ecuador Earthquake	04/16/2016	23
Taiwan Earthquake	02/06/2016	22
Sri Lanka Flooding	05/01/2016	12
Texas Hail	04/11/2016	11
Kaikoura Earthquake	11/13/2016	10
Other natural catastrophes (less than EUR 10 million)		36
TOTAL		**307**

In 2015, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 111 million as at December 31, 2015:

In EUR million **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at 12/31/2015**	**Adjusted estimated loss net of retrocession as at 12/31/2016**
UK Flooding	December 2015	29	7
Chennai Floods	October 2015	19	22
US Northeast Winterstorms	February 2015	19	19
Storm Niklas	March 2015	10	8
Other natural catastrophes (less than EUR 10 million)	-	34	16
TOTAL		**111**	**72**

In 2014, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 163 million as at December 31, 2014:

In EUR million **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at December 31, 2014**	**Adjusted estimated loss net of retrocession as at**	
			12/31/2015	**12/31/2016**
European Hails (Ela)	June 2014	82	81	78
Japan Snowstorm	February 2014	32	38	38
USA floods (Warren Michigan)	August 2014	16	17	15
Cyclone Hudhud	October 2014	14	8	8
Other natural catastrophes (less than EUR 10 million)	2014	19	15	15
TOTAL		**163**	**159**	**154**

1.3.5.3. SCOR GLOBAL LIFE

SCOR Global Life operates through its unified global organization with a specialized market approach in three regions: Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific. It underwrites Life reinsurance business in the following product lines:

- Protection;
- Financial Solutions;
- Longevity.

Protection encompasses traditional Life reinsurance business for living and death benefits. The main risks undertaken are mortality, morbidity and behavioral risks for individuals and groups of individuals. Financial Solutions typically combine traditional Life reinsurance with financing components providing liquidity, balance sheet, solvency and/or income improvements to the client. Longevity products cover the risk of negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing of insurance cover provided by insurers or pension funds.

In 2016, SCOR Global Life continued to grow profitably in a competitive Life reinsurance market. The solid operating profitability of SCOR Global Life was maintained thanks to a robust technical performance across key regions and product lines.

Gross written premiums by product line

SCOR Global Life ranks among the top five life reinsurers worldwide[(1)] and has grown by 6.4% in gross written premiums from EUR 7,698 million in 2015 to EUR 8,187 million in 2016 (a 8.3% increase at constant exchange rate[(2)]). SCOR Global Life has increased its new business premiums from new clients and with existing clients in all three regions and across all three product lines. Growth was recognized in the Protection product line in Americas, in the Financial Solutions product line in Asia Pacific and in the Longevity product line in Europe.

Protection

The Protection business accounts for 79% of total gross written premiums in 2016 and remains the main driver for premium growth (5.3% growth in gross written premiums in 2016).

SCOR Global Life has maintained its leadership in the US Life reinsurance market[(3)], the largest life reinsurance market in the world. After the successful integration of Generali US's Life reinsurance activities, SCOR Global Life created a common operations platform in North America across multiple sites (Charlotte, Kansas City, Montreal and Toronto). Leveraging this new underwriting platform has led to new account wins, particularly in Canada.

(1) Based on 2016 gross written premiums.
(2) At December 31, 2016 exchange rates.
(3) Source: 2016 SOA/Munich Re survey of US life reinsurance, published in June 2016.

In the EMEA region, SCOR Global Life reinforced its franchises in key European markets such as France, the UK, and Nordic countries. SCOR Global Life is also expanding into the large South African market.

Asia Pacific remains a region with significant growth opportunities both in terms of premiums and profitability. Premiums development in Asia Pacific was driven by higher Protection business volumes in Australia, China and South Korea.

Within the Protection product line, mortality was the main risk underwritten and the main growth driver in 2016:

- Mortality: more than 60% of SCOR Global Life's portfolio is traditional mortality reinsurance business, based on 2016 gross written premiums. SCOR Global Life developed a strong position in Mortality in the US, as well as in the major European markets.
- Long-Term Care: SCOR Global Life has been pioneering LTC reinsurance solutions in the French market for twenty years, and has acquired a sound practical experience in the underwriting and the management of LTC risks. SCOR Global Life has also expanded its geographical scope by introducing its LTC reinsurance coverage to several markets.
- Disability: SCOR Global Life has established strong market positions in disability in many continental Europe markets and Canada. It has recently selectively entered into the Australian disability market in line with SCOR's risk appetite, at pricing levels in line with its profitability target, thanks to hardening market conditions.
- Critical Illness: SCOR Global Life is a market leader in the UK. It also leverages its experience and expertise from the UK to expand into selected Asian markets and South Africa.
- Medical represents a small proportion of SCOR Global Life's portfolio. It is a major product line in the markets of the Middle East and is written selectively in Asia, Continental Europe and the Americas.
- Personal Accident also represents a small proportion of SCOR Global Life's portfolio. A main source of Personal Accident business for SCOR Global Life is obtained through its distribution services company, ReMark, which provides direct marketing of life insurance products to insurers, financial institutions and affinity partners.

Through its Global Distribution Solutions (GDS), SCOR Global Life has successfully deployed a number of innovative and tailored client services which aim to help insurers expand and develop their own client bases (ReMark, Velogica, SCOR Telemed and Rehalto). SCOR Global Life has leadership positions in many markets in the EMEA and Asia Pacific regions and achieved strong growth in 2016.

Financial Solutions

In the Financial Solutions product line, accounting for 13% of 2016 gross written premiums, SCOR Global Life has built a recognized position in providing capital and solvency solutions. Since 2013, SCOR Global Life has been signing landmark transactions in Southern Europe, the US, Asia and Latin America. Regulatory environments have been in flux since late 2014, with the implementation of Solvency II in Europe and equivalent systems elsewhere (China, the US). These changes have led to a slowdown in concluding new business, in particular in the EMEA region. Insurers are expected to deploy new solutions as these new regulations come into force.

Longevity

SCOR Global Life has established itself as a recognized provider for longevity reinsurance, focusing on longevity risk transfer transactions for large in-payment pension portfolios, creating a new business pipeline with growth opportunities. The Longevity product line accounts for 8.4% of SCOR Global Life's gross written premiums in 2016 and is one of the main drivers of premium growth (23.3% increase in gross written premiums in 2016). The main active market to date for SCOR Global Life is UK with a portfolio from recent years and new business signed in 2016 while exploring business opportunities in other markets such as Canada, where SCOR Global Life entered into a longevity transaction in 2015.

Life technical margin

Overall, the Life technical margin in 2016 was 7.0% compared to 7.2% in 2015 and 7.1% in 2014.

1.3.5.4. NET INVESTMENT INCOME AND INVESTMENT INCOME ON INVESTED ASSETS

Net investment income for the year ended December 31, 2016 amounted to EUR 670 million as compared to EUR 666 million and EUR 576 million for the years ended December 31, 2015 and December 31, 2014, respectively.

The return on invested assets in 2016 was 2.9% as compared to 3.1% in 2015 and 2.9% in 2014. The evolution of investment income is essentially driven by the active portfolio management strategy implemented by SCOR Global Investments, which translated into substantial realized capital gains of EUR 207 million, mostly achieved on the real estate and fixed income portfolios and to a lesser extent on the other investments portfolio.

The following table presents a reconciliation of these figures with the IFRS figures as presented in Section 4 – Consolidated financial statements, Note 18 – Investment income.

	As at December 31		
In EUR million	**2016**	**2015**	**2014**
Investment revenues on invested assets	**374**	**405**	**334**
Realized gains/(losses) on debt securities	125	56	89
Realized gains/(losses) on loans	-	-	-
Realized gains/(losses) on equity securities	5	104	26
Realized gains/(losses) on real estate (1)(2)	58	3	17
Realized gains/(losses) on other investments	19	7	3
Realized gains/(losses) on invested assets (3)	**207**	**170**	**135**
Impairment of debt securities	(2)	(13)	-
Impairment of loans	-	-	-
Impairment of equity securities	(8)	(8)	(3)
Impairment/depreciation of real estate	(21)	(22)	(28)
Impairment of other investments	-	-	-
Impairment/amortization on invested assets	**(31)**	**(43)**	**(31)**
Fair value through income on invested assets (4)	5	11	8
Financing costs on real estate	(5)	(9)	(10)
TOTAL INVESTMENT INCOME ON INVESTED ASSETS	**550**	**534**	**436**
Net interest income on funds withheld and contract deposits	182	184	180
Investment management expenses	(62)	(52)	(40)
TOTAL NET INVESTMENT INCOME	**670**	**666**	**576**
Foreign exchange gains/(losses)	11	16	11
Income/(expenses) on technical items (5)	1	1	-
Financing costs on real estate	12	9	10
IFRS INVESTMENT INCOME NET OF INVESTMENT MANAGEMENT EXPENSES	**694**	**692**	**597**
Average invested assets	18,677	17,462	15,074
Return on invested assets *(ROIA as a %)*	**2.9%**	**3.1%**	**2.9%**

(1) Realized gains/(losses) on real estate are presented net of EUR 7 million swap termination costs. These are included in financing cost for IFRS presentation purposes.
(2) Realized gains/(losses) on real estate are presented net of EUR 4 million attributable to 3rd parties. These are included in realized capital gains/losses on investments for IFRS presentation purposes.
(3) Realized gains/losses on invested assets are shown net of realized losses on derivatives of EUR 4 million. These are included in realized capital gains/losses on investments for IFRS presentation purposes.
(4) Real estate financing expenses relate to real estate investments (buildings owned for investment purposes) only. They are not included in the IFRS investment income net of investment management expenses.
(5) Income/(expenses) on technical items include (2) and (3) amongst other technical items.

During 2016, invested assets increased to EUR 19,226 million from EUR 17,963 mainly as a result of the Group's strong operating cash flows, income generated by the invested assets portfolio in 2016, positive mark-to-market development and a positive FX impact.

SCOR announced its new investment strategy in September 2016, as part of its "Vision in Action" strategic plan. During the next three years, SCOR intends to achieve higher investment returns through a normalization of its asset management policy, consisting in (i) reducing liquidity to 5%, (ii) closing the duration gap by the end of the strategic plan by increasing invested assets' duration and (iii) providing additional degrees of freedom in the Strategic Asset Allocation.

In an uncertain economic and financial environment, affected by several significant political events, such as the Brexit referendum and the US election, SCOR maintained a prudent investment strategy throughout 2016. As a result, its liquidity, defined as cash, cash equivalents and short term investments remained almost stable at 11% of invested assets as at December 31, 2016 compared to 11% as at December 31, 2015.

Meanwhile, SCOR started to rebalance progressively its invested assets portfolio towards its new target asset allocation, and increased its exposure to corporate bonds, representing 38% of invested assets at the end of 2016 compared to 35% at the end of 2015. Over the same period of time, government bonds & assimilated were reduced from 28% to 25%. The fixed income portfolio continues to represent a significant portion of SCOR's investments with 79% invested within this asset class (2015: 78%), and an average rating maintained at "AA-" at the end of 2016. The duration of the fixed income portfolio stood at 4.5 years at the end of 2016 compared to 3.9 years at the end of 2015.

SCOR's exposure to loans increased to EUR 718 million as at December 31, 2016 and stands at 4% of invested assets (as at December 31, 2015: EUR 659 million, representing 4% of invested assets).

SCOR's exposure to equity securities decreased marginally to EUR 506 million as at December 31, 2016, representing 2% of invested assets (as at December 31, 2015: EUR 515 million, representing 3% of invested assets). This exposure is essentially made up of listed equities and convertible bonds.

The real estate portfolio increased to EUR 875 million as at December 31, 2016 and stands at 5% of invested assets (as at December 31, 2015: EUR 793 million, 4% of invested assets).

Other investments, comprising mainly Insurance-Linked Securities (ILS), private equity and infrastructure funds and non-listed equities slightly decreased to EUR 467 million as at December 31, 2016 and represent 2% of invested assets (as at December 31, 2015: EUR 482 million, 3% of invested assets).

The following table presents a reconciliation of these figures with the IFRS figures as presented in Section 4 – Consolidated financial statements:

As at December 31, 2016

IFRS classification \ Management classification	Cash	Fixed income	Loans	Equities	Real estate	Other investments	Total invested assets	Funds withheld and other	Total investments	Accrued interests	Technical items (1)	Total IFRS classification
Real estate investments	**-**	**-**	**-**	**-**	**770**	**-**	**770**	**-**	**770**	**-**	**-**	**770**
Equities	-	37	50	297	143	263	790	-	790	-	-	790
Debt securities	-	14,721	918	-	-	1	15,640	-	15,640	123	-	15,763
Available-for-sale financial assets	**-**	**14,758**	**968**	**297**	**143**	**264**	**16,430**	**-**	**16,430**	**123**	**-**	**16,553**
Equities	-	-	-	278	-	534	812	-	812	-	-	812
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**278**	**-**	**534**	**812**	**-**	**812**	**-**	**-**	**812**
Loans and receivables (2)	**-**	**592**	**693**	**-**	**-**	**21**	**1,306**	**8,505**	**9,811**	**4**	**-**	**9,815**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**187**	**187**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**15,350**	**1,661**	**575**	**913**	**819**	**19,318**	**8,505**	**27,823**	**127**	**187**	**28,137**
Cash and cash equivalents	1,688	-	-	-	-	-	1,688	-	1,688	-	-	1,688
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,688**	**15,350**	**1,661**	**575**	**913**	**819**	**21,006**	**8,505**	**29,511**	**127**	**187**	**29,825**
Less third parties' interests (3)	(177)	(205)	(942)	(69)	(73)	(352)	(1,818)	-	(1,818)	-	-	-
Direct real estate unrealized gains and losses (4)	-	-	-	-	272	-	272	-	272	-	-	-
Direct real estate debt (5)	-	-	-	-	(237)	-	(237)	-	(237)	-	-	-
Cash payable/receivable	3	-	-	-	-	-	3	-	3	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**1,514**	**15,145**	**719**	**506**	**875**	**467**	**19,226**	**8,505**	**27,731**	**-**	**-**	**-**

(1) Including Atlas CAT bonds and foreign exchange derivatives.
(2) Other loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months included in short-term investments as well as infrastructure loans and real estate loans.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Fair value less carrying amount of real estate investments excluding EUR 9 million attributable to third-party investors.
(5) Real estate financing related to real estate investments (buildings owned for investment purposes) excluding EUR 30 million attributable to third-party investors.

As at December 31, 2015

IFRS classification / Management classification	Cash	Fixed income	Loans	Equities	Real estate	Other investments	Total invested assets	Funds withheld and other	Total investments	Accrued interests	Technical items [1]	Total IFRS classification
Real estate investments	**-**	**-**	**-**	**-**	**838**	**-**	**838**	**-**	**838**	**-**	**-**	**838**
Equities	-	35	40	304	142	249	770	-	770	-	-	770
Debt securities	-	13,756	730	-	-	1	14,487	-	14,487	124	-	14,611
Available-for-sale financial assets	**-**	**13,791**	**770**	**304**	**142**	**250**	**15,257**	**-**	**15,257**	**124**	**-**	**15,381**
Equities	-	-	-	288	-	456	744	-	744	-	-	744
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**288**	**-**	**456**	**744**	**-**	**744**	**-**	**-**	**744**
Loans and receivables [2]	**-**	**407**	**452**	**-**	**-**	**39**	**898**	**9,589**	**10,487**	**5**	**-**	**10,492**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**221**	**221**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**14,198**	**1,222**	**592**	**980**	**745**	**17,737**	**9,589**	**27,326**	**129**	**221**	**27,676**
Cash and cash equivalents	1,626	-	-	-	-	-	1,626	-	1,626	-	-	1,626
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,626**	**14,198**	**1,222**	**592**	**980**	**745**	**19,363**	**9,589**	**28,952**	**129**	**221**	**29,302**
Less third parties' interests [3]	(81)	(222)	(563)	(77)	(84)	(263)	(1,290)	-	(1,290)	-	-	-
Direct real estate unrealized gains and losses [4]	-	-	-	-	209	-	209	-	209	-	-	-
Direct real estate debt [5]	-	-	-	-	(312)	-	(312)	-	(312)	-	-	-
Cash payable/receivable	(7)	-	-	-	-	-	(7)	-	(7)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**1,538**	**13,976**	**659**	**515**	**793**	**482**	**17,963**	**9,589**	**27,552**	**-**	**-**	**-**

(1) Including Atlas CAT bonds, mortality swap and FX derivatives.
(2) Other loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months included in short-term investments as well as infrastructure loans and real estate loans.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Fair value less carrying amount of real estate investments excluding EUR 10 million attributable to third-party investors.
(5) Real estate financing related to real estate investments (buildings owned for investment) excluding EUR 45 million attributable to third-party investors.

1.3.6. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The strength of the 2016 results and balance sheet demonstrates the effectiveness of SCOR's strategy which is based on extensive business and geographical diversification, focusing on traditional reinsurance activity with reinsurance liabilities with very limited exposure to economic activity risks, and no material off-balance sheet exposure.

1.3.6.1. CAPITAL

Shareholders' equity

After the payment of the 2016 dividend, shareholders' equity increased from EUR 6,363 million at December 31, 2015 to EUR 6,695 million at December 31, 2016. See Section 4.5 – Consolidated statement of changes in shareholders' equity for a description of this change.

Book value per share[(1)] stands at EUR 35.94 at December 31, 2016 compared to EUR 34.03 and EUR 30.60 at December 31, 2015 and 2014, respectively.

On December 15, 2016, following the authorization granted by SCOR's shareholders in April 2016, SCOR arranged a new contingent capital facility with BNP Paribas. This facility replaced, as from January 1, 2017, the previous contingent capital facilities which had ended on December 31, 2016. Under this new EUR 300 million arrangement, SCOR raised its level of protection by EUR 100 million. For more information on contingent capital, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

Capital Shield Strategy

The Group reconciles its strategic objectives with the protection of its capital via its "Capital Shield Strategy", which articulates the Group's risk appetite. This policy is based on an economic approach and aims to protect the Group against potential shock losses. The policy is built on the following four concepts: traditional retrocession, capital market solutions, solvency buffer and contingent capital facility.

For more information on the Capital Shield Strategy, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques.

For information on the Atlas special purpose vehicles used in the Capital Shield Strategy, see Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation.

Restrictions on the use of capital

Some of the letters of credit granted by SCOR to cedents require 100% collateral coverage in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating. For example, the Group and its companies are subject to minimum net worth requirements and maximum debt levels under the terms of certain stand-by letter of credit agreements. Non respect of these covenants could lead to an increase in the percentage of required collateralization.

However, SCOR makes every effort to limit collateral requirements related to financial covenants or the Group's financial strength rating in its financial agreements.

For information on collateral requirements, see Section 3.6 – Liquidity risks and Section 4.6 – Notes to the consolidated financial statements, Note 23 – Commitments received and given.

For more information on regulatory restrictions on the use of capital, see Section 1.2.1 – Introduction, and Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

1.3.6.2. BORROWING CONDITIONS AND FINANCING STRUCTURE

Debt is a key component of the Group's financing strategy. It is essentially composed of subordinated debt used to optimize its cost of capital. Subordinated debt provides long-term financial resources as well as financial flexibility.

The total level of financial liabilities which includes subordinated debt, real estate financing and other financial liabilities decreased to EUR 2,758 million from EUR 3,155 million in 2015 (2014: EUR 2,232 million).

For information on financial liabilities, including their related covenants, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

For a description of the derivatives used to hedge the risks related to financial liabilities, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Subordinated debt and leverage ratio

On July 28 and August 2, 2016 respectively, SCOR completed the calls of the remaining balance of its EUR 350 million and CHF 650 million perpetual subordinated note lines. On May 24, 2016, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 500 million.

On December 2, 2015, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 600 million. On June 2, 2015, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 250 million. SCOR also called the balance of the USD subordinated step-up floating-rate notes due 2029, and of the EUR subordinated step-up floating-rate notes due 2020, on June 25 and July 6, 2015 respectively.

On September 24, 2014, SCOR successfully placed perpetual subordinated notes on the Swiss franc market, with a first call date on October 20, 2020, for an amount of CHF 125 million. On September 25, 2014, SCOR successfully placed perpetual subordinated notes on the Euro market, with a first call date on October 1, 2025, for a total amount of EUR 250 million.

(1) See Section 1.3.9 – Calculation of financial ratios.

The Group has a debt leverage position of 24.4% at December 31, 2016, as compared to 27.5%(1) at December 31, 2015 and 23.1% at December 31, 2014. This ratio is calculated as the percentage of subordinated debt compared to total shareholders' equity plus subordinated debt. The calculation of the leverage ratio excludes accrued interest from debt and includes the swaps effect related to the CHF 315 million and CHF 250 million subordinated debt issuances.

Real estate debts and other financial liabilities

SCOR uses real estate debts and other financial liabilities mainly to finance real estate investments and for general corporate purposes. Operational leverage is subject to asset and liability matching with little to no risk that the assets will be insufficient to service and settle the liabilities. Debt used for operational leverage is treated as operational debt and excluded by the rating agencies from financial leverage calculations. SCOR's debt positions are non-recourse, the debtors' claims are limited to assets underlying the financing. As at December 31, 2016, real estate financing and other financial liabilities amounted to EUR 491 million and EUR 10 million, respectively (December 31, 2015: EUR 534 million and EUR 8 million, respectively). This includes the real estate debt of MRM S.A. (company acquired by SCOR on May 25, 2013) in the amount of EUR 75 million (EUR 112 million as at December 31, 2015).

Credit facilities

The Group has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities of various subsidiaries for a global issued amount of USD 3.3 billion as at December 31, 2016. These credit facilities are stand-by letters of credit that the banking counterparty agrees to issue in the form acceptable to the American National Association of Insurance Commissioners (NAIC) or other appropriate regulatory body.

1.3.6.3. LIQUIDITY

The Group's liquidity, defined as cash, cash equivalents(2), short-term government bonds with maturities above three months and below twelve months and bank overdrafts, which is well diversified across a limited number of banks, stood at EUR 2.3 billion at the end of 2016, up from EUR 2.0 billion at the end of 2015 (EUR 0.9 billion at December 31, 2014) supported by very strong operating cash flow generation. The Group has commenced its strategy of redeployment of liquidity as described by the "Vision in Action" asset management policy.

Total investments, including cash and cash equivalents, amounted to EUR 29.8 billion at December 31, 2016 compared to EUR 29.3 billion and EUR 26.1 billion at December 31, 2015 and 2014, respectively.

See Section 4.6 – Notes to the consolidated financial statements, Note 11 – Cash and cash equivalents.

1.3.7. SOLVENCY

The Group is regulated by the "Solvency II" European Directive which applies since January 1, 2016. For more details on solvency regulations, see Chapter 1.2.1 – Introduction.

SCOR's internal model

Since January 1, 2016, the regulatory solvency position of the Group has been assessed using SCOR's internal model, which was approved in November 2015 by the relevant supervisory authorities.

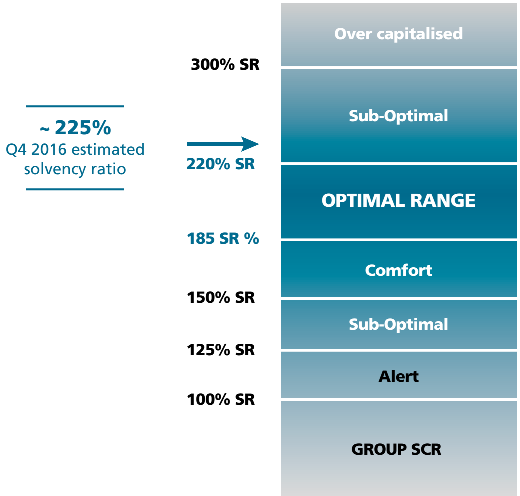
This comprehensive and holistic model was developed internally over the last 10 years, on the basis of SCOR's experience and expertise. It covers all known material quantifiable risks to which the Group is exposed (Life and Non-Life underwriting risk, market and credit risk, operational risk) and reflects SCOR's risk profile and strategy. This model is based on the highest scientific standards, systematically applying stochastic simulations and modelling dependencies across risks and using cutting-edge methodologies.

SCOR's internal model is used extensively to help to prepare management decisions which involve risk management or solvency considerations. The solvency position of the Group is monitored on SCOR's dynamic solvency scale which defines SCOR's solvency target – the "optimal range" being between 185% and 220% – as well as the various management actions to be taken depending on the solvency position, as shown below. The Solvency scale is well established and has been confirmed by the new strategic plan Vision in Action.

(1) In September 2014 and December 2015, SCOR issued two subordinated notes for EUR 250 million and EUR 600 million, respectively, and refinanced through the proceeds of these two notes the optional redemptions of the remaining balance of the 6.154% undated deeply subordinated EUR 350 million notes callable in July 2016 and of the 5.375% fixed to floating rate undated subordinated CHF 650 million notes callable in August 2016. Had these redemptions been effective on December 31, 2015, the leverage ratio would have amounted to 20.6%.
(2) Includes cash and cash equivalents from third parties. See Section 1.3.5.4 – Net investment income and investment income on invested assets.

Solvency ratio

At year-end 2016, SCOR's solvency ratio stood at 225%[1], marginally above its optimal solvency range of 185%-220% as defined in the "Vision in Action" plan.



Solvency II places great emphasis on the robustness of the risk management system of (re)insurance companies. SCOR has an established and robust ERM framework covering existing and emerging risks.

For further information on risk management mechanisms, see Section 3 – Risk factors and risk management mechanism and Appendix A – 2 – Internal control and risk management procedures.

1.3.8. CASH FLOWS

Positive operating cash flows amounted to EUR 1,354 million in 2016 (EUR 795 million in 2015 and EUR 894 million in 2014). This increase is due to the generation of strong recurring cash flows in 2016 and one exceptional item: SCOR Global P&C received a non-recurring fund withheld settlement of approximately EUR 301 million.

Cash flow used in financing activities amounted to EUR 895 million in 2016 (positive cash flow of EUR 417 million in 2015). These amounts principally reflect the dividend payments, the issuance of one subordinated debt in 2016 and two subordinated debts in 2015 as well as the repayment of two existing debts in 2016 and of two other existing debts in 2015.

The Group's liquidity, defined as cash, cash equivalents[2], short-term government bonds with maturities above three months and below twelve months and bank overdrafts, which is well diversified across a limited number of banks, stands at EUR 2.3 billion at the end of 2016, up from EUR 2.0 billion at the end of 2015 (EUR 0.9 billion at December 31, 2014) supported by very strong operating cash flow generation. The Group has commenced its strategy of redeployment of liquidity as described by the "Vision in Action" asset management policy.

See Section 4.4 – Consolidated statement of cash flows and Section 4.6 – Notes to the consolidated financial statements, Note 4 – Segment information for an analysis of the main cash flow statement items and Note 11 – Cash and cash equivalents, for a reconciliation between consolidated net income and operating cash flows.

1.3.9. CALCULATION OF FINANCIAL RATIOS

1.3.9.1. BOOK VALUE PER SHARE

The table below presents a detailed calculation of book value per share:

In EUR million	As at 12/31/2016	As at 12/31/2015	As at 12/31/2014
Group shareholders' equity	**6,661**	**6,330**	**5,694**
Shares issued as at closing date	192,534,569	192,653,095	192,691,479
Treasury shares as at closing date	(7,203,282)	(6,661,000)	(6,593,132)
Basic number of shares	**185,331,287**	**185,992,095**	**186,098,347**
BASIC BOOK VALUE PER SHARE	**35.94**	**34.03**	**30.60**

(1) Solvency ratio based on Solvency II requirements. The estimated ratio may differ from the final Group solvency results to be filed with the supervisory authorities by June 2017.
(2) Includes cash and cash equivalents from third parties. See Section 1.3.5.4 – Net investment income and investment income on invested assets.

1.3.9.2. RETURN ON INVESTMENTS AND RETURN ON INVESTED ASSETS

The table below presents a detailed calculation of return on investments and return on invested assets:

In EUR million	As at 12/31/2016	As at 12/31/2015	As at 12/31/2014
Average investments[1]	26,921	25,739	22,697
Total net investment income	670	666	576
Return on investments (ROI)	**2.5%**	**2.6%**	**2.5%**
Average invested assets[2]	18,677	17,462	15,074
Total investment income on invested assets	550	534	436
Return on Invested Assets (ROIA)	**2.9%**	**3.1%**	**2.9%**

(1) Average investments are the quarterly averages of the total investments as per the "Invested assets" reconciliation table included in Section 1.3.5.4 – Net investment income and investment income on invested assets, adjusted for funds withheld.
(2) Average invested assets are the quarterly averages of the total invested assets as per the "Invested assets" reconciliation table included in Section 1.3.5.4 – Net investment income and investment income on invested assets.

1.3.9.3. GROUP COST RATIO

The table below presents a detailed calculation of the Group cost ratio:

In EUR million	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014
Total expenses as per profit & loss account[1]	(761)	(725)	(607)
Unallocated loss adjustment expenses (ULAE)[2]	(54)	(51)	(42)
Total management expenses	**(815)**	**(776)**	**(649)**
Investment management expenses	62	52	40
Total expense base	**(753)**	**(724)**	**(609)**
Corporate finance	1	2	1
Amortization	37	35	34
Non controllable expenses	18	13	10
Total management expenses (for cost ratio calculation)	**(697)**	**(674)**	**(564)**
Gross written premiums	**13,826**	**13,421**	**11,316**
GROUP COST RATIO	**5.0%**	**5.0%**	**5.0%**

(1) Total expenses are investment management expenses, acquisition and administrative expenses and other current operating expenses as presented in Section 4.2 – Consolidated statement of income.
(2) ULAE are part of gross benefits and claims paid.

1.3.9.4. RETURN ON EQUITY (ROE)

Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period on a pro-rata temporis basis).

In EUR million	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014
Consolidated net income – Group share	**603**	**642**	**512**
Opening shareholders' equity – Group share	6,330	5,694	4,940
Weighted consolidated net income[1]	301	321	256
Payment of dividends[2]	(185)	(170)	(154)
Weighted increase in capital[2]	(8)	(4)	(6)
Effect of changes in foreign exchange rates[3]	(90)	261	97
Revaluation of assets available-for-sale and others[1]	(31)	(29)	63
Weighted average shareholders' equity	**6,317**	**6,073**	**5,196**
ROE	**9.5%**	**10.6%**	**9.9%**

(1) Pro-rata of 50%: linear acquisition throughout the period.
(2) Considers time weighted transaction based on transaction dates.
(3) A daily weighted average is applied used for the currency or currencies that experienced foreign exchange rates movements, and simple weighted average is applied used for the other currencies.

1.3.9.5. COMBINED RATIO

The table below presents a detailed calculation of the combined ratio:

In EUR million	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014
Gross earned premiums	5,553	5,580	4,775
Ceded earned premiums	(587)	(613)	(488)
Net earned premiums	**4,966**	**4,967**	**4,287**
Gross benefits and claims paid	(3,164)	(3,135)	(2,788)
Ceded claims	210	198	167
Total Net claims	(2,954)	(2,937)	(2,621)
Loss ratio	**59.6%**	**59.1%**	**61.1%**
Gross commission on earned premiums	(1,404)	(1,327)	(1,068)
Ceded commissions	71	75	49
Total Net commissions	(1,333)	(1,252)	(1,019)
Commission ratio	**26.8%**	**25.2%**	**23.8%**
Total technical ratio	**86.4%**	**84.3%**	**84.9%**
Acquisition and administrative expenses	(226)	(233)	(191)
Other current operating expenses	(52)	(40)	(37)
Other income and expense from reinsurance operations	(56)	(63)	(52)
Total P&C management expenses	**(334)**	**(336)**	**(280)**
Total P&C management expense ratio	**6.7%**	**6.8%**	**6.5%**
TOTAL COMBINED RATIO	**93.1%**	**91.1%**	**91.4%**

1.3.9.6. LIFE TECHNICAL MARGIN

The table below presents a detailed calculation of the life technical margin:

In EUR million	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014
Gross earned premiums	8,172	7,719	6,363
Ceded earned premiums	(676)	(702)	(659)
Net earned premiums	**7,496**	**7,017**	**5,704**
Net technical result	**361**	**345**	**247**
Interest on deposits	165	161	158
Technical result	**526**	**506**	**405**
LIFE TECHNICAL MARGIN	**7.0%**	**7.2%**	**7.1%**

1.3.10. EVENTS SUBSEQUENT TO DECEMBER 31, 2016

No material change has occurred in the Group's financial or commercial situation since the end of the 2016 financial year.

1.3.11. DOCUMENTS ON DISPLAY

Throughout the period of validity of the Registration Document, the bylaws and any other document required by law may be consulted and are freely available upon request from the registered office of the Company at 5 avenue Kléber, 75016 Paris, France.

The information published by SCOR within the last 12 months from March 4, 2016 to March 3, 2017 is available for downloading from the following sites:

- *Autorité des marchés financiers* (AMF): http://www.amf-france.org
- *Bulletin des Annonces Légales Obligatoires* (BALO): http://www.journal-officiel.gouv.fr/balo
- SCOR: https://www.scor.com/
- *L'info financière*: http://info-financiere.fr

#2

CORPORATE GOVERNANCE AND EXECUTIVE COMPENSATION

2.1. CORPORATE OFFICERS, EXECUTIVES AND EMPLOYEES

2.1.1. CORPORATE GOVERNANCE PRINCIPLES

SCOR SE's shares are listed on Euronext Paris. The provisions relating to corporate governance applicable to SCOR SE include French legal provisions, as well as rules laid down by the French financial markets authorities. SCOR believes that its application of corporate governance principles is appropriate and is in compliance with best corporate governance practices in effect in France in light of AMF recommendations.

In application of the Act of July 3, 2008 implementing European Union Directive 2006/46/EC of June 14, 2006, SCOR SE refers to the AFEP-MEDEF corporate governance code in preparing the report to be issued in accordance with Article L. 225-37 of the French Commercial Code.

The AFEP-MEDEF corporate governance code can be referred to on the Company's website (www.scor.com) or on the AFEP's website (www.afep.com).

SCOR decided to adapt a provision of the AFEP-MEDEF corporate governance code as follows:

- Section 9.4 of the AFEP-MEDEF corporate governance code related to the independence of the directors of the Company who hold a term in a Group subsidiary.

SCOR indeed considers that a director of SCOR SE who holds a term in a Group's subsidiary can be qualified as independent provided he does not participate in the decisions of the Board of Directors of SCOR SE in the event of a conflict of interest with the subsidiary in which he/she has the term. SCOR considers that it is useful, in terms of corporate governance, that SCOR SE's independent directors also have a seat in significant subsidiaries, notably in other countries than France, in order for them to complement their vision on the Group's activities.

2.1.1.1. POWERS OF THE CORPORATE OFFICERS

At its meeting on April 18, 2002 and in compliance with Article L. 225-51-1 of the French Commercial Code and Article 16 of SCOR's bylaws ("Executive Management"), the Board of Directors of the Company decided that the management of the Company would be carried out under its responsibility by the Chairman of the Board of Directors, with the title of Chairman and Chief Executive Officer, who may be assisted by a Deputy Chief Executive Officer.

Denis Kessler joined the Group on November 4, 2002, with the objective of turning the Company around in the face of a very difficult financial situation. The Board of Directors considered that, in order to achieve this, it was preferable to entrust him with the powers of Chairman of the Board of Directors and of Chief Executive Officer. When his term was renewed in May 2011, the Board of Directors considered that Denis Kessler had demonstrated the benefit of combining the offices of Chairman of the Board of Directors and Chief Executive Officer during the turnaround period experienced by SCOR between 2003 and 2007, and then during the economic crisis between 2007 and 2011. The Board of Directors thus felt it was in the best interests of SCOR, its shareholders and all its employees, for Denis Kessler to be re-appointed as Chairman and Chief Executive Officer and to continue the development of the Group. Since 2011, SCOR's results have demonstrated the success of this form of governance and on September 7, 2016 the Board of Directors announced publicly that it had decided unanimously to propose to the Shareholders' meeting the extension of Denis Kessler's director term for a four year duration, in order for him to be re-appointed by the Board as the Group's Chairman and Chief Executive Officer.

By combining the roles of Chairman and Chief Executive Officer, the Company benefits from a faster decision-making process and strategic alignment in terms of its governance bodies, which were particularly useful during the last financial crisis and in the recent acquisitions in the United States in 2011 and 2013.

Moreover, several elements of SCOR's governance enable it to ensure a good balance of powers.

Thus, in 2016, all of the directors were independent, except the Chairman and Chief Executive Officer, the employee director and Thierry Derez since COVEA crossed the 5% shareholding threshold during the last year.

The Board of Directors of SCOR also has a Lead Independent Director who may include any subject he deems necessary on the agenda of the Board of Directors' meetings and can convene the Non-Executive Directors' Session as often as is required.

Furthermore, according to the Board's Internal Charter, the directors may ask that the Company's principal executives attend meetings of the Board of Directors so as to interview them on topics related to the performance of their functions, in the absence of the Chairman and Chief Executive Officer.

During its meeting held on March 4, 2015, the Board of Directors of the Company limited the powers of the Chairman and Chief Executive Officer by stipulating in the Board's Internal Charter the need for prior Board approval for the following operations:

- organic growth investments and major internal structuring operations;
- any significant operation falling outside of the scope of the strategy announced by the Group;
- any project regarding a sale or acquisition, merger or asset contribution higher than one hundred million euros. In addition, any project regarding a sale, in one or more transactions, concerning at least half of the Company's assets must be submitted to the Shareholders' Meeting, as recommended by the AFEP-MEDEF corporate governance code.

Furthermore, in addition to the Chairman and Chief Executive Officer of SCOR SE, two other persons effectively running SCOR SE and the Group have been appointed. Since January 1, 2016, the effective management of the Company and the Group has been overseen by at least two persons, pursuant to the requirements of the Solvency II directive and the French Insurance Code (*Code des assurances*) (see Section 2.1.4 – Executive Committee).

Pursuant to the French Insurance Code, SCOR SE appoints four key function holders.

The demonstrated benefits of combining the duties of Chairman and Chief Executive Officer in terms of the decision-making process within SCOR and the guarantees provided by the Company's governance rules brought the Board of Directors to suggest that this combination be maintained beyond the 2017 Shareholders' Meeting.

2.1.1.2. SHAREHOLDERS' MEETINGS

The terms and conditions for the participation of the shareholders at Shareholders' Meetings and, more specifically, the mode of operation, the main powers of the Shareholders' Meetings, the description of the shareholders' rights as well as the methods of exercising of the voting rights are set forth by the Article 19 of the Company's bylaws, an electronic version of which is available on SCOR's web site (www.scor.com).

2.1.1.3. INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

The information referred to in Article L. 225-100-3 of the French Commercial Code is made public in the Annual Financial Report which is included in this Registration Document (see Appendix H for the correspondence table to the Annual Financial Report).

2.1.2. BOARD OF DIRECTORS

In accordance with European law governing European Companies and applicable French law, the principal responsibility of the Board of Directors is to determine the guiding principles of the Company's business plan and strategy and to monitor their application. The Chairman and Chief Executive Officer ("*Président et Directeur Général*") of SCOR SE has authority to manage the business of the Company, subject to the prior authorization of the Board of Directors or the Company's shareholders for certain decisions as required by law and by the Company's bylaws ("*statuts*") and pursuant to the *Code des assurances* which prescribes that the effective management shall be made up of at least two persons.

SCOR SE's bylaws provide that the Board of Directors shall comprise no fewer than nine and no more than eighteen members. The actual number of directors may be modified by the shareholders at Shareholders' Meetings. The Board of Directors cannot by itself increase the number of its members.

Under SCOR SE's bylaws, each director must own at least one ordinary share for the duration of his or her entire term of office and under the Board Internal Charter, each director shall agree to acquire shares with a value of at least EUR 10,000 and to hold them throughout his or her term as Director. Under French law, a director may be an individual or a legal entity for which an individual is appointed as permanent representative, except for the Chairman, who must be an individual. Pursuant to Article L. 225-20 of the French Commercial Code, the permanent representative of a legal entity is subject to the same conditions, obligations and civil and criminal liabilities as if he or she was director in his or her own name, without prejudice to the joint and several liability of the legal entity he or she represents. Of the twelve members of the Board of Directors, eleven are individuals and one, Malakoff Médéric Group, is a legal entity (represented by Guillaume Sarkozy as permanent representative).

The following table displays the changes in the composition of the Board of Directors.

Name	1st nomination	Renewal	Departure	Sex	Nationality	International Experience
Aronvald Michèle	April 27, 2016			F	French	no
Eckert Peter			April 27, 2016	M	Swiss	yes
Knoer Kevin			April 27, 2016	M	American	yes
Pfister Bruno	April 27, 2016			M	Swiss	yes

The term of office of the directors appointed or renewed, as set forth in SCOR SE's bylaws, shall not exceed four years. Under SCOR SE's bylaws, directors may hold office until the age of 77. A director who reaches the age of 77 while in office has to retire at the expiration of his or her term of office, as determined at the Shareholders' Meeting. Directors are elected by the shareholders and serve until the expiration of their respective term, or until their resignation, death or removal, with or without cause, by the shareholders. Vacancies on the Board of Directors may, under certain conditions, be filled by the Board of Directors, pending the next Shareholders' Meeting.

Directors are required to comply with applicable law and SCOR SE's bylaws. Under French law, directors are liable for violations of French legal or regulatory requirements applicable to European Companies, violation of a company's bylaws or mismanagement ("*faute de gestion*"). Directors may be held liable for such actions both individually and jointly with other directors.

2.1.2.1. INFORMATION CONCERNING THE MEMBERS OF THE BOARD OF DIRECTORS

Denis KESSLER

Chairman and Chief Executive Officer

Chairman of the Strategy Committee

Member of the Crisis Management Committee

Date of first appointment: November 4, 2002
Expiration of term: 2017

French – Age: 64 – SCOR SE 5, avenue Kléber 75016 Paris, France

MAIN POSITION

- Chairman and Chief Executive Officer of SCOR SE (France)

OTHER POSITIONS

- Director of BNP Paribas SA (France)
- Director of Invesco Ltd (US)*

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Bolloré SA (France)*
- Director of Dassault Aviation SA (France)*
- Director of Fonds Stratégique d'Investissement (France)
- Member of the Supervisory Board of Yam Invest N.V. (Netherlands)

Denis Kessler, a French citizen, is a graduate of HEC business school (École des Hautes Études Commerciales), holds a PhD in economics and advanced degrees in economics and social sciences, and is a Fellow of the French Institute of Actuaries. He was Chairman of the Fédération Française des Sociétés d'Assurance (FFSA), Senior Executive Vice-President and member of the Executive Committee of the AXA Group and Executive Vice-President of MEDEF (Mouvement des Entreprises de France). He joined SCOR as Chairman and Chief Executive Officer on November 4, 2002. In January 2016, he was elected to join the Academy of Moral and Political Sciences of the Institut de France.

* Companies whose shares are listed on a regulated or organized market.

Claude TENDIL

Lead Independent Director

Chairman of the Compensation and Nomination Committee and Crisis Management Committee

Member of the Strategy Committee and Risk Committee

Date of first appointment: May 15, 2003
Expiration of term: 2017

French – Age: 71 – GENERALI FRANCE 2 rue Pillet Will 75009 Paris, France

MAIN POSITION

- Chairman of the Board of Directors of Generali IARD (France)

OTHER POSITIONS

- Director of Generali France (France)
- Director of Europ Assistance Holding (France)
- Director of ERAMET* (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Chairman of the Board of Directors of Generali Vie (France)
- Chairman of the Board of Directors of Generali France Assurances (France)
- Chief Executive Officer of Generali France (France)
- Chief Executive Officer of Generali Vie (France)
- Chief Executive Officer of Generali IARD (France)
- Chairman of the Board of Directors of Europ Assistance Holding (France)
- Director of Assicurazioni Generali SpA (Italy)*
- Member of the Supervisory Board of Generali Investments SpA (Italy)
- Chairman of the Board of Directors of Europ Assistance Italie (Italy)
- Permanent representative of Europ Assistance Holding on the Board of Directors of Europ Assistance (Spain)

Claude Tendil, a French citizen, began his career at the Union des Assurances de Paris (UAP) in 1972. He joined the Drouot Group in 1980 as Chief Operating Officer. He was promoted in 1987 to Chief Executive Officer, before being appointed Chairman and Chief Executive Officer of Présence Assurances, a subsidiary of the AXA Group. In 1989, he was appointed Director and Chief Executive Officer of Axa-Midi Assurances, Chief Executive Officer of AXA from 1991 to 2000, then Vice-Chairman of the management board of the AXA Group until November 2001. During this same period, he was also Chairman and Chief Executive Officer of the AXA Group's French insurance and assistance companies. Claude Tendil was appointed Chairman and Chief Executive Officer of the Generali Group in France in April 2002 until October 2013, when he became the Chairman of the Board of Directors, holding this position until June 2016.

* Companies whose shares are listed on a regulated or organized market.

Michèle ARONVALD

Employee director

Member of the Compensation and Nomination Committee

Date of first appointment: April 27, 2016
Expiration of term: 2018

French – Age: 58 – SCOR SE 5 avenue Kléber 75795 Paris Cedex 16, France

MAIN POSITION

- Investments Accounting Process & Control Manager, SCOR Group Finance Investment

OTHER POSITIONS

- N/A

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- N/A

Michèle Aronvald, a French citizen, has 37 years of experience within SCOR Group. She has held various positions within the Group Finance Investment team: back and middle office manager, investment & treasury accounting manager, investment reporting manager and compliance investment reporting manager. She is currently Investments Accounting Process & Control Manager. She was employee director between 2003 and 2006.

Marguerite BÉRARD-ANDRIEU

Director

Member of the Strategy Committee and Audit Committee

Date of first appointment: April 30, 2015
Expiration of term: 2017

French – Age: 39 – BPCE 50 avenue Pierre Mendès France 75201 Paris Cedex 13, France

MAIN POSITION

- Member of the Management Board in charge of the Group finance, strategy, legal affairs, Group company secretary of BPCE Group (France)*

OTHER POSITIONS

- Permanent representative of BPCE, director of Natixis (France)*
- Permanent representative of BPCE, director of Crédit Foncier de France (France)
- Deputy Chief Executive Officer and Permanent representative of BPCE, director of CE Holding Participations (France)
- Chairman of the Board of Directors of S-Money (France)
- Permanent representative of BPCE, director of COFACE (France)*
- Director of Havas (France)*

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Maisons France Confort (France)
- Director of Natixis Coficine (France)
- Director of BPCE IOM (France)
- Permanent representative of BPCE, director of Banque Palatine (France)
- Chairman of the SAS and Chairman of the Board of Directors of ISSORIA (France)
- Chairman of the SAS S-Money (France)
- Permanent representative of CE Holding Promotion, director of Nexity (France)
- Permanent representative of BPCE, Chairman of the SAS and Chairman of the Board of Directors of BPCE Domaines (France)
- Chairman of Meilleurtaux (France)
- Chairman of Oterom Holding (France)
- Chairman of ISSORIA International Trading (France)
- Permanent representative of BPCE, Chairman of ISSORIA (France)
- Permanent representative of BPCE, Chairman of ISSORIA International Trading (France)
- Permanent representative of BPCE, member of the Supervisory Board of FLCP (France)
- Permanent representative of GCE Participations, director of Demain SA (France)

Marguerite Bérard-Andrieu, a French citizen, is a graduate of the Institut d'Études Politiques de Paris, of Princeton University (Woodrow Wilson School of International and Public Affairs), and a former student at the École Nationale d'Administration (ENA). She began her career in 2004 as an auditor at the French Treasury in the Inspection Générale des Finances. From 2007 to 2010, she was an advisor to the President of the French Republic on employment and social affairs. From November 2010 to May 2012, she was the Chief of Staff of the French Minister for social affairs. In July 2012, Marguerite Bérard-Andrieu joined Groupe BPCE, and was appointed Deputy Chief Executive Officer, member of the General Management Committee in charge of Strategy, Legal Affairs, the Group Company Secretary's Office and Compliance. In the first half of 2015, Marguerite Bérard-Andrieu joined the Steering Committee of Institut Montaigne. In 2016, she was appointed member of the Management Board in charge of the Group finance, strategy, legal Affairs and Group company secretary of BPCE Group.

* Companies whose shares are listed on a regulated or organized market.

Thierry DEREZ

Director

Member of the Strategy Committee, Risk Committee and Compensation and Nomination Committee

Date of first appointment: April 25, 2013
Expiration of term: 2017

French – Age: 60 – COVEA 86 rue Saint-Lazare CS 10020 75320 Paris Cedex 09, France

MAIN POSITION

- Chairman and Chief Executive Officer of COVEA (SGAM) (France)

OTHER POSITIONS

- Chairman of the Board of Directors and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (France)
- Chairman of the Board of Directors and Chief Executive Officer of MAAF Assurances (France)
- Chairman of the Board of Directors of Assurances Mutuelles de France (France)
- Chairman of the Board of Directors of GMF Assurances (France)
- Chairman of the Board of Directors of MAAF Assurances SA (France)
- Chairman of the Board of Directors of MMA IARD (France)
- Chairman of the Board of Directors of MMA IARD Assurances Mutuelles (France)
- Chairman of the Board of Directors of MMA Vie (France)
- Chairman of the Board of Directors of MMA Vie Assurances Mutuelles (France)
- Chairman of the Board of Directors of Covéa Coopérations (France)
- Director of Caser (Spain)
- Director of Eurapco (European Alliance Partners Company AG) (Switzerland)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of GMF Vie (France)
- Chairman of the Board of Directors of Azur-GMF Mutuelles Assurances Associées (France)
- Director and Vice-Chairman of Covéa Ré – Société de Réassurance Mutuelle (France)
- Director of Union de Groupe Mutualiste Mutaris (France)
- Permanent representative of Azur-GMF Mutuelles Assurances Associées on the Board of Directors of Assistance Protection Juridique (France)
- Permanent representative of Azur-GMF Mutuelles Assurances Associées on the Board of Directors of La Sauvegarde (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of la Sauvegarde (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Gespré Europe (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Assistance Protection Juridique (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Fidelia Assistance (France)
- Permanent representative of La Sauvegarde on the Board of Directors of AME Réassurance (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS (CONTINUED)

- Director and Vice-Chairman of Bipemme Assicurazoni S.p.A. (Italy)
- Director and Vice-Chairman of Bipiemme Vita S.p.A. (Italy)
- Member of the delegated commission of Caser (Spain)
- Chairman of the Board of Directors of Assurances Mutuelles d'Europe (Belgium)
- Chairman of the Board of Directors of AME Lux (Luxembourg)
- Vice-Chairman of AME Life Lux (Luxembourg)
- Vice-Chairman of Eurazur (Luxembourg)
- Director of La Capitale Assurances Générales Inc (Canada)

Thierry Derez, a French citizen, was a lawyer registered with the Paris bar, before joining the insurance group AM-GMF in 1995, first as Deputy Chief Executive Officer of GMF and then as Chairman and Chief Executive Officer of Assurances Mutuelles de France and of GMF in 2001. He was appointed Chairman and Chief Executive Officer of the AZUR-GMF Group in September 2003. He is currently Chairman of the Board of Directors of Assurances Mutuelles de France, of GMF Assurances and Chairman and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (GMF). He was appointed as director of MAAF Assurances in November 2004 and became its Chairman and Chief Executive Officer in June 2005. Since June 2007, he has been the Chairman of the Board of Directors of MMA IARD Assurances Mutuelles, MMA IARD, MMA Vie Assurances Mutuelles and MMA Vie. Since 2008, he has been Chairman and Chief Executive Officer of Covéa.

Vanessa MARQUETTE

Director

Member of the Strategy Committee, Risk Committee and Audit Committee

Date of first appointment: April 30, 2015
Expiration of term: 2017

Belgian – Age: 45 – SIMONT BRAUN SCRL Avenue Louise 149/20 1050 Brussels, Belgium

MAIN POSITION

- Partner and managing partner of Simont Braun (Belgium)

OTHER POSITIONS

- Director and member of the Executive Committee of Simont Braun (Belgium)
- Lecturer and research assistant at the Université libre de Bruxelles (Belgium)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- N/A

Vanessa Marquette, a Belgian citizen, holds a law degree and an economic law degree from the Université Libre de Bruxelles. She also studied law at the University of Michigan Law School as well as at Davis University and Berkeley University. She has practiced as a lawyer of the Brussels Bar since 1995. She specializes in Banking Law and Financial Law and has particular expertise in the areas of Corporate Law, Insolvency Law and Security Interests and Private International Law. She is the partner and managing partner of the business law firm Simont Braun, which she joined in 2005 after having practised law at the Brussels offices of Stibbe Simont Monahan Duhot and Freshfields Bruckhaus Deringer. Vanessa Marquette is a lecturer at the Université Libre de Bruxelles where she teaches International Financial Law.

Bruno PFISTER

Director

Chairman of the Risk Committee

Member of the Strategy Committee, Audit Committee, Compensation and Nomination Committee and Crisis Management Committee

Date of first appointment: April 27, 2016
Expiration of term: 2018

Swiss – Age: 57 – ROTHSCHILD BANK AG Zollikerstrasse 181 CH-8008 Zurich, Suisse

MAIN POSITION

- Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co Group, function which includes Chairman of the Board of Directors of Rothschild Bank AG (Switzerland)

OTHER POSITIONS

- Director of Assura (Switzerland)
- Director of Assepro AG (Switzerland)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Gottex Fund Management Holdings Limited (Guernsey)
- Chairman of AWD Holding AG (Germany)
- Vice-Chairman of the Swiss Insurance Association (Switzerland)
- Member of the Board of Avenir Suisse (Switzerland)
- Director of the Swiss-American Chamber of Commerce (Switzerland)

Bruno Pfister, a Swiss citizen, lawyer at the Geneva Bar and MBA graduate from UCLA Anderson School of Management, was Vice-Chairman of the Swiss Insurance Association, Chairman and Group CEO of Swiss Life AG, member of the Divisional Executive Board of Credit Suisse and Chief Financial Officer and member of the Executive Board of Liechtenstein Global Trust. He is Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co Group function which includes the Presidency of the Board of Directors of Rothschild Bank AG.

Jean-Marc RABY

Director

Member of the Strategy Committee

Date of first appointment: April 30, 2015
Expiration of term: 2019

French – Age: 58 – MACIF 17-21 place Étienne Pernet 75015 Paris, France

MAIN POSITION

- Chief Executive Officer of Macif Group (France)

OTHER POSITIONS

- Chief Executive Officer of Macif Sgam (France)
- Chief Executive Officer of Sferen (France)
- Chairman and director of Foncière de Lutèce (France)
- Director of Compagnie Foncière Macif (Permanent representative of Macif) (France)
- Director of Macif Participations (France)
- Member of the Supervisory Board of OFI Asset Management (France)
- Director of Ofi Holding (permanent representative of Macif) (France)
- Member of the Supervisory Board of Inter Mutuelles Assistance (permanent representative of Macif) (France)
- Non-voting director of Macifilia (France)
- Non-voting director of Mutavie (France)
- Non-voting director of Socram Banque (France)
- Non-voting director of Ofivalmo Partenaires (France)
- Member of the Executive Committee of Siem (France)
- Member of the Steering Committee of Macifimo (France)
- Ex officio member at the Board of Directors of Campus (GIE), as an observer (France)
- Member of the Executive Board and Vice-Chairman of Association des Assureurs Mutualiste (AAM) (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Vice-Chairman and member of the Supervisory Board of Macifimo ADB, formerly GPIM (France)
- Member of the Executive Board and member of the Board of Macif and Vice-Chairman of Gema (France)
- Manager of GEIE Euresa (Belgium)
- Chairman of Inter Mutuelles Solutions ex Macifilia Courtage (France)
- Chief Executive Officer of Macifilia (France)
- Member of the Management Board of Macifin' (France)
- Member of the Management Board of Mutavie (France)
- Director of Sferen (France)
- Director of Macif Mutavie Finance (GIE) (France)
- Director of Socram Banque (France)
- Director of BPCE Assurances (permanent representative of Macif) (France)
- Director of Ofi Asset Management (France)
- Director of Ofivalmo Partenaires (permanent representative of Macif) (France)
- Member of the Executive Committee of Siil (France)
- Member of the Steering Committee of Sipemi (permanent representative of Macif) (France)
- Director of Thémis (permanent representative of Macifilia) (France)
- Director of Euresa Holding (Luxembourg)

Jean-Marc Raby, a French citizen, holds a degree in economics as well as an MBA from HEC. He has spent his entire professional career at the Macif group. He became Regional Director of Macif Centre (a regional Macif entity) in 2000, and was subsequently appointed Deputy Chief Executive Officer of the Macif group, in charge of Economic Management, alongside the Chief Executive Officer, Roger Iseli. In 2012, he was appointed Chief Executive Officer of the Macif group.

Augustin DE ROMANET

Director

Member of the Strategy Committee, Compensation and Nomination Committee and Crisis Management Committee

Date of first appointment: April 30, 2015
Expiration of term: 2019

French – Age: 55 – AÉROPORTS DE PARIS 291 boulevard Raspail 75014 Paris, France

MAIN POSITION

- Chairman and Chief Executive Officer of Aéroports de Paris (France)*

OTHER POSITIONS

- Chairman and Director of Média Aéroports de Paris (France)
- Director of Régie Autonome des Transports Parisiens (RATP) (France)
- Member of the Board of Directors of Société de Distribution Aéroportuaire (SDA) (France)
- Member of the Executive Committee of Relay@ADP (France)
- Chairman of the Board of Directors of Airport Council International (ACI) Europe (Belgium)
- Director and Vice-Chairman of the Board of Directors of TAV Havalimanlari Holding A.S. (TAV Airports) (Turkey)
- Director and Vice-Chairman of the Board of Directors of TAV Yatirim Holding A.S. (TAV Investment) (Turkey)
- Director and Vice-Chairman of the Board of Directors of TAV Tepe Akfen Yatirm Insaat Ve Isletme A.S. (TAV Construction) (Turkey)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Chairman of the Board of Directors of Egis (France)
- Chairman of the Board of Directors of Fonds Stratégique d'Investissement (France)
- Chairman of the Supervisory Board of Société Nationale Immobilière (France)
- Chairman of the Management Board of Fonds de réserve des retraites (France)
- Vice-Chairman of the Board of Investors of InfraMed (France)
- Director of Musée du Louvre-Lens (France)
- Director of OSEO (France)
- Director of Veolia Environnement (France)*
- Director of FSI-PME Portefeuille (France)
- Director of CNP Assurances (France)*
- Director of CDC Entreprises (France)
- Chief Executive Officer of Caisse des dépôts et consignations (France)
- Permanent representative of Caisse des dépôts et consignations on the Board of Directors of La Poste (France)
- Permanent representative of Caisse des dépôts et consignations on the Board of Directors of Icade (France)*
- Member of the Conseil des prélèvements obligatoires (France)
- Director of Dexia (Belgium)*
- Member of the Supervisory Board of NV Luchthaven Schiphol (Netherlands)

Augustin de Romanet, a French citizen, is a graduate of the Institut d'Études Politiques in Paris and a former student of the École Nationale d'Administration. He was previously Chief Executive Officer of Caisse des dépôts et consignations, between 2007 and 2012, and chaired the Fonds Stratégique d'Investissement between 2009 and 2012. Prior to that, he was Deputy Finance Director at Crédit Agricole S.A. and a member of the Executive Committee. Before taking up that position, Augustin de Romanet served as Deputy Secretary General to the Presidency of the Republic of France, between June 2005 and October 2006, and held positions in various ministerial offices. In particular, between 2002 and 2005, he was Chief of Staff to Alain Lambert, Minister Delegate for the Budget, Deputy Chief of Staff to Francis Mer, Minister for the Economy, Finance and Industry, Chief of Staff to Jean-Louis Borloo, Minister for Employment, Labor and Social Cohesion, and lastly, Deputy Chief of Staff to Prime Minister Jean-Pierre Raffarin. Awarded the Légion d'honneur in 2007, Augustin de Romanet has received a number of awards, notably "Capitalist of the Year" awarded by the Nouvel Economiste magazine in 2008 and "Financier of the Year" awarded by Minister of the Economy in 2012. Augustin de Romanet has been Chairman and Chief Executive Officer of Aéroports de Paris since 2012.

* Companies whose shares are listed on a regulated or organized market.

Malakoff Médéric Group
Represented by Guillaume SARKOZY

Director

Member of the Strategy Committee

Date of first appointment: April 15, 2009
Expiration of term: 2017

French – Age: 65 – GROUPE MALAKOFF MÉDÉRIC 8, rue des Graviers 92200 Neuilly-sur-Seine, France

MAIN POSITION

- Chairman of Malakoff Médéric Handicap (France)

OTHER POSITIONS

- Director of Alan (France)
- Permanent representative of Malakoff Médéric Assurances on the Board of Directors of La Banque Postale Asset Management (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Non-executive General Manager of Malakoff Médéric Group (France)
- Chief Executive Officer of Malakoff Médéric Assurances SA (France)
- Chairman of the Board of Directors of Viamédis SA (France)
- Chairman of the Board of Directors of Quatrem SA (France)
- Chairman of the Board of Directors of Auxia SA (France)
- Chairman of the Board of Directors of Auxia Assistance SA (France)
- Director of Fédéris Gestion d'actifs SA (France)
- Director of GIE SI2M (France)
- Permanent representative of Malakoff Médéric Prévoyance on the Board of Directors of OPCI Vivaldi (France)
- Sole Chief Executive Officer of SAM Caisse Mutuelle d'Assurances sur la Vie "CMAV" (France)
- Chief Executive Officer of SGAM Malakoff Médéric – LMG (France)
- Chairman of the Board of Directors of Fédéris Gestion d'actifs SA (France)
- Chairman of the Management Board of Malakoff Médéric Assurances SA (France)
- Chairman of the Management Board of Malakoff Médéric Epargne SA (France)
- Chairman of the Board of Directors of Malakoff Médéric Innovation SAS (France)
- Chairman of the Board of Directors of Holding FGA SAS (France)
- Chairman of the Board of Directors of Monde Prévoyance SAS (France)
- Chairman of the Board of Directors of Sévriena (France)
- Member of the Supervisory Board of Société Éditrice du Monde SA (France)
- Member of the Supervisory Board of Holding Fondateurs SAS (France)
- Member of the Supervisory Board of Holding Accueil Mutuelles SAS (France)
- Non-voting director of Fédéris Gestion d'Actifs SA (France)
- Permanent representative of Malakoff Médéric Prévoyance on the Board of Directors of Korian (France)

Guillaume Sarkozy, a French citizen, is an engineer by training and a graduate of the École Spéciale des Travaux Publics (ESTP). He began his professional career in 1974 at the Office of Public Safety in the Ministry of the Interior, before joining IBM France as a large corporate accounts manager in 1977. From 1979 to 2005, he was a company leader in the textile industry. Up to June 2006, Guillaume Sarkozy exercised a number of positions at the head of professional associations, in particular, the French Textile Industries' Union (1993-2006), the Industrial Federations Group (2004-2006), CNPF (1994-1998), MEDEF (2000-2006), CNAV (1994-1998), CNAM (2004-2005) and the Conseil Économique et Social (2004-2006). In 2004, he became Vice-President of the MEDEF and of the CNAM (2004-2005). From 2004 to 2013, he was a member of the "Haut Conseil pour l'avenir de l'Assurance Maladie". Guillaume Sarkozy joined Médéric Group in June 2006 and was appointed Group General Manager on September 1, 2006. He was appointed Group General Manager of Malakoff Médéric Group in July 2008 with the merger of the Médéric and Malakoff groups and non-executive General Manager from January 1, 2016. He is the Chairman of Malakoff Médéric Handicap Foundation.

* Companies whose shares are listed on a regulated or organized market.

Kory SORENSON

Director

Chairman of the Audit Committee

Member of the Strategy Committee, Risk Committee and Crisis Management Committee

Date of first appointment: April 25, 2013
Expiration of term: 2019

British – Age: 48 – SCOR SE 5, avenue Kléber 75016 Paris, France

MAIN POSITION

- N/A

OTHER POSITIONS

- Director of Pernod Ricard (France)*
- Director of Phoenix Group Holdings (UK)*
- Director of Uniqa Insurance Group AG (Austria)*
- Director of Aviva Insurance Limited (UK)
- Member of the Supervisory Board of Château Mondot (France)
- Director of SCOR Global Life Americas Reinsurance Company (US)**
- Director of SCOR Global Life USA Reinsurance Company (US)**
- Director of SCOR Reinsurance Company (US)**

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Institut Pasteur (France)

Kory Sorenson, a British citizen, was born in the US. She speaks fluent French and has a DESS degree in corporate finance from the Institut d'Études Politiques de Paris, a master's degree in applied economics from the University of Paris Dauphine, a bachelor's degree in econometrics and political science from the American University in Washington, D.C. and a certificate in governance from Harvard Executive Education and another one from INSEAD. Kory Sorenson has over twenty years of experience in financial services, most of which has been focused on insurance and banking. She was Managing Director, Head of Insurance Capital Markets of Barclays Capital and also held senior positions in the insurance capital markets and debt capital markets divisions of Credit Suisse, Lehman Brothers and Morgan Stanley. She began her career in the treasury department of Total SA in Paris. Kory Sorenson is currently a non-executive director of several major companies.

* Companies whose shares are listed on a regulated or organized market.
** Companies of the SCOR Group.

Fields WICKER-MIURIN

Director

Member of the Strategy Committee, Audit Committee, Risk Committee and Compensation and Nomination Committee

Date of first appointment: April 25, 2013
Expiration of term: 2019

British – Age: 58 – AMERICAN AND LEADERS' QUEST LTD 204 Lauderdale Mansions Lauderdale Road London W9 1NQ, United Kingdom

MAIN POSITION

- Partner of Leaders' Quest Ltd (UK)

OTHER POSITIONS

- Director of BNP Paribas (France)*
- Non-executive Member of the Board of the Department of Culture, Media and Sports of the UK Government (UK)
- Director of Control Risks International Ltd

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of CDC Group Plc (UK)
- Member of the Board of King's College London (UK)
- Member of the Board of HMG Ministry of Justice (UK)
- Director of Ballarpur Industries (India)
- Director of BILT Paper (India)
- Member of the Board of the Batten School of Leadership, University of Virginia (US)

Fields Wicker-Miurin, an American and British citizen, studied in France at the Institut d'Études Politiques de Paris and then in the United States and Italy. She graduated from the University of Virginia and Johns Hopkins University. Fields Wicker-Miurin began her career in banking, before joining Strategic Planning Associates (now Oliver Wyman Consulting) as a senior partner where she was the main advisor to Lloyd's of London. In 1994, she became Chief Financial Officer and Head of Strategy of the London Stock Exchange. She was a member of the Nasdaq Technology Advisory Council and advised the European parliament on financial markets harmonization. In 2002, she was one of the founders of Leaders' Quest, whose activity involves organizing programs that allow international leaders from all sectors to meet actors from business and civil society in emerging countries and share their experiences. In 2007 she was awarded the OBE (Officer of the British Empire) and in 2011 she was awarded Fellow of King College London. She is also a director of BNP Paribas, of Control Risks International and a non-executive Member of the Board of the Department of Culture, Media and Sports of the UK Government where she chairs the Audit and Risk Committees.

* Companies whose shares are listed on a regulated or organized market.

2.1.2.2. FUNCTIONING OF THE BOARD OF DIRECTORS

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

- application of best in class corporate governance practices;
- appropriate number of Board members in order to allow meaningful individual participation;
- majority of independent directors, pursuant to criteria adopted by the Board of Directors;
- diversity of expertise;
- international experience and diversity of nationalities;
- high proportion of female Board members.

As of December 31, 2016, the membership of the Board of Directors is as follows:

- 75% are independent directors (83.3% as at December 31, 2015) and 81.8% excluding employee director. The Audit Committee is fully composed of independent directors and the Risk Committee is composed of 83.3% of independent directors and 66.7% (80% excluding employee director) of independent directors for the Compensation and Nomination Committee;
- 58.3% are directors with past experience in the insurance or reinsurance industry, same as at December 31, 2015. The other directors work in the financial sector, banking, legal advisory services and other services;
- 33.3% are non-French directors (41.6% as at December 31, 2015) with directors who are American, Belgian, British and Swiss;
- 41.6% are women (33.3% as at December 31, 2015). The composition of the Board of Directors is therefore compliant with the applicable law.

In accordance with the provisions of the regulation governing the election of an employee candidate for the position of director of SCOR SE adopted by SCOR SE's Board of Directors on April 3, 2007, the Board of Directors of SCOR SE has an employee director, elected by the Shareholders' Meeting on the proposal of the Board of Directors following a two-round election by universal suffrage, involving all of the Group's employees. Once appointed by the Shareholders' Meeting, the employee director has the same rights and obligations as the other members of the Board of Directors (including the right to vote on any decision of the Board of Directors). It is not a director representing employee within the meaning of French rules which shall not apply to SCOR SE actually because of the non crossing of the thresholds included in these rules. Since April 27, 2016 the position of employee director has been occupied by Michèle Aronvald. Her mandate term is a two year period.

The Board of Directors' meeting held on March 31, 2004 adopted a Board Internal Charter (the "Board Internal Charter") in order to enhance or specify the rules governing the Board. This Board Internal Charter was amended by successive decisions of the Board of Directors and the last one dated October 26, 2016. It is available on the website of the Company (www.scor.com). The main provisions of the Board Internal Charter are provided below:

Functioning and duties of the Board of Directors of the Company

The Board of Directors determines the Group's business plan, oversees the implementation of the business plan, and supervises management's administration. With the exception of powers explicitly reserved to shareholders in Shareholders' Meetings and within the limits of the corporate purpose, the Board addresses any subject related to the Company's performance and takes decisions regarding business issues concerning the Company. It takes part in the sound and prudent management of the Company. It is informed each quarter by the management of the financial situation, cash position and commitments of the Company. It is informed about market developments, the competitive environment and the most important issues at hand, including in the field of corporate social and environmental responsibility. It takes into account the Own Risk and Solvency Assessment ("ORSA") when it makes a decision likely to have a significant impact on the Company. The Board also carries out the verifications and controls it deems necessary.

The Board meets at least four times a year. In accordance with legal provisions, it approves the financial statements, proposes dividends, and makes investment and financial policy decisions. Beyond the cases provided by law, some operations are subject to the prior approval of the Board: any major organic growth investments or internal restructuring operations, any significant operation falling outside of the strategy announced by the Group and any project regarding a sale or acquisition, merger or asset contribution higher than one hundred million euros (EUR 100 million). The Board's duties and responsibilities are set out in SCOR SE's bylaws.

Independence of directors

The independence of the directors is assessed on the basis of the following criteria. Accordingly, an independent director:

1. Must not currently be, or have been within the last five (5) years, an employee or a corporate officer of SCOR or an employee or a director of a company consolidated by the Company. However, a director may be deemed to be independent provided that he abstains from taking part in Board decisions in the event of conflict of interest with the subsidiary concerned.
2. Must not have received, in any form, compensation greater than EUR 100,000 from the Company within the last five years, excluding that received as directors' fees.
3. Must not be a corporate officer in a company in which SCOR is directly or indirectly a director, or in which an employee has been appointed as such, or in which one of SCOR's corporate officers (currently or within the last five years) is a director.
4. Must not be a significant customer, supplier, or investment or corporate banker of SCOR or its Group, or for whom SCOR or its Group represent a significant part of such person's business activities. For the quantitative assessment, a business relationship is deemed significant if it amounts to an annual sum of more than 5% of SCOR's consolidated revenues, or more than 5% of the turnover, consolidated as necessary, of the director or the company with which he is affiliated. For the qualitative assessment, the criteria to qualitifed that a business relationship is deemed significant will be notably duration and continuity, economic dependence, exclusivity.

The evaluation of how significant the relationship is with SCOR or its Group must be debated by the Board in consideration of the Compensation and Nomination Committee's report.

5. Must not have a close family relationship with one of the Company's corporate officers.
6. Must not have been an auditor for the Company within the last five years.
7. Must not have been a director of the company for more than twelve (12) years (the loss of independent director status in this regard will occur on the date at which this period of twelve years is reached, except for those directors whose mandate expires during the shareholders' general meeting held in 2017 for approving the accounts of the financial year ended in 2016 for whom the loss of independent status occurs on the term of their mandate).
8. Must not represent a significant shareholder of the Company with the stipulation that:
   - a shareholder is deemed significant if he holds more than 5% of the shares or voting rights (calculation consolidating his various holdings),
   - below this threshold, the Board, based on a report of the Compensation and Nomination Committee, systematically takes into account the structure of the Company's capital and the existence of a potential conflict of interest when evaluating independence.

These criteria are consistent with the AFEP-MEDEF corporate governance code, excluding the provision included in the criterion 1 above according to which a director may be deemed to be independent provided that he abstains from taking part in Board decisions in the event of conflict of interest with the subsidiary concerned.

The table below presents the results of the detailed review, criterion by criterion, of the independence of each director carried out by the Board of Directors in 2016, based on the proposal of the Compensation and Nomination Committee, with regard to the criteria stated above:

Criteria	1	2	3	4	5	6	7	8	Independent
Denis Kessler, Chairman of the Board	No	No	No	Yes	No	Yes	Yes	Yes	No
Michèle Aronvald	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Marguerite Bérard-Andrieu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thierry Derez	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Vanessa Marquette	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bruno Pfister	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jean-Marc Raby	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Augustin de Romanet	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Guillaume Sarkozy [1]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kory Sorenson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Claude Tendil	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fields Wicker-Miurin	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(1) Representing Malakoff Médéric Group, director.

Claude Tendil, member of the Board of Directors since 2003, is deemed to be independent according to the Guide d'application du Code AFEP-MEDEF as described in the criterion 7 above.

The Board of Directors, upon the recommendation of the Compensation and Nomination Committee, has also studied the criteria relating to any significant business ties that directors might have with the Company as a customer, supplier, or investment or corporate banker. In particular, it has checked that none of the current directors have business activities with SCOR that generate revenues greater than the threshold indicated in the Board Internal Charter.

Thierry Derez, Chairman and Chief Executive Officer of Covea (8.19% of SCOR's capital and 8.53% of its voting rights as of December 31, 2016) is not deemed to be independent due to the exceeding of the 5% threshold presented in criterion 8 above.

Moreover, the three following directors are a shareholder or represent a shareholder of SCOR:

- Malakoff Médéric Group (3.05% of SCOR's capital and 3.18% of voting rights as of December 31, 2016), represented by Guillaume Sarkozy;
- Jean-Marc Raby, Chief Executive Officer of Macif and Sferen (1.49% of SCOR's capital and 1.55% of its voting rights as of December 31, 2016);
- Claude Tendil, Chairman of the Board of Directors of Generali IARD, Generali Group (0.69% of SCOR's capital and 0.72% of its voting rights as of December 31, 2015).

They hold less than 5% of SCOR's capital and the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, stated that these three directors can be considered as independent.

Role of the Lead Independent Director

The Lead Independent Director is appointed from the independent directors by the Board of Directors upon a proposal by the Compensation and Nomination Committee. He assists the Chairman and Chief Executive Officer in his duties, in particular in organizing the Board and its Committees and ensuring they function properly, and in supervising corporate governance and internal control.

He is also in charge of assisting the Board concerning the smooth operation of the Company's corporate governance and advising the Board on the operations on which the Board is convened to deliberate. He may include any subject he deems necessary on the agenda of the Board of Director's meetings.

He convenes the non-executive directors as often as needed. The Lead Independent Director of the Company chairs the non-executive directors' session.

He advises the directors when they are concerned that they may be involved in a conflict of interest.

Rights and obligations of directors

Directors may receive training, at their request, on the specific nature of the Company, its business lines and its business sector. They agree to regularly attend meetings of the Board of Directors' Committees of which they are members, and Shareholders' Meetings. Lastly, they are obliged to express their opposition when they believe that a decision of the Board of Directors is likely to be harmful to the Company.

Accumulation of positions as director

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, the executive corporate officer should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with the SCOR Group. Moreover, he shall also seek the opinion of the Board before accepting a new directorship in a listed company.

Directors undertake to hold no more than four other corporate officer positions in listed companies, including foreign companies, outside of the Group. They are required to consult the Lead Independent Director and the Chairman of the Compensation and Nomination Committee prior to their prospective appointment date as director, Chairman and Chief Executive Officer, Chairman of the Board of Directors, Chief Executive Officer, member of a Supervisory Board or Management Board or Chairman of an Executive Board of other companies, whether the head office of such companies is located in France or abroad, so that the Board of Directors assisted by the Compensation and Nomination Committee, can verify that the directors are in compliance with the legal limits imposed on multiple offices and that any potential conflict of interest has been dispelled.

Limitations and restrictions on trading in SCOR securities

The Board Internal Charter sets out the main recommendations of the market authorities with regard to directors trading in the securities of the Company.

First and foremost, the Board Internal Charter sets out the legal and regulatory provisions requiring confidentiality with regard to privileged information of which directors could have knowledge while performing their duties.

Then, the Board Internal Charter requires directors to register all SCOR shares that they themselves or their minor children hold at the time they enter office or those acquired subsequently. In addition, the Board Internal Charter lays down certain restrictions on trading in SCOR's securities:

- first, it is forbidden to trade in SCOR's securities while in possession of information which, when made public, is likely to have a significant impact on the share price;
- in addition, it is forbidden to directly or indirectly conduct any transaction with regard to SCOR's securities during certain sensitive periods that the Group notifies to the directors or during any period preceding an important event affecting SCOR and likely to influence the share price.

Lastly, directors are required to inform the Company of all transactions conducted with regard to its securities, directly or by an intermediary, on their behalf or on behalf of a third party, by their spouse, or by a third party holding a power of attorney.

2.1.2.3. PREVENTION OF RISKS OF CONFLICT OF INTERESTS

Each director has a loyalty obligation towards the Company. He or she shall not act in his or her own interest, against SCOR's interests, and must avoid any situation with risks of conflict of interests.

Pursuant to the Board Internal Charter, each director undertakes not to seek or accept any function, benefit or situation from the Company or from the Group, directly or indirectly, that could jeopardize his or her independence of analysis, judgment or action, during the performance of his or her duties as director. He or she will also dismiss any direct or indirect pressure from other directors, specific groups of shareholders, creditors, suppliers or other third parties.

The Board of Directors of SCOR SE decided, in order to protect the Company's interests, to implement an internal control program to prevent risks of conflict of interest through:

1. A review by the Audit Committee of related party transactions.
2. An annual review of each director's situation, in order to analyze his or her independent status and the existence of any potential existing conflicts of interests.
3. Its Board Internal Charter, according to which any director in a situation involving a risk of conflict of interest undertakes to resign from his or her position if the conflict situation is not solved.
4. The adoption of a Code of Conduct communicated to all employees. This Code establishes reinforced requirements as regards the prevention of situations with risks of conflict of interests. It is completed by a policy defining the alert procedures ("whistleblowing") available for employees and which are reported to the Audit Committee.

2.1.2.4. MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board of Directors held five meetings in 2016 and they lasted on average 2.5 hours.

During its meetings in 2016, the main topics which were discussed were:

- financial and compliance matters: approval of the quarterly, half-year and annual financial statements, approval of the half-year interim report, hybrid debt issuance, 2016 budget and operating plan, 2015 embedded value, review of the 2015 Registration Document and approval of the report of the Chairman of the Board, annual review of the Group Policies;
- risk matters: quarterly review of the risk dashboard, approval of the regulatory reports (solvency report and internal control report), implementation of Solvency II, review of the follow-up letters ("lettres de suite") received from the ACPR, review of the 2016 internal model, approval of the 2016 ORSA report, review of the annual report of the actuarial function;
- governance and human resources matters: review of the Group compensation policy, approval of stock option and free share allocation plans, compensation of the executive corporate officer, review of the "say on pay", human resources briefing and outlook, assessment of the Board of Directors and follow-up, renewal of the D&O program, annual deliberation on professional gender equality and equal pay, annual review the competence and fitness and properness of directors and the persons effectively running the company;
- Shareholders' Meeting: convening of the Shareholders' Meeting and approval of the related reports;
- business matters 2016: Investment strategy and introduction to agriculture;
- other topics: annual review and authorization of related party agreements, approval of the modifications made to the Board Internal Charter, adoption of the new strategic plan "Vision in action", review of Brexit consequences.

The average attendance rate of the members of the Board was 93.4% (1). The following table displays the attendance of the members of the Board of Directors during 2016:

Board members	Attendance rate *(in %)*
Denis Kessler, Chairman of the Board	100
Michèle Aronvald*	100
Marguerite Bérard-Andrieu	83.3
Thierry Derez	100
Peter Eckert**	100
Kevin J. Knoer**	100
Vanessa Marquette	100
Bruno Pfister*	100
Jean-Marc Raby	66.7
Augustin de Romanet	100
Guillaume Sarkozy***	66.7
Kory Sorenson	100
Claude Tendil	100
Fields Wicker-Miurin	100

* *Director appointed by the Shareholders' Meeting on April 27, 2016.*
** *Director whose term ended at the Shareholders' Meeting on April 27, 2016.*
*** *Representing Malakoff Médéric Group, director.*

Moreover, two training sessions were organized in 2016 for Board members on the following topics:

- Governance, organization and strategy of SCOR Global Investments, on February 23, 2016;
- Evolution and potential impacts of EU audit rules, on October 25, 2016.

2.1.2.5. ASSESSMENT OF THE BOARD OF DIRECTORS

Pursuant to the recommendations stated by the AFEP-MEDEF corporate governance code and in the Board Internal Charter of SCOR SE, an assessment of the Board of Directors and of its Committees was conducted at the end of 2016/beginning of 2017.

Fields Wicker-Miurin, a member of the Compensation and Nomination Committee, managed this assessment by sending a questionnaire to the directors and by leading in-depth individual interviews with them. The questionnaire was about the composition of the Board, its organization, its functioning and the functioning and composition of its Committees. All the directors completed this questionnaire. Fields Wicker-Miurin

(1) The attendance rate does not take into account the directors whose term ended on April April 27, 2016.

presented her report during the meetings of the Compensation and Nomination Committee and of the Board of Directors held on February 21, 2017.

The directors expressed their satisfaction on the organization, functioning and composition of the Board and its Committees. The grades are at a very high level and are globally on the rise compared to last year. Directors praised the governance quality, in particular regarding the compliance with the AFEP-MEDEF code, the diversity of compentencies and the balance of directors' profiles; all made easy thanks to a suitable selection process of the newcomers, the appropriate role repartition between the Board and the management and the efficient communication between the Chairman and the directors outside the Board's meetings. They also highlighted the quality of the Strategy Committee's offsite seminar, as well as the inputs of the Committee's preparatory work in the Board's decision making process.

They noted that several of the changes they had suggested in the course of the 2016 assessment had been taken into consideration. In particular, the outcome is very positive concerning, on one hand, the Board's enhanced involvement in the strategy definition, and, on the other hand, the Board's risk awareness and its contribution to the risk management. They also welcomed, consistently with their 2016 suggestion, the reduction of the volume of the Committees and Board meetings' documents and the systematic addition of an "Executive summary".

The board also discussed the main areas of improvements identified by the directors, in particular regarding the follow-up process of the Strategic plan implementation or the inclusion of topics specific to the reinsurance business to the Board's agenda.

2.1.2.6. NEGATIVE DISCLOSURES ABOUT MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

As at the issuance date of the Registration Document, and to SCOR's knowledge, there are no family relationships between the directors or between a director and a member of the Company's Executive Committee.

To SCOR's knowledge, during the last five years:

- no director and no member of the Executive Committee has been convicted of fraud;
- no director and no member of the Executive Committee has been associated with a bankruptcy, sequestration, or liquidation;
- no director and no member of the Executive Committee has been the subject of an incrimination or official public sanction issued by statutory or regulatory authorities;
- no director and no member of the Executive Committee has ever been prohibited by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from participating in the management or business of an issuer.

2.1.2.7. BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE CONFLICTS OF INTEREST

No loans or guarantees have been granted or established in favor of the directors by SCOR or by any other Group company.

There is no arrangement or agreement concluded with shareholders, clients, suppliers or others pursuant to which any member of the Board of Directors or any member of the Executive Committee of the Company has been appointed.

To our knowledge, there are no conflicts of interest between the duties of the directors and members of the Executive Committee with regard to SCOR and their private interests.

See also Section 2.3.2 – Related party transactions and agreements.

2.1.2.8. INFORMATION ON SERVICE CONTRACTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

To our knowledge, there are no service agreements involving the members of the Board of Directors or the Executive Committee and the Company or one of its subsidiaries providing for benefits upon termination of such agreement.

2.1.3. BOARD OF DIRECTORS' COMMITTEES

SCOR's Board of Directors has established five Committees in order to examine specific topics, to prepare the Board's proceedings and to make recommendations to it.

Moreover, the non-executive directors' session is composed of all voting directors, with the exception of the Chairman and Chief Executive Officer and the employee director.

2.1.3.1. THE STRATEGY COMMITTEE

The Strategy Committee is composed of Denis Kessler (Chairman), Marguerite Bérard-Andrieu, Thierry Derez, Vanessa Marquette, Bruno Pfister, Jean-Marc Raby, Augustin de Romanet, Guillaume Sarkozy (as representative of Malakoff Médéric Group), Kory Sorenson, Claude Tendil and Fields Wicker-Miurin.

The Committee's mission is to examine the Group's development strategy, including investments in organic growth and major internal restructuring operations, plus any significant operation falling outside of the strategy announced by the Group and to examine any acquisition, merger, asset contribution or disposal in an amount in excess of EUR 100 million.

The Strategy Committee met on three occasions in 2016, each meeting lasting approximately two hours. The members of the Strategy Committee also met during a day-long seminar of the Strategy Committee.

Its work dealt with various aspects of the strategy of the Group.

The average attendance rate of the Committee members was 93.9% (1). The following table states the attendance rates of the members of the Strategy Committee in 2016:

Committee members	Attendance rate *(in %)*
Denis Kessler, Chairman	100
Marguerite Bérard-Andrieu	66.7
Thierry Derez	100
Peter Eckert*	100
Vanessa Marquette	100
Bruno Pfister**	100
Jean-Marc Raby	66.7
Augustin de Romanet	100
Guillaume Sarkozy***	100
Kory Sorenson	100
Claude Tendil	100
Fields Wicker-Miurin	100

* *Member of the Strategy Committee until April 27, 2016.*
** *Member of the Strategy Committee from April 27, 2016.*
*** *Representing Malakoff Médéric Group, director.*

2.1.3.2. THE AUDIT COMMITTEE

The Audit Committee is composed of Kory Sorenson (Chairman), Marguerite Bérard-Andrieu, Vanessa Marquette, Bruno Pfister and Fields Wicker-Miurin. Each of its members is independent.

Due to the experience and positions held by its members during their career, the Committee has a high level of financial expertise.

The Audit Committee has two main missions:

- accounting and financial responsibilities, including the analysis of periodic financial statements, the review of the relevance of choices and correct application of accounting standards, the review of the accounting treatment of any material transaction, the review of the scope of consolidation, the review of significant off-balance sheet commitments, the control of the selection of Statutory Auditors, the review of any accounting and financial reporting documents before they are made public. The Group audit fees for services rendered during the year are subject to a quarterly review and approval by the Audit Committee, with a specific review for the services other than audit services. The Audit Committee approves the non-core audit fees to ensure that the auditors' independence is not impaired;
- ethical, internal control and compliance responsibilities: the Audit Committee is responsible for ensuring that internal procedures relating to the collection and auditing of data guarantee the quality and reliability of the Group's financial statements. The Audit Committee is also in charge of reviewing agreements with related parties ("conventions réglementées"), analyzing and responding to questions from employees with regard to internal controls, the preparation of financial statements and the treatment of internal accounting books and records. It gives its opinion on the organization of Internal Audit, examines its annual work program, receives internal audit reports and stays informed regarding the implementation of recommendations. Finally, it examines the annual compliance plan and stays informed regarding the Company's compliance activities.

The Committee may consult the Chief Financial Officer, the Head of Internal Audit, the Heads of the actuarial and compliance functions and the Statutory Auditors on these issues, including in the absence of SCOR executives. It may also call upon outside experts. During the 2016 financial year, and for each meeting, it met with the Statutory Auditors, the Group Chief Financial Officer (during the review of the financial statements) and the Head of Internal Audit, in the absence of SCOR executives. The review of the financial statements was completed by a presentation made by the Statutory Auditors highlighting the main results of their work and the accounting methods used, as well as by a presentation made by the Group Chief Financial Officer describing risk exposure and material off-balance sheet liabilities.

The Audit Committee met on four occasions in 2016, each meeting lasting approximatively 2.5 hours. The Chairman and Chief Executive Officer attended all the meetings in 2016.

The discussions focused primarily on the following matters:

- accounting and financial responsibilities: The review of the quarterly, half-year and annual financial statements, the review of the half-year interim report, the hybrid debt issuance, the review of the 2016 budget and operating plan, the embedded value, the review of the Statutory Auditors' report, the review of the 2015 Registration Document and of the management report, the review of the financial resolutions for the Annual Shareholders' Meeting;
- ethical, internal control and compliance responsibilities: The review of the quarterly internal audit reports and of the 2016 internal audit plan, the annual review of the Group Policies (especially those required by Solvency II), the actuarial function report, the annual review of compliance activities, the annual review of related party agreements and of the review of the work of the Audit Committees of the subsidiaries.

(1) The attendance rate does not take into account the directors whose term ended on April 27,2016.

The average attendance rate of the Committee members was 90% [(1)]. The following chart states the attendance of the Audit Committee's members in 2016:

Committee members	Attendance rate *(in %)*
Kory Sorenson, Chairman	100
Marguerite Bérard-Andrieu	50
Peter Eckert*	100
Vanessa Marquette	100
Bruno Pfister**	100
Fields Wicker-Miurin	100

* *Member of the Audit Committee until April 27, 2016.*
** *Member of the Audit Committee from April 27, 2016.*

2.1.3.3. THE RISK COMMITTEE

The Risk Committee is composed of Bruno Pfister (Chairman), Thierry Derez, Vanessa Marquette, Kory Sorenson, Claude Tendil and Fields Wicker-Miurin. Each of its members is independent except for Thierry Derez.

The Committee is responsible for examining, notably based on the Own Risk and Solvency Assessment (ORSA), the major risks with which the Company is confronted, both on the assets and liabilities side, and for ensuring that tools for monitoring and controlling these risks are in place. It examines SCOR's risks and its Enterprise Risk Management (ERM) policy. It studies the Group's strategic risks (including emerging risks) as well as the Group's main technical and financial commitments (underwriting, reserving, market, concentration, counterparty, asset-liability management, liquidity and operating risks as well as relating to changes in prudential regulations).

The Risk Committee met four times in 2016, each meeting lasting approximately two to three hours.

The Committee discussed the following matters: main exposures and main risks of the Group, the Group's risk appetite, the capital shield policy and its effectiveness, the Solvency II project, the review of the follow-up letters ("lettres de suite") received from the ACPR, the review of the 2016 solvency report and internal control report, the review of the Group Policies required by Solvency II, the 2016 internal model results, the review of the 2016 ORSA report, the cyber risks and the changes in prudential regulations.

The average attendance rate of the Committee Members was 100% [(1)]. The following chart states the attendance of the members of the Risk Committee in 2016:

Committee members	Attendance rate *(in %)*
Bruno Pfister, Chairman*	100
Thierry Derez	100
Peter Eckert**	100
Vanessa Marquette*	100
Kory Sorenson	100
Claude Tendil	100
Fields Wicker-Miurin	100

* *Member of the Risk Committee from April 27, 2016.*
** *Member of the Risk Committee until April 27, 2016.*

(1) The attendance rate does not take into account the directors whose term ended on April 27, 2016.

2.1.3.4. THE COMPENSATION AND NOMINATION COMMITTEE

The Compensation and Nomination Committee is composed of Claude Tendil (Chairman), Michèle Aronvald (employee director), Thierry Derez, Bruno Pfister, Augustin de Romanet and Fields Wicker-Miurin.

Except the employee director and Thierry Derez, each of its members is independent.

The Committee submits recommendations concerning compensation packages for the executive corporate officer and members of the Executive Committee of the Group, pensions, share allocation plans and stock option plans or stock subscription plans to the Board of Directors and examines proposals related to the composition, organization and functioning of the Board of Directors and its Committees. Its missions are described in the Board Internal Charter.

The Chairman and Chief Executive Officer attends to the works of the Compensation and Nomination Committee meetings relating to appointments and to those relating to the compensation policy of members of the Executive Committee of the Group.

The Compensation and Nomination Committee met five times in 2016, each meeting lasting approximately two to three hours.

The Committee discussed the following matters:

- compensation matters: Update of the Group compensation policy, share and stock option allocation plans, Compensation of the Chairman and Chief Executive Officer and of the other members of the Executive Committee, review of the "say on pay", HR review and outlook, review of the succession plan of the key executives of the Group, review of the rules for granting directors' fees;
- governance matters: Renewal of the Board of Directors of SCOR SE, process for the selection of new directors, review of the independence, fitness and properness of the directors, assessment of the Board and its Committees and follow-up, review of the cost of the governance within the Group in 2015, renewal of the D&O program, review of the Board Internal Charter, review of the fit and proper policy, review of professional gender equality and equal pay.

The average attendance rate of the Committee members was 100% [(1)]. The following chart states the attendance of the members of the Compensation and Nomination Committee in 2016:

Committee members	Attendance rate *(in %)*
Claude Tendil, Chairman	100
Michèle Aronvald*	100
Thierry Derez	100
Kevin J. Knoer**	100
Bruno Pfister***	N/A
Augustin de Romanet	100
Fields Wicker-Miurin	100

* *Member of the Compensation and Nomination Committee from April 27, 2016.*
** *Member of the Compensation and Nomination Committee until April 27, 2016.*
*** *Member of the Compensation and Nomination Committee from October 26, 2016.*

2.1.3.5. THE CRISIS MANAGEMENT COMMITTEE

The Crisis Management Committee is composed of Claude Tendil (Chairman), Denis Kessler, Bruno Pfister, Augustin de Romanet and Kory Sorenson.

The Crisis Management Committee meets only when necessary and as many times as it deems necessary.

It is charged with assisting and advising the Board of Directors and proposing to the Board any necessary measures and decisions in the event of a crisis affecting the Company, the Group or one of its members, as well as following up on such measures and decisions.

Depending on the agenda, the Lead Independent Director, who chairs this Committee, may exclude the Chairman and Chief Executive Officer from the discussions of the Crisis Management Committee. The Chairman and Chief Executive Officer must, moreover, be disqualified from such discussions if the crisis is linked to a subject that personally concerns him.

No Crisis Management Committee meeting was held in 2016.

(1) The attendance rate does not take into account the directors whose term ended on April 27, 2016.

2.1.3.6. NON-EXECUTIVE DIRECTORS' SESSION

The non-executive directors' session involves all the directors, with the exception of the employee director and the executive corporate officer of the Company.

It brings together the non-executive directors so that they can exchange ideas outside the context of the Board of Directors' meetings. It may be called in case of a conflict of interest between the Board and the management team, a non-adherence to the corporate governance code, an inability of the corporate officer to carry out his duties as a result of an accident or his death or a proven breach of the code of ethics on the part of the corporate officer.

This session met once in 2016, under the chairmanship of the Lead Independent Director. On this occasion, non-executive directors have been informed of the discussions within the Compensation and Nomination Committee related to the performances of the Chairman and Chief Executive Officer, on its remuneration for 2015 and on the principles determining its remunerations for 2016. Non-executive directors have also discussed the possible follow-up actions to the annual Board evaluation, in particular concerning the volume reduction of the documents presented to the Board and the duration of the Strategy Committee meetings, considered too short.

2.1.4. EXECUTIVE COMMITTEE

The Executive Committee is composed of executives of the Company and of its subsidiaries. It is responsible for implementing the strategy defined by the Board of Directors, under the Chief Executive Officer's authority.

The Chairman and Chief Executive Officer has executive authority to manage the SCOR's business, subject to the prior authorization of the Board of Directors or the shareholders for certain decisions as required by law and by the Company's bylaws, and subject to compliance with the French Insurance Code according to which the actual direction of SCOR must be assured by at least two people. The Chairman and Chief Executive Officer has the authority to act on behalf of and in the name of SCOR and to represent SCOR in dealings with third parties, subject only to those powers expressly reserved by law to the Board of Directors or the shareholders. The Chairman and Chief Executive Officer determines, and is responsible for, the implementation of SCOR's goals, strategies and budgets, which are reviewed and monitored by the Board of Directors.

The Board of Directors has the power to appoint and remove, at any time and with or without cause, the Chairman and Chief Executive Officer, as well as to appoint separate persons to hold the positions of Chairman of the Board (Président du Conseil d'administration) and Chief Executive Officer (Directeur Général). Upon a proposal made by the Chairman and Chief Executive Officer, the Board of Directors may also appoint a Deputy Chief Executive Officer (Directeur Général Délégué) to assist the Chief Executive Officer in managing the business.

Pursuant to Article L. 322-3-2 of the French Insurance Code, insurance and reinsurance companies must apply, since January 1, 2016, the "Four Eyes Principle", which specifies that they must be effectively run by at least two separate persons. The persons effectively running SCOR SE and the Group were designated by SCOR SE's Board of Directors on November 3, 2015. In addition to Denis Kessler, Chairman and Chief Executive Officer of SCOR SE, they include Victor Peignet, Chief Executive Officer of SCOR Global P&C, and Paolo De Martin, Chief Executive Officer of SCOR Global Life.

2.1.4.1. BIOGRAPHICAL INFORMATION ON THE MEMBERS OF THE EXECUTIVE COMMITTEE

Denis Kessler

See Section 2.1.2.1 – Information concerning the members of the Board of Directors.

Paolo De Martin

Paolo De Martin, an Italian citizen, graduated from Ca' Foscari University, Italy, with a degree in Business Economics. He subsequently spent two years in the optical business as founder and managing partner of an eyewear manufacturer. He joined General Electric Company (GE) in 1995 as a finance trainee in London. In 1997, he joined GE's internal auditing & consulting Group, charged with assignments in multiple GE businesses in the Americas, Europe and the Asia-Pacific region. In 2001, Paolo De Martin was promoted to Executive Manager for GE Capital Europe, before joining GE Insurance Solutions as Financial Planning and Analysis Manager for Global Property and Casualty Reinsurance. In 2003, he was appointed Chief Financial Officer of GE Frankona Group before becoming Chief Financial Officer of Converium Holding AG in July 2006. In September 2007, Paolo De Martin was appointed Group Chief Financial Officer of SCOR. In January 2014, Paolo De Martin, after a short sabbatical period, was appointed Chief Executive Officer of SCOR Global Life.

Benjamin Gentsch

Benjamin Gentsch, a Swiss citizen, graduated with a degree in management from the University of Saint-Gall where he specialized in insurance and risk management. From 1986 to 1998, he held several positions at Union Reinsurance Company, where from 1990 to 1998 he directed treaty underwriting in Asia and Australia. In 1998, he joined Zürich Re as head of international underwriting responsible for strengthening the company's position in Asia, Australia, Africa and Latin America. He also supervised the "Global Aviation" reinsurance department and developed its "Global Marine" department. In September 2002, Benjamin Gentsch was appointed Chief Executive Officer of Converium Zürich, then Executive Vice-President in charge of Specialty Treaties. In September 2007, he was appointed Chief Executive Officer of SCOR Switzerland and Deputy Chief Executive Officer of SCOR Global P&C. In March 2016, he was appointed non executive director of Intercona Re.

Frieder Knüpling

Frieder Knüpling, a German citizen, holds degrees in mathematics and physics from the Universities of Göttingen and Freiburg. He worked as a lecturer and research assistant at the University of Freiburg and several other colleges, until he received a PhD in economics based on research into the econometric modeling of macroeconomic and financial data. From 1999 to 2002, he worked for Gerling-Konzern Globale Rückversicherungs-AG and its UK Life Reassurance subsidiary, dealing with pricing and valuation. As at 2003, he headed the Corporate Actuarial & Treasury department of the Revios Group. In 2007, Frieder Knüpling headed SCOR's Corporate Actuarial Department, reporting to the Chief Risk Officer. He was appointed Deputy Chief Risk Officer of SCOR in December 2008. In July 2010, he was appointed Deputy Chief Executive Officer of SCOR Global Life and member of the SCOR Group Executive Committee. On October 1, 2012, he was appointed Deputy Group Chief Risk Officer and on January 17, 2014, he was appointed Group Chief Risk Officer. Frieder Knüpling is a fellow of the Deutsche Aktuarvereinigung (DAV) and a Chartered Enterprise Risk Analyst (CERA).

Mark Kociancic

Mark Kociancic, a Canadian citizen, is a graduate of the University of Toronto and holds a Bachelor of Commerce degree. He also holds a Chartered Professional Accountant (CPA) designation and a Chartered Financial Analyst (CFA) designation. Upon graduation in 1992, Mark joined Ernst & Young within its Life and P&C insurance practice and has subsequently held progressively senior positions within the insurance industry with St Paul Guarantee, Avalon Risk Associates and Tokio Marine, prior to joining SCOR US as Senior Vice-President and Chief Financial Officer in May 2006. He was appointed SCOR Americas Hub CFO in June 2008 and was promoted to Executive Vice-President in July 2010. He was appointed Deputy CFO of SCOR Group in October 2012 and in May 2013 became Group Chief Financial Officer.

Romain Launay

Romain Launay, a French citizen, is a graduate of the École Polytechnique, civil engineer of the École des Mines de Paris and graduate of the Centre des Hautes Études de l'Assurance. Having occupied various positions at the French Ministry for the Economy and Finance between 2004 and 2009, he became Technical Advisor to the Prime Minister's Office in 2009. He joined SCOR in February 2012 as Senior Advisor to the Chairman and Chief Executive Officer, before being appointed Group General Secretary in May 2014. In February 2016, he became Group Chief Operating Officer.

Victor Peignet

Victor Peignet, a French citizen, is a Marine & Offshore Engineer and graduate of the École Nationale Supérieure des Techniques Avancées (ENSTA), who joined SCOR's Facultative Department in 1984 from the offshore Oil & Gas contracting industry. He has more than 15 years' underwriting and management experience in Energy & Marine insurance at SCOR. He has been at the head of the Group's Corporate Business Division (Business Solutions) since its creation in 2000, first as Executive Vice-President and as Managing Director from April 2004. Since July 5, 2005, he has been the Chief Executive Officer of SCOR Global P&C.

Simon Pearson

Simon Pearson, a British citizen, is a Fellow of the Institute of Actuaries. After graduating in 1987 with an Honors degree in Economics from the University of York, Simon started his actuarial career with a mid-sized UK mutual life insurer, NPI. Qualifying as an actuary in 1992, Simon held a number of actuarial management positions covering pricing and product development, reserving, embedded value and financial reporting. Simon joined the UK life subsidiary of Gerling Global Re in 1999, becoming the Appointed Actuary in 2001. At the beginning of 2004, Simon became the Chief Executive Officer of the UK subsidiary of the newly established Revios. Upon the integration of Revios into SCOR, he became a member of the SCOR Global Life senior management team at the end of 2006. In 2008, Simon was promoted to manage SGL's Northern Europe region covering the UK, Ireland and Scandinavia. In August 2011, Simon was appointed SGL Head of EMEAA covering Europe, the Middle East, Africa and Asia-Pacific. In November 2014, he was appointed Deputy Chief Executive Officer of SCOR Global Life and Chief Executive Officer of SCOR Global Life Europe, Middle East & Africa (EMEA).

François de Varenne

François de Varenne, a French citizen, is a graduate of the École Polytechnique and a civil engineer of the Ponts et Chaussées. He holds a PhD in finance and graduated as an actuary from the Institut de Science Financière et d'Assurances (ISFA). François de Varenne joined the Fédération Française des Sociétés d'Assurances (FFSA) in 1993 as Manager of Economic and Financial Affairs. In London, beginning in 1998, he served successively as Insurance Strategist with Lehman Brothers, Vice-President for asset management solutions and structured transactions specialist in insurance and reinsurance companies at Merrill Lynch and then at Deutsche Bank. In 2003, he became Managing Partner of Gimar Finance & Cie. He joined the Group in 2005 as Director of Corporate Finance and Asset Management. On September 3, 2007, he was named Group Chief Operating Officer. On October 29, 2008, he was appointed Chief Executive Officer of SCOR Global Investments.

2.1.5. NUMBER OF EMPLOYEES

The total number of employees of the Group increased from 2,706 as at December 31, 2015 to 2,802 as at December 31, 2016. The distribution of personnel covers the various geographical areas to meet the strategic principles of the Group.

The following table sets forth the distribution of employees at the dates indicated:

Distribution by Hub (1)

	2016	2015	2014
Paris/London (2)	1,148	1,107	1,016
Americas (3)	702	723	725
Zurich/Cologne (4)	468	468	453
Singapore (5)	335	283	223
Total excluding ReMark	**2,653**	**2,581**	**2,417**
ReMark (6)	149	125	138
TOTAL	**2,802**	**2,706**	**2,555**

Distribution by division

	2016	2015	2014
SCOR Global P&C (7)	904	868	784
SCOR Global Life (8)	876	865	830
SCOR Global Investments	70	61	52
Group Functions and Support (9)	803	787	751
Total excluding ReMark	**2,653**	**2,581**	**2,417**
ReMark (6)	149	125	138
TOTAL	**2,802**	**2,706**	**2,555**

(1) Each Hub covers a region and may encompass several countries.
(2) The Paris/London Hub covers France, Spain, Italy, Belgium, the Netherlands, Russia, South Africa, the United Kingdom, Ireland and Sweden.
(3) The Americas Hub covers the United States, Mexico, Brazil, Canada, Chile, Colombia and Argentina.
(4) The Zurich/Cologne Hub covers Switzerland, Israel and Germany.
(5) The Singapore Hub covers China, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Taiwan and Australia.
(6) SCOR Global Life SE controls 100% of the capital of ReMark. Due to its specific activity, its own business model and its own organization, ReMark is managed independently from the Group in terms of human resources.
(7) From 2014 to 2016, the Lloyd's Channel Syndicate (122 employees at December 31, 2016) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and not aggregated financially (and then socially) in the division.
(8) Starting from 2014, the former Transamerica Re employees are included in the divisions according to the global organization of the Group. From 2013 to 2016, Rehalto (32 employees at December 31, 2016) and Telemed (27 employees at December 31, 2016), are fully-controlled subsidiaries of SCOR Global Life SE, managed independently from the Group in terms of human resources and are not aggregated financially (and then socially) in the division.
(9) The "Group Functions and Support" division includes the Group's Finance, Risk and Operations Departments as well as the departments directly managed by the Chairman and Chief Executive Officer. SCOR SE controls 59.9% of the capital of MRM (5 employees at December 31, 2016). Due to its specific activity, its business model and its organization, MRM's human resources are managed independently from the Group.

2.2. EXECUTIVE COMPENSATION AND SHARE OWNERSHIP

2.2.1. COMPENSATION OF THE EXECUTIVE CORPORATE OFFICER AND DIRECTORS

2.2.1.1. PRINCIPLES AND RULES STATED FOR THE DETERMINATION OF COMPENSATION AND IN-KIND BENEFITS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Governance

The Board of Directors of SCOR SE decided, during the meeting of December 12, 2008, to apply the AFEP (Association of French Private-sector Companies) and MEDEF (French Business Confederation) recommendations of October 6, 2008 on the compensation of executive corporate officers of listed companies to the compensation of the executive corporate officer considering that these are in line with SCOR corporate governance principles.

In application of the July 3, 2008 Act implementing the European Union Directive 2006/46/EC of June 14, 2006, SCOR shall refer to the AFEP-MEDEF corporate governance code in preparing the report to be issued in accordance with Article L. 225-37 of the French Commercial Code.

Every year, the conditions of compensation for the executive corporate officer and the directors are made public through the documents released for the Shareholders' Meeting.

In compliance with the AFEP and MEDEF recommendation applicable to the Chairman and Chief Executive Officer, there is no employment contract between Denis Kessler and the Company.

Compensation structure

The compensation structure of the Chairman and Chief Executive Officer is as follows:

- a fixed gross annual sum of EUR 1,200,000, payable in twelve monthly instalments. The fixed compensation of the Chairman and Chief Executive Officer has not changed since January 1, 2008; and
- a target variable annual compensation of EUR 1,200,000, 50% of which is based on financial objectives while the remaining 50% is based on personal objectives, each of these personal objectives being equally weighted. These objectives are defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee.

Denis Kessler Chairman and Chief Executive Officer	Employment contract		Supplementary pension plan		Indemnities or benefits due or which may become due as a result of termination or change of duties		Indemnities relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Start date of term of office: 11/04/2002 (1st appointment date) End date of term of office: 2017		X	X		X			X

All the characteristics of the compensation structure of the Chairman and Chief Executive Officer is described in detail within the Say on Pay table of Section 2.2.1.2 – Compensation of the Chairman and Chief Executive Officer for the financial year ended December 31, 2016.

Stock option and performance share plans

The Chairman and Chief Executive Officer, on the proposal of the Compensation and Nomination Committee and validation of the Board of Directors, is eligible, on an annual basis, to stock option and performance share plans.

Reminder of the specific award conditions applicable to the executive corporate officer in respect of legal requirements and the AFEP-MEDEF principles:

The executive corporate officer is required to hold on the market a number of shares of the shares freely assigned to him for the whole duration of his term of office.

Therefore, the Board of Directors' meeting of April 3, 2007 decided that for all the allocations after that date, the executive corporate officer is required to hold as registered shares at least 10% of the shares resulting from the exercise of stock options granted and at least 10% of the performance and free shares granted until the termination of his duties.

The stock options and performance shares granted to the Chairman and Chief Executive Officer cannot exceed either 10% of the share capital or 10% of the total allocations.

Finally, in compliance with the recommendations of the AFEP-MEDEF corporate governance code applicable to the executive corporate officer, he also made a formal commitment not to resort to the use of hedging instruments on the stock options and/or performance shares which have been granted to him for the whole duration of his term of office.

For 2016, the Board of Directors has validated an allocation of 125,000 free performance shares, 75,000 free performance shares in the LTIP Plan and 25,000 stock options. The conditions of these allocations are detailed in the Say on Pay table in Section 2.2.1.2 – Compensation of the Chairman and Chief Executive Officer for the financial year ended December 31, 2016.

Other benefits

As the Company representative, the Chairman and Chief Executive Officer is granted a company car with a shared driver.

Moreover, the Chairman and Chief Executive Officer receives additional benefits, such as a life insurance, a health insurance policy, a specific life insurance policy, to complement the "all causes" death or permanent disability insurance subscribed for senior executives of the Company and a death or permanent disability insurance in case of an accident.

In the event of termination of the term of office of the Chairman and Chief Executive Officer, a severance pay package is determined depending on the kind of termination.

Like all the Group's senior executives working in France and employed by the Group as at June 30, 2008, the Chairman and Chief Executive Officer is entitled to a supplementary pension plan.

The conditions of these benefits are described within the Say on Pay table in Section 2.2.1.2 – Compensation of the Chairman and Chief Executive Officer for the financial year ended December 31, 2016.

2.2.1.2. COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

The following table presents a summary of the total compensation including gross compensation, shares and stock options granted to the executive corporate officer for financial years 2016, 2015 and 2014:

	2016		2015		2014	
In EUR	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Variable compensation (1)	1,419,600	1,683,000	1,683,000	1,236,000	1,236,000	1,314,500
Director's fees	55,000	55,000	63,000	63,000	44,000	44,000
Additional benefits	-	-	-	-	-	-
Gross compensation	**2,674,600**	**2,938,000**	**2,946,000**	**2,499,000**	**2,480,000**	**2,558,500**
Value of shares granted (2)	5,235,250		3,112,500		2,606,250	
Value of stock options granted (2)	49,500		194,000		180,000	
TOTAL	**7,959,350**		**6,252,500**		**5,266,250**	

(1) The variable annual compensation related to the 2016 financial year has been determined by the Board of Directors for the Chairman and Chief Executive Officer based on a percentage of achievement for the financial objective of 101.6%, and a percentage of achievement for the personal objectives of 135%. This variable annual compensation amount was paid in one instalment in March 2017.

(2) It should be noted that the figures stated above do not represent paid compensation but correspond to actuarial estimates in line with the AFEP-MEDEF corporate governance code. The value is calculated according to the same assumptions as those used for the Group financial statements (IFRS 2). Since 2009, 100% of shares and stock options granted are subject to performance conditions.

In accordance with the recommendations stated in the AFEP-MEDEF corporate governance code (Section 24.3) and pursuant to its implementation guide, the compensation elements due or attributed to the executive corporate officer for the financial year ended December 31, 2016 are presented below.

The benchmark study conducted by Mercer in 2016 on behalf of the Compensation and Nomination Committee concludes that the compensation package of the Chairman and Chief Executive is aligned with market practice. More specifically, the Chairman and Corporate Executive Officer's 2015 compensation is below the 3rd quartile (among a list of peers including the main global reinsurers according to the revenues criterion and for whom executives' compensation information are available, i.e. Alleghany, Arch Capital Group, Axis Capital Holdings Limited, Endurance Specialty, Everest Re, Hannover Re, Munich Re, Partner Re, Reinsurance Group of America, Swiss Re and Validus Holdings).

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
Fixed gross annual sum	EUR 1,200,000	Following the recommendation of the Compensation and Nomination Committee on its meetings of February 9, 2016 and February 22, 2016, the Board of Directors on February 23, 2016 decided that the Chairman and Chief Executive Officer will receive a fixed gross annual sum of EUR 1,200,000, payable in twelve monthly instalments. The fixed compensation of the Chairman and Chief Executive Officer has not changed since January 1, 2008.
Variable annual compensation	EUR 1,419,600 (amount paid or payable)	Following the recommendation of the Compensation and Nomination Committee at its February 9, 2016 and February 22, 2016 meetings, the Board of Directors at its February 23, 2016 meeting decided that the Chairman and Chief Executive Officer would receive a target variable annual compensation of EUR 1,200,000 (100% of his fixed gross annual amount), unchanged from last year. This variable annual compensation is determined as follows: • 50% on the basis of the achievement of financial objectives, defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee; and • 50% on the basis of the achievement of personal objectives, defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee. In accordance with the Group compensation policy applicable to all Partners within the Group, the variable annual compensation of the Chairman and Chief Executive Officer may benefit, in the event of outperformance, from a multiplier applied to personal objectives (capped at a maximum of 150% of the personal objectives target portion) and financial objectives (capped at a maximum of 130% of the financial objectives target portion) which will increase the variable annual compensation of the Chairman and Chief Executive Officer to a ceiling of 140% of his variable annual target compensation. Moreover, the Group policy states that, for participation and strong contribution to the success of specific strategic projects, an additional and exceptional bonus ("Exceptional Contribution Bonus" – ECB) may be granted; the ECB can reach a maximum of 25% of the target variable annual compensation of the Chairman and Chief Executive Officer. The total variable annual compensation of the Chairman and Chief Executive Officer may not exceed 165% of his target variable annual compensation of EUR 1,200,000, and consequently cannot exceed either 165% of his fixed annual compensation. The variable compensation for any given year is paid in year y+1, as soon as the financial statements of the Company for such given year are approved by the Board of Directors. For 2016, the variable compensation of the Chairman and Chief Executive Officer has been determined according to the following objectives: • 50% based on the achievement of a financial objective: ROE level achieved by SCOR, with a target corresponding to the average over the ROE objectives' period determined by the strategic plan in effect. Such ROE objectives are: for the first half of 2016, 1,000 bps above the risk-free-rate ("Optimal Dynamics" target), and for the second half of 2016, 800 bps above the 5-year risk-free-rate ("Vision In Action" target). The Board of Directors determined a percentage of achievement for the financial objective of 101.6%. **ROE achieved** / **ROE target for the 1st semester** / **ROE target for the 2nd semester** / **% of achievement** 9.54% / 10.06% / 8.71% / 101.6% • 50% based on the achievement of personal objectives: preparation and adoption of the 2016-2019 strategic plan "Vision in Action", maintaining a solvency ratio equal or higher than the lower limit of the optimal range defined in the strategic plans, continued balancing of geographical positions by reinforcing the positions of the Group in Asia and United-States, implementation of the strategic plan of Lloyd's syndicate (Channel), and broadening and deepening of the Group's talent pool. These objectives are equally weighted.

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description

Regarding the personal objectives, the Board of Directors determined, on the proposal of the Compensation and Nomination Committee, that the personal objectives were fully achieved, leading to a percentage of achievement of 135%.

The personal objectives, their respective assessment and achievement rate are detailed in the table below.

Category	2016 Objectives description	Actual	Achievement rate
Strategy	Preparation and adoption of the 2016-2019 strategic plan "Vision in Action"	The new strategic plan "Vision in Action" was very well received by the market when it was presented in September 2016, its first objectives have been achieved, and the share price has been experiencing a significant increase since the announcement	150%
Solvability	Solvency ratio equal or higher than the lower limit of the optimal range defined in the strategic plans (185%)	SCOR's solvency ratio, as defined by the internal model, stands at 225% at the end of 2016	140%
Strategy	Continued balancing of geographical mix by reinforcing the weight of Asia and the US in SCOR's total volume of premiums at constant exchange rates (52.6% in 2015)	The respective weight of Asia and of the United States in the total volume of SCOR premiums at constant exchange rates has risen to 53.6% in 2016 (from 52.6% in 2015)	110%
Strategy	Implementation of the Lloyd's syndicate (Channel) strategic plan in accordance with the forecasted underwritten premiums	The amount of premium underwritten by Channel in 2016 year exceeds the amount forecasted in the strategic plan	133%
Corporate Social and Environmental Responsibility	Broadening and deepening of the Group's talent pool by Increasing the proportion of employees being trained during the year to 80%, and by ensuring that priority is given to internal promotions for the appointments to the highest positions (Executive and Senior Global Partners)	84% of employees underwent training in 2016, and five employees were promoted to EGP and SGP level in 2016 vs. just one external recruitment	145%

In addition, the Board of Directors, on the proposal of the Compensation and Nomination Committee, decided not to attribute to the Chairman and Chief Executive Officer any Exceptional Contribution Bonus (ECB).

This variable annual compensation is paid in one instalment in March 2017.

Variable deferred compensation	N/A	The Group compensation policy does not provide for variable deferred compensation.
Multi-year variable compensation	N/A	The Group compensation policy does not provide for multi-year variable compensation.
Exceptional compensation	EUR 0	No exceptional compensation during the year.

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
Stock option and free share allocation plans or other long-term compensation	Stock options EUR 49,500 Shares EUR 5,235,250 (accounting valuation under IFRS)	In accordance with the authorization by the Shareholders' Meeting on April 30, 2015 in its twenty-fourth resolution, the Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to allocate on March 10, 2016, stock options to the Chairman and Chief Executive Officer and to the other members of the Executive Committee. On this plan, 25,000 stock options have been granted to the Chairman and Chief Executive Officer. These options are subject to the following performance conditions: Half of the options will be acquired after the expiration of an acquisition period set at 4 years, i.e. on March 11, 2020, provided: (1) that the conditions set out in the Plan of March 10, 2016 are fulfilled and in particular that the quality of Chairman and Chief Executive Officer of the SCOR Group remains until March 10, 2020 inclusive, except as otherwise provided by the Plan; (2) that the Group's ethical principles as described in its Code of Conduct are respected; therefore, in case of actual misconduct as per the Code of Conduct for instance in the event of fraud, the beneficiary will lose all of his/her stock options benefits (clawback policy) ; (3) that the average SCOR ROE over 2 years (from January 1, 2016 to December 31, 2017) is equal to the average of SCOR ROE strategic target (the "Target ROE") over the period. Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) is lower or higher than the Target ROE, the options will be acquired according to the progressive scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options definitively acquired via this criteria
From 125%	150%
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	100%
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	0%

The other half of options will be acquired after the expiration of an acquisition period set at 4 years, i.e. on March 11, 2020, provided:

(1) that the conditions set out in the enclosed Plan of March 10, 2016 are fulfilled and in particular that quality of Chairman and Chief Executive Officer of the SCOR Group remains until March 10, 2020 inclusive, except as otherwise provided by the Plan;

(2) that you respect the Group's ethical principles as described in its Code of Conduct; Therefore, in case of actual misconduct as per the Code of Conduct, for instance in the event of fraud, the beneficiary will lose all of his/her stock options benefits (clawback policy);

(3) that the average solvency ratio over 2 years (from January 1, 2016 to December 31, 2017) is at least equal to the average of the SCOR Solvency strategic target over the period (the "Target Solvency Ratio").

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
		Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower or higher than the "Target Solvency Ratio" *, the options will be acquired according to the progressive scale set out in the table below:

Difference between the average solvency ratio and the "Target Solvency Ratio"*	Proportion of the options definitively acquired in line with this criteria
Higher than or equal to 0 percentage points	100%
Between 0 and up to -35 percentage points	linear degressive scale
Lower than or equal to -35 percentage points	0%

* *If the strategic plan sets a target or "optimal" interval, the measurement below this interval is considered for calculation purposes as being the Target Solvency Ratio.*

The Compensation and Nomination Committee will determine the level of achievement of the performance conditions.

In accordance with the authorization by the Shareholders' Meeting on December 18, 2015 in its first resolution, the Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to grant performance shares to the Chairman and Chief Executive Officer and to the other members of the Executive Committee. On this plan, The Chairman and Chief Executive Officer has been granted 125,000 performance shares. Moreover, an exceptional grant of 75,000 performance shares under the "LTIP" Plan has been decided as a substitute for the 75,000 stock options attributed during the previous exercises. The purpose of this exceptional grant is to create a long-term incentive for the Chairman and Chief Executive Officer, in link with the implementation of the new strategic plan and with the proposal of the Compensation and Nomination Committee and the Board of Directors to extend his term of office for a further period of four years.

These performance shares are fully subject to the same performance conditions as those for the stock options. Nevertheless, the period on which the evaluation of the performance conditions is based varies between performance shares (3 years-vesting period) and the LTIP performance shares (6 years-vesting period). For the latter, this grant allows for a projection beyond the planned term of office of the Chairman and Chief Executive Officer, constituting a very long-term incentive.

The stock options and performance shares granted to the executive corporate officer in 2016 represent 0.117% of the share capital, 8.70% compared to the total allocations in 2016; and 64% compared to his overall compensation.

It should be noted that SCOR is committed to the neutral impact of each stock option and performance share allocation in terms of dilution. To achieve this, SCOR's policy is to systematically neutralize, insofar as possible, the potential dilutive impact that could result from the issuance of new ordinary shares following the exercise of stock options, by covering the exposure resulting from the issuance of stock options through the purchase of ordinary shares under its share buyback program and by cancelling the treasury shares thus acquired as the options are exercised. Moreover, performance share allocation plans are covered through the allocation of existing shares taken from the treasury shares held by the Company in the context of its share buyback program, and not via the creation of new shares. Thus, there is no capital dilution regarding the granting of performance shares. Finally, in compliance with the recommendations of the AFEP-MEDEF corporate governance code applicable to the executive corporate officer, he also made a formal commitment not to resort to the use of hedging instruments on the stock options and/or performance shares which have been granted to him for the whole duration of the term of his office.

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
Directors' fees	EUR 55,000	In 2016, the Chairman and Chief Executive Officer received directors' fees in a fixed amount of EUR 28,000 and a variable amount equal to EUR 3,000 per Board meeting and Committee meeting in which he participated. In 2016, he attended 5 Board meetings, 3 Strategy Committee meetings and 1 seminar of the Strategy Committee, leading to a variable portion of EUR 27,000.

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
Benefits of any kind	EUR 5,277 In addition to the deferred amount, an amount of EUR 84,811 was paid by the Company in 2016 with regard to social security schemes and individual health coverage	As the Company representative, the Chairman and Chief Executive Officer is granted a company car with a shared driver. The insurance, maintenance, fuel and all costs related to the driver are paid by the Company. The Chairman and Chief Executive Officer benefits also from a health insurance policy under the terms of a contract dated September 16, 1988. Moreover, in accordance with the decision taken by the Board of Directors on March 21, 2006, repeated on December 12, 2008, May 4, 2011 and July 30, 2014, the Chairman and Chief Executive Officer benefits from specific life insurance to cover the risks inherent in the duties of Chairman and Chief Executive Officer of the Company, in an amount equivalent to three years of fixed and variable compensation; the insurance is obtained by the Company. To this end, an individual insurance has been underwritten to complement the "all causes" death or permanent disability insurance policy for senior executives, dated June 30, 1993, as renewed or renegotiated annually, and whose last version is compliant with the collective and compulsory welfare plan, specific to SCOR, as modified with effect on July 1, 2014, which benefits from now on an objective category of employees who have an annual gross base compensation equal to or exceeding three times the social security ceiling. It is specified that these individual and collective "all causes" death insurance policies are renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing ones. Moreover, the Chairman and Chief Executive Officer benefits from a death or permanent disability insurance in case of an accident, also underwritten for the senior executives of the Company, on January 1, 2006. It is specified that this collective insurance is renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing one.
Severance pay**	No amount is payable in respect of the year ended 12/31/2016	The Ordinary and Extraordinary Shareholders' Meeting of May 3, 2012, in its fifth resolution, approved, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the following commitments made by the Board of Directors for the benefit of the Chairman and Chief Executive Officer: In the event of the departure of the Chairman and Chief Executive Officer during the current financial year: • the variable portion of his compensation for the prior year will be payable during the current year as soon as the Company's financial statements for the prior year are approved by the Board of Directors; • in addition, in the case of dismissal, the amount of the variable portion of his compensation for the current year will be (i) determined on the basis of the variable compensation for the prior year and prorated on the basis of the departure date for the current year, and (ii) paid as soon as the Company's financial statements for the prior year are approved by the Board of Directors. In the event of the termination of the Chairman and Chief Executive Officer's term of office, the benefits he may be allocated would be determined according to the following situations: • in the event that the Chairman and Chief Executive Officer is dismissed for misconduct or following a notably negative performance of the Company (non-achievement of the performance condition (C_n) as described below, and for at least two of the three previous years) no compensation will be due; • in the event of a forced departure or if he is dismissed ad nutum, typically due to a difference of opinion regarding the Group's strategy, the Chairman and Chief Executive Officer will benefit from a cash payment equal to the annual amount of fixed and variable compensation paid to him by the Group for the twenty-four months prior to his departure. This payment is subject to the satisfaction of the performance condition (C_n) defined below for at least two out of the three years preceding the date of departure of the Chairman and Chief Executive Officer; • in the event of a forced departure or a dismissal resulting from a hostile takeover bid leading to a change in control of the SCOR Group, the Chairman and Chief Executive Officer will benefit from a cash payment equal to the annual amount of fixed and variable compensation paid to him by the Group for the twenty-four months prior to his departure. This payment is subject to the satisfaction of the performance condition (C_n) as defined below for at least two out of the three years preceding the date of his departure. Furthermore, the performance shares and stock options which have been granted prior to his departure will be subject, in their entirety, to the performance conditions of each plan as approved by the Board of Directors at the time of the grant.

*** Compensation, indemnities or benefits due or awarded in respect of the financial year which are or have been submitted to the Company's Shareholders' Meeting in accordance to the rules applicable to related party agreements and commitments.*

Compensation elements due or attributed for the financial year ended 12/31/2016	Amounts or accounting valuation	Description
		The performance condition (C_n), approved by the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will be met for the current year if at least three out of the four criteria below are fulfilled. (A) SCOR financial strength by S&P rating must be maintained (minimum) "A" on average over the two prior years; (B) SCOR Global P&C's net combined ratio must be less than or equal to 102% on average over the two prior years; (C) SCOR Global Life's technical margin must be higher than or equal to 3% on average over the two prior years; (D) The SCOR Group's ROE must be higher than (or equal to) 300 basis points above the risk-free rate on average over the two prior years. The Board of Directors, upon the recommendation of the Compensation and Nomination Committee will assess whether or not the performance conditions have been met.
Non-competition indemnity**	N/A	There is no non-competition clause.
Supplementary pension plan**	No amount is payable in respect of the year ended 12/31/2016	The Ordinary and Extraordinary Shareholders' Meeting of May 3, 2012, in its fifth resolution, approved, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the following commitments made by the Board of Directors in favor of the Chairman and Chief Executive Officer: Like all the Group's senior executives based in France and employed by the Group as at June 30, 2008, the Chairman and Chief Executive Officer is entitled to a guaranteed pension plan of 50% of his benchmark compensation, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the benchmark compensation, pursuant to the AFEP-MEDEF corporate governance code. It should be noted that, given his seniority within the Company, the Chairman and Chief Executive Officer reached the ceiling of 45% set by the plan. In this context, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary is not applicable to him. This guarantee is calculated according to a revenue of reference based on his average compensation received over the last five years within the Group considered as "Traitements et salaires" under French tax laws. The Chairman and Chief Executive Officer is entitled to the pension, subject to still being in the Company as a corporate officer or an employee of the Company at the time the benefits are granted. The undertakings made by SCOR concerning the defined benefit supplementary pension schemes of its Chairman and Chief Executive Officer represent, as at December 31, 2016, an estimated annual gross pension amount of EUR 928,141, based on seniority as at December 31, 2016. This amount represents 42,19% of the Chairman and CEO's gross annual remuneration, which consists of the annual base salary for 2016 (EUR 1,200,000) and the target variable salary component (EUR 1,200,000). No retirement benefit (or commitment) has been paid to the Chairman and Chief Executive Officer. The total pension benefits provision relating to the Chairman and CEO amounts to EUR 22 million based on his reference compensation. The provision has decreased by EUR 1.5 million from December 31, 2015. The decrease mainly reflects the evolution of demographic (update on the retirement horizon and mortality table) and financial (update of bonus, technical and discount rates) hypothesis. The remaining part corresponds to the acquisition of an additional year of rights.

*** Compensation, indemnities or benefits due or awarded in respect of the financial year which are or have been submitted to the Company's Shareholders' Meeting in accordance to the rules applicable to related party agreements and commitments.*

Stock options and performance shares

In accordance with the AFEP-MEDEF corporate governance code, the following tables present for the executive corporate officer the stock options granted and exercised during the financial year as well as the performance shares granted and vested during the financial year.

Stock subscription and purchase options granted to the executive corporate officer by the issuer or by another company of the Group

	Date of plan	Type of options (purchase or subscription)	Number of options granted during the period	Valuation of options as per method used in the consolidated financial statements *(in EUR)*	Exercise price	Period of exercise
Denis Kessler	03/10/2016	Subscription	25,000	49,500	31.58	03/11/2020 03/10/2026

Stock options exercised by the executive corporate officer

	Number of options exercised during the period	Date of plan	Exercise price
Denis Kessler	N/A	N/A	N/A

The Chairman and Chief Executive Officer did not exercise any options during the 2016 year.

Performance shares granted to the executive corporate officer by the issuer or by another company of the Group

	Date of plan	Number of shares granted during the period	Valuation of shares as per method used in the consolidated financial statements *(in EUR)*	Vesting date	Date of ownership transfer
Denis Kessler	02/23/2016	125,000	3,445,000	02/24/2019	02/24/2019
Denis Kessler	02/23/2016	75,000	1,790,250	02/24/2022	02/24/2022

Performance shares becoming available for the executive corporate officer

	Number of shares becoming available during the period	Date of plan	Vesting conditions
Denis Kessler	125,000	05/03/2012	Requirement of presence at the company as at May 3, 2014 and performance conditions

Each of the performance conditions set out below has been fully met, bringing the share acquisition rate to 100%. In addition to the performance conditions described below, the absolute appliance of Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance condition	Achieved value	Achievement
SCOR financial strength by S&P rating minimum "A" in 2012 and 2013	A+	Yes
SCOR Global P&C's combined ratio ≤ 102% on average in 2012 and 2013	94%	Yes
SCOR Global Life's technical margin ≥ 3% on average in 2012 and 2013	7.5%	Yes
SCOR Group's ROE > 300 points above the risk-free rate on average in 2012 et 2013	1,015 bps	Yes

Furthermore, The Chairman and Chief Executive Officer acquired some performance shares during the 2016 year. Nevertheless, these shares will become available only from 2018. These performance shares have been granted in the plan of March 4, 2014. Please see Section 2.2.3.2 of this Registration Document for the details of the share award rights granted to the Chairman and to the Executive Committee members. Please see Section 2.2.3.4 of this Registration Document to see the details of the performance conditions attached to the plan and their achievement.

2.2.1.3. DIRECTORS' FEES AND NUMBER OF SHARES HELD BY DIRECTORS

The Shareholders' Meeting of the Company held on May 6, 2014 resolved that the annual maximum aggregate amount of directors' fees shall not exceed EUR 1,152,000. Upon the proposal of the Compensation and Nomination Committee and within the limit of this amount, the Board of Directors' meeting held on July 28, 2015 set the terms and conditions of the allocation so as to encourage the attendance of the directors and in order to be compliant with the AFEP-MEDEF corporate governance code which stipulates that directors' compensation should include a significant variable portion. In accordance to the AFEP-MEDEF corporate governance, the directors should be shareholder personally and hold a significant number of shares in relation to the directors' fees. According to the Board's Internal Charter, the significant number of shares is equal to an amount of EUR 10,000 as directors's fees.

It was decided to allocate the directors' fees to each director partly in one fixed sum of EUR 28,000 annually payable at the end of each quarter and partly based on the actual presence of the directors at the meetings of the Board of Directors and of its Committees, in an amount equal to EUR 3,000 per Board or per Committee meeting they attend, except for the Chairmen of the Audit Committee, Risk Committee and Compensation and Nomination Committee, who receive an amount equal to EUR 6,000 for each meeting of the Committee that they chair. Moreover, the individual members of the Board with the exception of the Chairman and Chief Executive Officer and employee officer received on September 8, 2016, EUR 10,000 in SCOR shares.

With the exception of the Chairman and Chief executive Officer and the employee director, the members of the Board are not entitled to Company stock option plans or free share allocation plans, nor any variable compensation other than the directors's fees attributable to their attendance.

No pension contribution (or commitment) has been paid to the directors.

Directors' fees

Fees paid to directors in 2016 and 2015 are broken down as follows:

In EUR	2016	2015
Mr. Denis Kessler (1)	55,000	63,000
Mrs. Michèle Aronvald (2)	39,000	N/A
Mrs. Marguerite Bérard-Andrieu	62,000	63,000
Mr. Thierry Derez	92,000	84,000
Mrs. Vanessa Marquette	83,000	66,000
Mr. Bruno Pfister (2)	70,000	N/A
Mr. Jean-Marc Raby	56,000	60,000
Mr. Augustin de Romanet	80,000	69,000
Malakoff Médéric Group, represented by Guillaume Sarkozy	52,000	44,000
Mrs. Kory Sorenson	101,000	104,000
Mr. Claude Tendil	107,000	105,000
Mrs. Fields Wicker-Miurin	104,000	108,000
Mr. Peter Eckert (3)	41,000	104,000
Mr. Kevin J. Knoer (3)	29,000	56,000
Mr. Gérard Andreck (4)	N/A	22,000
Mr. Andreas Brandstetter (4)	N/A	14,000
Mr. Charles Gave (4)	N/A	28,000
Mrs. Guylaine Saucier (4)	N/A	32,000
Mr. Daniel Valot (4)	N/A	32,000
TOTAL	**971,000**	**1,054,000**

(1) Pursuant to the decision made by the Board of Directors on March 21, 2006, the Chairman and Chief Executive Officer receives directors' fees along with the other members of the Board of Directors of the Company, based on the same conditions for distribution.
(2) Directors appointed by the Ordinary and Extraordinary Shareholders' Meeting of April 27,2016.
(3) Directors whose appointment ended at the Ordinary and Extraordinary Shareholders' Meeting of April 27,2016.
(4) Directors whose appointment ended at the Ordinary and Extraordinary Shareholders' Meeting of April 30,2015.

Moreover, certain current SCOR directors are, or have been, members of the Boards of Directors of subsidiaries of the Group and received directors' fees for 2016 and/or 2015 as follows:

	2016		2015	
SCOR Holding (Switzerland) AG				
Peter Eckert	CHF	5,000	CHF	5,000
SCOR Switzerland AG				
Peter Eckert	CHF	21,000	CHF	23,000
SCOR UK Company Ltd				
Peter Eckert	GBP	40,000	GBP	32,000
SCOR Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000
SCOR Global Life Americas Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000
SCOR Global Life USA Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000

Number of shares held by directors

Article 10 ("Administration") of SCOR SE's bylaws requires that directors own at least one share of the Company during the term of their directorship.

Directors and Officers	Number of shares as at 12/31/2016
Mr. Denis Kessler	1,071,040
Mrs. Michèle Aronvald	3,105
Mrs. Marguerite Bérard-Andrieu	666
Mr. Thierry Derez	1,448
Mrs. Vanessa Marquette	666
Mr. Bruno Pfister	356
Mr. Jean-Marc Raby	666
Mr. Augustin de Romanet	666
Malakoff Médéric Group, represented by Guillaume Sarkozy	5,875,506
Mrs. Kory Sorenson	2,856
Mr. Claude Tendil	4,723
Mrs. Fields Wicker-Miurin	1,448
TOTAL	**6,963,146**

The table below presents the acquisitions, sales, subscriptions or exchanges of SCOR SE shares as well as transactions involving securities linked to SCOR SE carried out by directors and the executive corporate officer in 2016.

Directors and Officers	Operations made in 2016 for a greater amount than EUR 5,000
Mr. Denis Kessler	N/A
Mrs. Michèle Aronvald	N/A
Mrs. Marguerite Bérard-Andrieu	Acquisition of shares for a total amount of EUR 10,000
Mr. Thierry Derez	Acquisition of shares for a total amount of EUR 10,000
Mrs. Vanessa Marquette	Acquisition of shares for a total amount of EUR 10,000
Mr. Bruno Pfister	Acquisition of shares for a total amount of EUR 10,000
Mr. Jean-Marc Raby	Acquisition of shares for a total amount of EUR 10,000
Mr. Augustin de Romanet	Acquisition of shares for a total amount of EUR 10,000
Malakoff Médéric Group, represented by Guillaume Sarkozy	N/A
Mrs. Kory Sorenson	Acquisition of shares for a total amount of EUR 33,820
Mr. Claude Tendil	Acquisition of shares for a total amount of EUR 10,000
Mrs. Fields Wicker-Miurin	Acquisition of shares for a total amount of EUR 10,000

2.2.2. COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

2.2.2.1. PRINCIPLES AND RULES STATED FOR THE DETERMINATION OF COMPENSATION AND IN-KIND BENEFITS FOR THE EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

Governance

The Compensation and Nomination Committee is informed about the compensation policy of the members of the Executive Committee and proposes to the Board of Directors the conditions, the amount and the allocation of the stock-options programs and of the performance shares grant programs of the members of the Executive Committee. Regarding the variable portion of the compensation, it depends, on one hand, on the achievement of individual objectives and, on the other hand, on the achievement of the Group's earnings objective, which is based on return on equity (or ROE).

The members of the Executive Committee do not receive directors' fees in respect of their directorships in companies in which SCOR holds more than 20% of the capital.

Each member of the Executive Committee benefits from the use of a vehicle (or equivalent car allowance) for business purposes.

In the event of a change in control of the Group, if a member of the Executive Committee is dismissed (except for serious or gross misconduct) or if he decides to resign within a twelve-month period, he will benefit from (i) a cash payment equal to the amount of fixed and variable compensation paid to him by the Group for the two financial years prior to his departure, (ii) a cash payment compensating him for his inability to exercise stock options granted prior to his departure date and which he would be unable to exercise due to the vesting period conditions set forth in the applicable stock option plan, in an amount to be determined by an independent expert using the "Black-Scholes" pricing model, and (iii) a cash payment compensating him for the ordinary shares of SCOR SE granted to him for free prior to his departure and which would not vest due to the terms and conditions of the applicable free share allocation plan. The amount of this cash payment is equal to the product of the number of shares concerned multiplied by the average value of the opening prices of the ordinary shares of SCOR SE on the Paris stock exchange during the twenty trading days preceding the date of the change in control.

Pension benefits

Like all senior executives employed in France, the members of the Executive Committee who joined SCOR before June 30, 2008 and are employed in France, are entitled to a guaranteed capped pension plan conditional upon a minimum five years of service with the Group, the payment of which is based on their average compensation over the last five years. This pension plan was closed to employees hired after June 30, 2008.

Executive Committee members that are not employed in France benefit from the collective pension schemes in place in their entity and do not have any specific plan except for members with Swiss contracts who benefit from a specific guaranteed pension plan similar to the one granted to the Executive Committee members employed in France and hired before June 30, 2008.

For COMEX members under French Contracts and hired before June 30, 2008 or under Swiss contracts, the amount of the additional pension guaranteed by the Group varies from 5% to 50% (with a maximum growth of 5% per year) of the average compensation over the last five years, depending on seniority acquired in the Group at retirement. The additional pension guaranteed by the Group is calculated after deductions of the pensions paid out through the compulsory schemes and thus shall in no case exceed 45% of the benchmark compensation.

The pension benefits offered to the members of the Executive Committee who are not French citizens are comparable to the pension benefits offered to those who are French citizens.

The total commitment of the Group for defined benefit pension plans in France, Germany, the United States and Switzerland for the Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 53 million as at December 31, 2016, i.e. 12% of the total commitment of the Group for pension plans of EUR 435 million.

2.2.2.2. COMPENSATION OF THE EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER) FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

The following table presents the aggregate gross compensation in respect of financial years 2016, 2015 and 2014 due and paid to the members of the Executive Committee:

	2016		2015		2014	
In EUR	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	4,774,814	4,774,814	4,635,392	4,656,849	3,706,797	3,657,600
Variable compensation	4,852,734	4,651,568	4,641,844	3,985,793	3,773,543	2,846,332
Premiums/allowances	159,770	160,971	161,963	161,963	96,965	96,935
Gross compensation of the Executive Committee members excluding the executive corporate officer (1)	**9,787,318**	**9,587,353**	**9,439,199**	**8,804,605**	**7,577,305**	**6,600,867**
Denis Kessler	2,674,600	2,938,000	2,946,000	2,499,000	2,480,000	2,558,500
TOTAL EXECUTIVE COMMITTEE	**12,461,918**	**12,525,353**	**12,385,199**	**11,303,605**	**10,057,305**	**9,159,367**

(1) Compared to 2015, in 2016 the compensation of Executive Committee members includes Romain Launay, who joined the Executive Committee on March 1, 2016. Nicolas Tissot left the Executive Committee in 2016. Moreover, the compensation of Executive Committee members disclosed for 2014 did not include the compensation of Philippe Trainar and Gilles Meyer, who left the Executive Committee during 2014.

For information on stock options held by members of the Executive Committee, see Section 2.2.3 – Stock options and performance shares.

2.2.3. STOCK OPTIONS AND PERFORMANCE SHARES

2.2.3.1. STOCK OPTIONS HELD BY THE EXECUTIVE CORPORATE OFFICER AND THE MEMBERS OF THE EXECUTIVE COMMITTEE AS AT DECEMBER 31, 2016

The table below presents the stock option plans granted to the Executive Committee and the executive corporate officer as at December 31, 2016:

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Denis Kessler	46,981	09/16/2005	15.90	746,998	09/16/2009	to	09/15/2015	46,981 (1)
	57,524	09/14/2006	18.30	1,052,689	09/15/2010	to	09/14/2016	57,524 (1)
	55,000	09/13/2007	17.58	966,900	09/13/2011	to	09/12/2017	-
	75,000	05/22/2008	15.63	1,172,250	05/22/2012	to	05/21/2018	-
	125,000	03/23/2009	14.92	1,864,625	03/23/2013	to	03/22/2019	-
	125,000	03/18/2010	18.40	2,300,000	03/19/2014	to	03/18/2020	-
	125,000	03/22/2011	19.71	2,463,750	03/23/2015	to	03/22/2021	-
	125,000	03/23/2012	20.17	2,521,250	03/24/2016	to	03/23/2022	-
	100,000	03/21/2013	22.25	2,225,000	03/22/2017	to	03/21/2023	-
	100,000	03/20/2014	25.06	2,506,000	03/21/2018	to	03/20/2024	-
	100,000	03/20/2015	29.98	2,998,000	03/21/2019	to	03/20/2025	-
	25,000	03/10/2016	31.58	789,500	03/11/2020	to	03/10/2026	-
Total	**1,059,505**			**21,606,962**				**104,505**
Frieder Knüpling	5,000	12/14/2006	21.70	108,500	12/15/2010	to	12/14/2016	5,000
	5,000	09/13/2007	17.58	87,900	09/13/2011	to	09/12/2017	5,000
	15,000	09/10/2008	15.63	234,450	09/10/2012	to	09/09/2018	15,000
	15,000	03/23/2009	14.92	223,755	03/23/2013	to	03/22/2019	15,000
	32,000	03/18/2010	18.40	588,800	03/19/2014	to	03/18/2020	32,000
	40,000	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	18,000
	40,000	03/23/2012	20.17	806,800	03/24/2016	to	03/23/2022	-
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	50,000	03/10/2016	31.58	1,579,000	03/11/2020	to	03/10/2026	-
Total	**322,000**			**7,509,205**				**90,000**
Benjamin Gentsch	50,000	09/13/2007	17.58	879,000	09/13/2011	to	09/12/2017	50,000
	24,000	05/22/2008	15.63	375,120	05/22/2012	to	05/21/2018	-
	32,000	03/23/2009	14.92	477,344	03/23/2013	to	03/22/2019	-
	40,000	03/18/2010	18.40	736,000	03/19/2014	to	03/18/2020	-
	40,000	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	-
	40,000	03/23/2012	20.17	806,800	03/24/2016	to	03/23/2022	-
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
Total	**386,000**			**8,417,464**				**50,000**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Mark Kociancic	4,183	09/14/2006	18.30	76,549	09/15/2010	to	09/14/2016	4,183
	7,000	09/13/2007	17.58	123,060	09/13/2011	to	09/12/2017	7,000
	7,500	09/10/2008	15.63	117,225	09/10/2012	to	09/09/2018	7,500
	7,500	03/23/2009	14.92	111,878	03/23/2013	to	03/22/2019	7,500
	7,500	03/18/2010	18.40	138,000	03/19/2014	to	03/18/2020	-
	7,000	03/22/2011	19.71	137,970	03/23/2015	to	03/22/2021	-
	13,000	03/23/2012	20.17	262,210	03/24/2016	to	03/23/2022	-
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	50,000	03/10/2016	31.58	1,579,000	03/11/2020	to	03/10/2026	-
Total	**243,683**			**6,237,092**				**26,183**
Paolo De Martin	50,000	09/13/2007	17.58	879,000	09/13/2011	to	09/12/2017	-
	36,000	05/22/2008	15.63	562,680	05/22/2012	to	05/21/2018	-
	48,000	03/23/2009	14.92	716,016	03/23/2013	to	03/22/2019	-
	48,000	03/18/2010	18.40	883,200	03/19/2014	to	03/18/2020	-
	48,000	03/22/2011	19.71	946,080	03/23/2015	to	03/22/2021	-
	48,000	03/23/2012	20.17	968,160	03/24/2016	to	03/23/2022	-
	48,000	03/21/2013	22.25	1,068,000	03/22/2017	to	03/21/2023	-
	60,000	03/20/2014	25.06	1,503,600	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	60,000	03/10/2016	31.58	1,894,800	03/11/2020	to	03/10/2026	-
Total	**506,000**			**11,220,336**				**-**
Simon Pearson	7,000	12/14/2006	21.70	151,900	12/15/2010	to	12/14/2016	7,000
	10,000	09/13/2007	17.58	175,800	09/13/2011	to	09/12/2017	10,000
	12,000	09/10/2008	15.63	187,560	09/10/2012	to	09/09/2018	12,000
	10,000	03/23/2009	14.92	149,170	03/23/2013	to	03/22/2019	10,000
	12,000	03/18/2010	18.40	220,800	03/19/2014	to	03/18/2020	-
	10,000	03/22/2011	19.71	197,100	03/23/2015	to	03/22/2021	-
	10,000	03/23/2012	20.17	201,700	03/24/2016	to	03/23/2022	-
	12,000	03/21/2013	22.25	267,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
Total	**203,000**			**5,015,830**				**39,000**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Victor Peignet	20,880	09/16/2005	15.90	331,992	09/16/2009	to	09/15/2015	20,880
	26,147	09/14/2006	18.30	478,490	09/15/2010	to	09/14/2016	26,147
	35,000	09/13/2007	17.58	615,300	09/13/2011	to	09/12/2017	-
	36,000	05/22/2008	15.63	562,680	05/22/2012	to	05/21/2018	-
	48,000	03/23/2009	14.92	716,016	03/23/2013	to	03/22/2019	-
	48,000	03/18/2010	18.40	883,200	03/19/2014	to	03/18/2020	-
	48,000	03/22/2011	19.71	946,080	03/23/2015	to	03/22/2021	-
	48,000	03/23/2012	20.17	968,160	03/24/2016	to	03/23/2022	-
	48,000	03/21/2013	22.25	1,068,000	03/22/2017	to	03/21/2023	-
	60,000	03/20/2014	25.06	1,503,600	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	60,000	03/10/2016	31.58	1,894,800	03/11/2020	to	03/10/2026	-
Total	**538,027**			**11,767,118**				**47,027**
Romain Launay	10,000	03/23/2012	20.17	201,700	03/24/2016	to	03/23/2022	-
	5,000	03/21/2013	22.25	111,250	03/22/2017	to	03/21/2023	-
	3,750	03/20/2014	25.06	93,975	03/21/2018	to	03/20/2024	-
	6,000	03/20/2015	29.98	179,880	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
Total	**64,750**			**1,850,005**				**-**
François de Varenne	7,308	09/16/2005	15.90	116,197	09/16/2009	to	09/15/2015	7,308
	15,688	09/14/2006	18.30	287,090	09/15/2010	to	09/14/2016	15,688
	20,000	09/13/2007	17.58	351,600	09/13/2011	to	09/12/2017	-
	24,000	05/22/2008	15.63	375,120	05/22/2012	to	05/21/2018	-
	32,000	03/23/2009	14.92	477,344	03/23/2013	to	03/22/2019	-
	40,000	03/18/2010	18.40	736,000	03/19/2014	to	03/18/2020	-
	40,000	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	-
	40,000	03/23/2012	20.17	806,800	03/24/2016	to	03/23/2022	-
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
Total	**378,996**			**8,293,351**				**22,996**
GRAND TOTAL	**3,701,961**			**81,917,363**				**379,711**

(1) The options exercised were in the context of a full donation. The shares have not been sold by the executive corporate officer.

The options granted during the financial year ended December 31, 2005 and thereafter are stock subscription option plans.

No options have been granted by a related company as defined by Article L. 225-180 of the French Commercial Code.

The exercise of stock options allocated since 2008 is subject, if necessary, to the satisfaction of performance conditions. Thus, a third of the number of options awarded under the May 22, 2008 plan, half of the options awarded under the March 23, 2009 plan and all the options awarded since the March 18, 2010 plan are subject to the satisfaction of performance conditions. However all the options allocated since the March 23, 2009 plan to the Chairman and Chief Executive Officer are subject to the satisfaction of performance conditions. Please see Section 2.2.3.4 of this Registration Document and respectively Section 2.2.3.4 and Section 17.3 of the 2015 and 2014 Registration Documents filed with the AMF on March 4, 2016 and March 20, 2015 under numbers D.16-0108 and D.15-0181 for the details of the performance conditions applicable to the stock options.

It should be noted that it is not possible to exercise these stock options during the 30 days before publication of the annual or half-year financial statements, or during the 15 days before the publication of SCOR's quarterly financial results.

Moreover, the exercise of stock options by the executive corporate officer and Executive Committee members is subject to clearance to deal in securities of SCOR SE by the General Secretariat.

Stock options granted to the top ten non-officer employees and exercised by them	Number of shares underlying stock options granted/stock options subscribed or purchased	Weighted average price *(in EUR)*	Plans
Number of shares underlying the stock options granted during the financial year by the issuer and by any company included in the scope of allocation of the options to the ten employees of the issuer and of any company included in such scope, whose number of shares thus purchased or granted is the highest (aggregate information)	406,250	31.58	03/10/2016
Number of shares underlying the stock options of the issuer and of the companies referred to above and exercised during the financial year by the ten employees of the issuer or these companies, whose number of options thus purchased or subscribed is the highest (aggregate information)	157,931	18.86	09/14/2006 12/14/2006 09/10/2008 03/23/2009 03/18/2010 03/22/2011 03/23/2012

For more information on the stock option plans, see Appendix C – 5. Notes to the corporate financial statements, Note 12 – Stock options.

2.2.3.2. FREE ALLOCATION OF SHARES TO THE MEMBERS OF THE EXECUTIVE COMMITTEE AND THE EXECUTIVE CORPORATE OFFICER AS AT DECEMBER 31, 2016

The table below presents the share award rights granted to the Chairman and to the Executive Committee members and the executive corporate officer as at December 31, 2016:

	Plan	Share award rights	Price per share *(in EUR)*	Total allocation value *(in EUR)*	Transfer date
Denis Kessler	2004 Plan – Tranche A	18,750	14.40	270,000	01/10/2005
	2004 Plan – Tranche B	-	-	-	11/10/2005
	2004 Plan – Forfeiture – redistribution	26,250	17.97	471,713	09/01/2007
	2005 Plan	45,000	17.97	808,650	09/01/2007
	2006 Plan	55,000	14.88	818,400	07/05/2008
	2007 Plan	80,000	15.17	1,213,600	05/25/2009
	2008 Plan	75,000	17.55	1,316,250	05/08/2010
	2009 Plan	125,000	18.89	2,360,625	03/17/2011
	2010 Plan	125,000	19.82	2,476,875	03/03/2012
	2011 Plan	125,000	22.61	2,826,250	03/08/2013
	2011 – 2019 Long Term Incentive Plan	125,000	-	-	09/02/2017
	2012 Plan	125,000	26.33	3,291,250	05/04/2014
	2013 Plan	125,000	30.60	3,825,000	03/06/2015
	2014 Plan	125,000	32.36	4,044,375	03/05/2016
	2015 Plan	125,000	-	-	03/05/2017
	2016 Plan	125,000	-	-	02/24/2019
	2016 – 2022 Long Term Incentive Plan	75,000	-	-	02/24/2022
Total		**1,500,000**		**23,722,988**	
Frieder Knüpling	2006 Plan	5,000	14.88	74,400	11/24/2008
	2007 Plan	5,000	15.17	75,850	05/25/2011
	2008 Plan	15,000	16.55	248,250	08/27/2012
	2009 Plan	15,000	18.89	283,275	03/17/2013
	2010 Plan	32,000	19.82	634,080	03/03/2014
	2011 Plan	40,000	30.28	1,211,200	03/08/2015
	2011 – 2019 Long Term Incentive Plan	40,000	-	-	09/02/2019
	2012 Plan	40,000	31.22	1,248,800	03/20/2016
	2013 Plan	40,000	-	-	03/06/2017
	2013 – 2021 Long Term Incentive Plan	40,000	-	-	03/06/2021
	2014 Plan	40,000	-	-	03/05/2018
	2015 Plan	40,000	-	-	03/05/2019
	2016 Plan [1]	50,000	-	-	02/24/2019
Total		**402,000**		**3,775,855**	

	Plan	Share award rights	Price per share *(in EUR)*	Total allocation value *(in EUR)*	Transfer date
Benjamin Gentsch	2007 Plan	50,000	15.17	758,500	05/25/2009
	2008 Plan	24,000	17.55	421,200	05/08/2012
	2009 Plan	32,000	18.89	604,320	03/17/2013
	2010 Plan	40,000	19.82	792,600	03/03/2014
	2011 Plan	40,000	30.28	1,211,200	03/08/2015
	2011 – 2019 Long Term Incentive Plan	40,000	-	-	09/02/2019
	2012 Plan	40,000	31.22	1,248,800	03/20/2016
	2013 Plan	40,000	-	-	03/06/2017
	2014 Plan	40,000	-	-	03/05/2018
	2015 Plan	40,000	-	-	03/05/2019
	2016 Plan [(1)]	40,000	-	-	02/24/2019
Total		**426,000**		**5,036,620**	
Mark Kociancic	2006 Plan	4,000	14.88	59,520	07/05/2008
	2007 Plan	7,000	15.17	106,190	05/25/2011
	2008 Plan	7,500	16.55	124,125	08/27/2012
	2009 Plan	7,500	18.89	141,638	03/17/2013
	2010 Plan	7,500	19.82	148,613	03/03/2014
	2011 Plan	7,000	30.28	211,960	03/08/2015
	2011 – 2019 Long Term Incentive Plan	7,000	-	-	09/02/2019
	2012 Plan	13,000	31.22	405,860	03/20/2016
	2013 Plan	40,000	-	-	03/06/2017
	2013 – 2021 Long Term Incentive Plan	40,000	-	-	03/06/2021
	2014 Plan	40,000	-	-	03/05/2018
	2015 Plan	60,000	-	-	03/05/2019
	2016 Plan [(1)]	50,000	-	-	02/24/2019
Total		**290,500**		**1,197,906**	
Paolo De Martin	2007 Plan	50,000	15.17	758,500	05/25/2011
	2008 Plan	36,000	17.55	631,800	05/08/2012
	2009 Plan	48,000	18.89	906,480	03/17/2013
	2010 Plan	48,000	19.82	951,120	03/03/2014
	2011 Plan	48,000	30.28	1,453,440	03/08/2015
	2011 – 2019 Long Term Incentive Plan	48,000	-	-	09/02/2019
	2012 Plan	48,000	31.22	1,498,560	03/20/2016
	2013 Plan	48,000	-	-	03/06/2017
	2013 – 2021 Long Term Incentive Plan	48,000	-	-	03/06/2021
	2014 Plan	60,000	-	-	03/05/2018
	2015 Plan	60,000	-	-	03/05/2019
	2016 Plan [(1)]	60,000	-	-	02/24/2019
Total		**602,000**		**6,199,900**	

	Plan	Share award rights	Price per share *(in EUR)*	Total allocation value *(in EUR)*	Transfer date
Simon Pearson	2006 Plan	7,000	14.88	104,160	11/24/2008
	2007 Plan	10,000	15.17	151,700	05/25/2011
	2008 Plan	12,000	16.55	198,600	08/27/2012
	2009 Plan	10,000	18.885	188,850	03/17/2013
	2010 Plan	12,000	19.815	237,780	03/03/2014
	2011 Plan	10,000	30.28	302,800	03/08/2015
	2011 – 2019 Long Term Incentive Plan	10,000	-	-	09/02/2019
	2012 Plan	10,000	31.22	312,200	03/20/2016
	2013 Plan	12,000	-	-	03/06/2017
	2013 – 2021 Long Term Incentive Plan	12,000	-	-	03/06/2021
	2014 Plan	40,000	-	-	03/05/2018
	2015 Plan	40,000	-	-	03/05/2019
	2015 – 2023 Long Term Incentive Plan	40,000	-	-	03/05/2023
	2016 Plan (1)	40,000	-	-	02/24/2019
Total		**265,000**		**1,496,090**	
Victor Peignet	2004 Plan – Tranche A	7,500	14.40	108,000	01/10/2005
	2004 Plan – Tranche B	-	-	-	11/10/2005
	2004 Plan – Forfeiture – redistribution	10,500	17.97	188,685	09/01/2007
	2005 Plan	20,000	17.97	359,400	09/01/2007
	2006 Plan	25,000	14.88	372,000	07/05/2008
	2007 Plan	35,000	15.17	530,950	05/25/2009
	2008 Plan	36,000	17.55	631,800	05/08/2010
	2009 Plan	48,000	18.89	906,480	03/17/2011
	2010 Plan	48,000	19.82	951,120	03/03/2012
	2011 Plan	48,000	22.61	1,085,280	03/08/2013
	2011 – 2019 Long Term Incentive Plan	48,000	-	-	09/02/2017
	2012 Plan	48,000	24.46	1,174,080	03/20/2014
	2012 Plan (PPP) (2)	5	24.55	123	07/27/2014
	2013 Plan	48,000	30.60	1,468,800	03/06/2015
	2013 – 2019 Long Term Incentive Plan	48,000	-	-	03/06/2019
	2014 Plan	60,000	32.36	1,941,300	03/05/2016
	2014 Plan (PPP) (3)	5	26.33	132	07/31/2016
	2015 Plan	60,000	-	-	12/19/2018
	2016 Plan	60,000	-	-	02/24/2019
Total		**650,010**		**9,718,150**	

	Plan	Share award rights	Price per share (in EUR)	Total allocation value (in EUR)	Transfer date
Romain Launay	2012 Plan	10,000	24.46	244,600	03/20/2014
	2012 Plan (PPP) [(2)]	5	24.55	123	07/27/2014
	2013 Plan	5,000	30.60	153,000	03/06/2015
	2014 Plan	5,000	32.36	161,775	03/05/2016
	2014 Plan (PPP) [(3)]	5	26.33	132	07/31/2016
	2014 – 2020 Long Term Incentive Plan	5,000	-	-	03/05/2020
	2015 Plan	8,000	-	-	12/19/2018
	2016 Plan	40,000	-	-	02/24/2019
Total		**73,010**		**559,629**	
François de Varenne	2005 Plan	7,000	17.97	125,790	09/01/2007
	2006 Plan	15,000	14.88	223,200	11/08/2008
	2007 Plan	20,000	15.17	303,400	05/25/2009
	2008 Plan	24,000	17.55	421,200	05/08/2010
	2009 Plan	32,000	18.89	604,320	03/17/2011
	2010 Plan	40,000	19.82	792,600	03/03/2012
	2011 Plan	40,000	22.61	904,400	03/08/2013
	2011 – 2019 Long Term Incentive Plan	40,000	-	-	09/02/2017
	2012 Plan	40,000	24.46	978,400	03/20/2014
	2012 Plan (PPP) [(2)]	5	24.55	123	07/27/2014
	2013 Plan	40,000	30.60	1,224,000	03/06/2015
	2014 Plan	40,000	32.36	1,294,200	03/05/2016
	2014 Plan (PPP) [(3)]	5	26.33	132	07/31/2016
	2015 Plan	40,000	-	-	12/19/2018
	2016 Plan	40,000	-	-	02/24/2019
	2016 – 2022 Long Term Incentive Plan	40,000	-	-	02/24/2022
Total		**458,010**		**6,871,765**	
GRAND TOTAL		**4,666,530**		**58,578,903**	

(1) These shares are allocated in non-qualified plans.
(2) This collective free share plan is for employees of the Company that are residents in France, under the collective agreement signed on July 20, 2012 as part of the negotiations with the social partners of France, concerning the profit-sharing arrangement established by the July 28, 2011 amending social security finance act for 2011. This plan provides for an identical allocation of five free shares without a presence condition or a performance condition.
(3) This collective free share plan is for employees of the Company that are residents in France, under the collective agreement signed on July 3, 2014 as part of the negotiations with the social partners of France, concerning the profit-sharing arrangement established by the July 28, 2011 amending social security finance act for 2011. This plan provides for an identical allocation of five free shares without a presence condition or a performance condition.

2.2.3.3. POTENTIAL VOLUME OF NEW SHARES FROM OUTSTANDING SHARE-BASED COMPENSATION PLANS AS OF DECEMBER 31, 2016

The potential volume of new shares from outstanding share-based compensation plans stood at 7,915,286 shares as of December 31, 2016, broken down as follows:

Potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments	7,915,286
• of which number of potential new shares from outstanding stock option plans (options allocated but not vested + options vested but not exercised)	6,416,036
• of which number of potential new shares from outstanding free share plans (free shares allocated but not vested) (1)	-
• of which number of potential new shares from outstanding warrants	-
• of which unused authorizations still outstanding (2)	1,499,250

(1) The free share allocation plans currently in force only allocate outstanding shares.
(2) Authorization granted by the Shareholders' Meeting of April 27, 2016 in its 19th resolution (stock options).

Notably, no new shares will be issued in relation to outstanding share-based compensation in the form of free shares, as these shares are derived exclusively from the purchase of existing shares and not from the issuance of new shares.

If, nonetheless, free shares were taken into account in the calculation of the potential volume of new shares from outstanding share-based compensation, this theoretical volume (which corresponds to outstanding shares or new shares to be issued) would stand at 18,340,410 at December 31, 2016, due to the addition of (i) outstanding free share allocation plans (shares allocated but not vested at December 31, 2016, i.e. 7,435,824 shares) and, (ii) the unused part of the authorization granted by the Shareholders' Meeting of April 27, 2016 in its 25th resolution concerning the free allocation of outstanding shares (2,989,300 shares).

The Company's fully diluted issued share capital, as defined below, stood at 243,528,456 shares as of December 31, 2016, broken down as follows:

Fully diluted issued share capital	243,528,456
• of which total shares comprising the share capital	192,523,910
• of which number of potential new shares from outstanding options	6,416,036
• of which number of potential new shares from outstanding free shares (1)	-
• of which number of potential new shares from outstanding warrants	-
• of which potential shares from other securities convertible or redeemable into new shares (2) (3)	44,588,510

(1) The free share allocation plans currently in force only allocate outstanding shares.
(2) 25,390,466 shares underlying the warrants issued on December 20, 2013 to UBS under the contingent capital facility with an exercise period expiring on April 28, 2017.
(3) 19,198,044 shares underlying the warrants issued on December 16, 2016 to BNP Paribas under the contingent capital facility with an exercise period starting on January 1st, 2017 and expiring on May 1st, 2020.

If, despite the absence of the dilutive effect mentioned above, free shares were taken into account in the calculation of the potential volume of new shares from outstanding share-based compensation plans, the fully diluted share capital would stand at 253,953,580 at December 31, 2016.

Thus, as at December 31, 2016, the potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments stands at 3.25% of the fully diluted share capital.

If free shares were taken into account in the calculation of the potential volume of new shares from outstanding share-based compensation plans and in the calculation of the fully diluted share capital, this theoretical volume (which corresponds to outstanding shares or new shares to be issued) would stand at 7.22% of the fully diluted share capital at December 31, 2016.

2.2.3.4. PLANS PROVIDING EMPLOYEE PROFIT SHARING

See Section 4.6 – Notes to the consolidated financial statements, Note 17 – Provisions for employee benefits and Appendix C – 5 – Notes to the corporate financial statements, Note 13 – Employee share-ownership plans.

Stock option plans

Pursuant to provisions of Article L. 225-184 of the French Commercial Code, information provided in this section constitutes the special report of the Board of Directors on the allocation of share subscription options in order to inform the General Meeting of transactions completed under the provisions of Articles L. 225-177 to L. 225-186-1 of the same code.

On April 30, 2015, the Shareholders' Meeting authorized the Company's Board of Directors, in its twenty-fourth resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, to grant, upon proposal of the Compensation and Nomination Committee, on one or more occasions for the benefit of employees of the Company and companies or groups linked to it in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options granting the right to the subscription of new ordinary shares of the Company in issue so as to increase its capital, as well as options granting the right to purchase shares of the Company from acquisitions made by it as provided by law and within the limits of a number of options giving right to a maximum of one million five hundred thousand (1,500,000) shares. This authorization was given for a period of 24 months from April 30, 2015 and cancelled and replaced, for the unused portion thereof, the previous authorization of May 6, 2014.

On April 27, 2016, the Shareholders' Meeting authorized the Company's Board of Directors, in its nineteenth resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, to grant, upon proposal of the Compensation and Nomination Committee, on one or more occasions for the benefit of employees of the Company and companies or groups linked to it in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options granting the right to the subscription of new ordinary shares of the Company in issue so as to increase its capital, as well as options granting the right to purchase shares of the Company from acquisitions made by it as provided by law and within the limits of a number of options giving right to a maximum of one million five hundred thousand (1,500,000) shares. This authorization was given for a period of 24 months from April 27, 2016 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 30, 2015.

Moreover, it should be noted that SCOR is committed to the neutral impact of each stock option allocation in terms of dilution. To achieve this, SCOR's policy is to systematically neutralize, insofar as possible, the potential dilutive impact that could result from the issuance of new ordinary shares following the exercise of stock options, by covering the exposure resulting from the issuance of stock options through the purchase of ordinary shares under its share buyback program, and by cancelling the treasury shares thus acquired as the options are exercised. Thus, there is no dilution of capital with regard to the granting of stock options.

March 10, 2016 stock option plan

Following the authorization by the Shareholders' Meeting on April 30, 2015, the Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to allocate, on March 10, 2016, stock options to the Chairman and Chief Executive Officer, to members of the Executive Committee and to the most senior Partners (Executive Global Partners and Senior Global Partners).

The Partners are key executives, managers, experts, and high potential employees formally identified across the Group. Partners are given specific responsibilities in terms of significant achievements, high impact project management and/or leadership. Therefore, they benefit from a specific and selective program in terms of information sharing, career development and compensation schemes. Partners represent approximately 25% of the total number of employees in the Group.

The Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to allocate 25,000 stock options to the Chairman and Chief Executive Officer and 340,000 stock options to the other members of the Executive Committee on March 10, 2016.

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on February 23, 2016 for the implementation of this plan, allocated on March 10, 2016, 264,118 stock options to 59 Partners (Executive and Senior Global Partners).

Refer to the Section 2.2.3.1 of the present Reference Document for the details of the stock options allocated to the members of the Executive Committee.

Those options can be exercised at the earliest four years after the grant date, if the presence condition (four years) is respected. The exercise price is calculated without a discount, based on the weighted average price of SCOR's shares on Euronext Paris over the 20 trading days preceding the grant date. The stock options can be exercised on one or more occasions from March 11, 2020 to March 10, 2026 inclusive. From this date, the purchase right shall expire.

The exercise of all of the stock options allocated in 2016 is subject to performance conditions.

The final vesting of half of the options granted is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of March 10, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until March 10, 2020 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over 2 years (from January 1, 2016 to December 31, 2017) is equal to the average SCOR ROE strategic target (the "Target ROE") over the period.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) is lower or higher than the Target ROE, the options will vest in accordance with the progressive scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options finally vested via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

The final vesting of the remaining half of the options is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of March 10, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until March 10, 2020 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over two years (from January 1, 2016 to December 31, 2017) is at least equal to the average of the SCOR solvency strategic target over the same period (the "Target Solvency Ratio" (1)).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower or higher than the Target Solvency Ratio, the options will vest in accordance with the progressive scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the options finally vested in line with this criterion
Higher than or equal to 0 percentage points	100%
Between 0 and up to -35 percentage points	Linear degressive scale
Lower than or equal to -35 percentage points	0%

The level of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

December 1, 2016 stock option plan

Following the authorization by the Shareholders' Meeting on April 27, 2016, the Company's Board of Directors' meeting of October 26, 2016, on the proposal of the Compensation and Nomination Committee meeting of October 26, 2016, decided to allocate, on December 1, 2016 a specific plan to Senior Global Partners hired after February 23, 2016.

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on October 26, 2016, for the implementation of this plan, allocated 750 stock options to 1 Partner (Senior Global Partner) on December 1, 2016.

Those options can be exercised four years after the grant date at the earliest, if the presence condition (four years) is respected. The exercise price is calculated without a discount, based on the closing price of SCOR SE's shares on the day before the grant date. The stock options can be exercised on one or more occasions from December 1, 2020 to December 1, 2026 inclusive. From this date, purchase rights shall expire.

The exercise of all of the stock options allocated in 2016 is subject to performance conditions.

The final vesting of half of the options granted is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of December 1, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until December 1, 2020 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over 3 years (from January 1, 2016 to December 31, 2018) is equal to the average SCOR ROE strategic target (the "Target ROE") over the period.

(1) If the strategic plan sets a target or "optimal" interval, the measurement below this interval is considered for calculation purposes as being the Target Solvency Ratio.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) is lower or higher than the Target ROE, the options will vest in accordance with the progressive scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options finally vested via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

The final vesting of the remaining half of the options is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of December 1, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until December 1, 2020 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over 3 years (from January 1, 2016 to December 31, 2018) is at least equal to the average of the SCOR solvency strategic target over the same period (the "Target Solvency Ratio" [1]).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower or higher than the Target Solvency Ratio, the options will vest in accordance with the progressive scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the options finally vested in line with this criterion
Higher than or equal to 0 percentage points	100%
Between 0 and up to -35 percentage points	Linear degressive scale
Lower than or equal to -35 percentage points	0%

The level of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

The table below presents the total number of stock options allocated in 2015 and 2016 by category within the Group:

	Total number of stock options allocated in 2016	Total number of beneficiaries in 2016	Total number of stock options allocated in 2015	Total number of beneficiaries in 2015
Corporate officer [1]	25,000	1	100,000	1
Members of the Executive Committee	340,000	7	380,000	8
Partners	264,868	60	232,131	60
TOTAL	**629,868**	**68**	**712,131**	**69**

(1) Chairman and Chief Executive Officer.

A table showing features of the SCOR stock option plans can be found in Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations.

(1) If the strategic plan sets a target or "optimal" interval, the measurement below this interval is considered for calculation purposes as being the Target Solvency Ratio.

Achievement of the performance conditions of the stock options plans vested in 2016

In 2016, the Compensation and Nomination Committee acknowledged the validation of all the performance conditions attached to the 2014 stock option plans as defined in the 2014 Registration Document, bringing the share acquisition rate to 100%. In addition to the performance conditions described below, the absolute appliance of Group's ethical principles as described in the Code of Conduct of SCOR Group is required.

Performance condition	Actual ratio	Achievement
Solvency ratio at the end of each quarter ≥ 150% in 2014 and 2015	Ratio above 185% each quarter	Yes
SCOR Global P&C's combined ratio ≤ 100% on average in 2014 and 2015	91.25%	Yes
SCOR Global Life's technical margin ≥ 3% on average in 2014 and 2015	7.15%	Yes
ROE SCOR > 1000 points above the risk-free rate on average in 2014 and 2015	1,014.5 bps	Yes

Free share allocation plans

Pursuant to provisions of Article L. 225-197-4 of the French Commercial Code, information provided in this section constitutes the special report of the Board of Directors on the allocation of existing free shares in order to inform the General Meeting of transactions completed under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the same code.

On December 18, 2015, in its first resolution and on the proposal of the Compensation and Nomination Committee, the Extraordinary Shareholders' Meeting of the Company, authorized the Company's Board of Directors, under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to grant, on one or more occasions, to employees of the Company and of companies or groups affiliated to it pursuant to Article L. 225-197-2 of the French Commercial Code, as well as to corporate officers, as referred to in Article L. 225-197-1-II of the French Commercial Code, excluding the Chairman and Chief Executive Officer for any free share allocations approved under this resolution in 2015, free allocations of existing Company shares. The Extraordinary Shareholders' Meeting resolved that the Company's Board of Directors would identify the beneficiaries of such share allocations, and define the associated conditions and criteria.

The Extraordinary Shareholders' Meeting also decided that (i) the total number of free shares granted under this authorization may not exceed 3,000,000 shares, (ii) the allocation of shares to their beneficiaries will be definitive only after a vesting period of a minimum set at three years, (iii) the beneficiaries will no longer be subject to an obligation to hold the shares, and (iv) the Company's Board of Directors will have the authority to increase the length of the vesting period.

This authorization was given for a period of twenty-four months from December 18, 2015, the date of the Shareholders' Meeting, and canceled and completely replaced the previous authorization of April 30, 2015, in order to give French tax resident employees the opportunity to take advantage of the "Macron Law" benefits.

On April 27, 2016, the Shareholders' Meeting of the Company, in its twenty-fifth resolution, authorized the Company's Board of Directors, under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to grant, upon a proposal of the Compensation and Nomination Committee, on one or more occasions, to employees of the Company and of companies or groups affiliated with it pursuant to Article L. 225-197-2 of the French Commercial Code, as well as the executive corporate officer, free allocations of existing or yet-to-be-issued shares of the Company and resolved that the Company's Board of Directors would determine the identity of the beneficiaries of the allocation and the conditions and criteria for the allocation of the shares.

The Ordinary and Extraordinary Shareholders' Meeting also decided that (i) the total number of free shares granted under this authorization may not exceed 3,000,000 shares, (ii) the allocation of shares to their beneficiaries will be definitive only after a vesting period of a minimum set at three years (iii) the beneficiaries will no longer be subject to an obligation to hold the shares, that the Shareholder's meeting decided to delete.

This authorization was given for a period of twenty-four months from April 27, 2016, and canceled and replaced the previous authorization of December 18, 2015 for the unused portion thereof.

Moreover, these resolutions set forth that each performance share allocation should have a neutral impact in terms of dilution. To achieve this, performance share allocation plans have to be covered through the allocation of existing shares taken from the treasury shares held by the Company under its share buyback program, and not via the creation of new shares. This, there is no dilution regarding the granting of performance shares.

February 23, 2016 performance shares

Following the authorization given by the Extraordinary Shareholders' Meeting on December 18, 2015, the Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to grant performance shares to the Chairman and Chief Executive Officer, to the French tax resident members of the Executive Committee, and to the other French tax resident Partners.

The Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to allocate 125,000 performance shares to the Chairman and Chief Executive Officer and 100,000 performance shares to the French tax resident members of the Executive Committee.

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on February 23, 2016 for the implementation of this plan, allocated on February 23, 2016, 448,260 performance shares to the other French tax resident Partners and to specific Non Partners (270 beneficiaries).

In agreement with the Board of Directors, the Chairman and Chief Executive Officer has granted, under a non-qualified plan, on February 23, 2016, 240,000 performance shares to the non-French tax residents members of the Executive Committee, and 754,328 performance shares to the other non-French tax resident Partners of the Group and to Specific Non Partners (503 beneficiaries).

Refer to the Section 2.2.3.1 of the present Reference Document for the details of the performance shares granted to the members of the Executive Committee.

The conditions of the plan provide for a vesting period of three years for all beneficiaries. There is no longer an obligation to hold shares for a period of two years after the vesting period for tax residents in France.

All the shares awarded to the Chairman and Chief Executive, to the Executive Committee members, to the Executive Global Partners and Senior Global Partners and half of the allocations awarded to the other Partners (below Senior Global Partners), are subject to the satisfaction of performance conditions.

The performance conditions are defined as follows.

The final vesting of half of the shares granted to Executive Global Partners or Senior Global Partners and half of 50% of the shares granted for other Partners (below Senior Global Partners) is now subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of February 23, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until February 23, 2019 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over three years (from January 1, 2016 to December 31, 2018) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) is lower or higher than the Target ROE, the shares will vest according to the progressive scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

The final vesting of half of the shares granted to Executive Global Partners or Senior Global Partners and half of 50% of the shares granted for other Partners (below Senior Global Partners) is now subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of February 23, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until February 23, 2019 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over three years (from January 1, 2016 to December 31, 2018) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" [(1)]).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower than the Target Solvency Ratio, the shares will vest according to the progressive scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested in line with this criterion
Higher than or equal to 0 percentage points	100%
Between 0 and up to -35 percentage points	Linear degressive scale
Lower than or equal to -35 percentage points	0%

The level of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

(1) If the strategic plan sets a target or "optimal" interval, the measurement below this interval is considered for calculation purposes as being the Target Solvency Ratio.

February 23, 2016 Long Term Incentive Plan

Following the authorization by the Shareholders' Meeting on December 18, 2015, the Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meeting of February 9, 2016 and February 22, 2016, decided to allocate a SCOR Long Term Incentive Plan (LTIP), to selected managers and executives of the Group in order to ensure the retention of key employees. The performance conditions measurement period of this LTIP is set at six years.

This compensation scheme reflects best market practices and aims to involve and unite SCOR's key employees in the Group's long-term development. The LTIP is entirely based on SCOR performance shares.

The Company's Board of Directors' meeting of February 23, 2016, on the proposal of the Compensation and Nomination Committee meetings of February 9, 2016 and February 22, 2016, decided to allocate 75,000 performance shares to the Chairman and Chief Executive Officer and 40,000 performance shares to a French tax resident member of the Executive Committee.

Refer to the Section 2.2.3.1 of the present Reference Document for the details of the performance shares granted to the member of the Executive Committee.

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on February 23, 2016 for the implementation of this plan, allocated on February 23, 2016, 66,060 performance shares to 22 French tax resident Partners of the Company.

In agreement with the Board of Directors, the Chairman and Chief Executive Officer granted, under a non-qualified "LTIP" plan, on February 23, 2016, 76,672 performance shares to the 34 non-French tax resident Partners of the Group.

All the shares under the LTIP are subject to the satisfaction of a presence condition and of performance conditions. The performance conditions are defined as follows.

The final vesting of half of the shares granted is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the "LTIP" Plan of February 23, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until February 23, 2022 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over six years (from January 1, 2016 to December 31, 2021) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) is lower or higher than the Target ROE, the shares will vest according to the progressive scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

The final vesting of the remaining half of the shares is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the "LTIP" Plan of February 23, 2016 are fulfilled and in particular that the beneficiary remains employee or Corporate Officer of the SCOR Group until February 23, 2022 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over six years (from January 1, 2016 to December 31, 2021) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" [1]).

(1) If the strategic plan sets a target or "optimal" interval, the measurement below this interval is considered for calculation purposes as being the Target Solvency Ratio.

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower than the Target Solvency Ratio, the shares will vest according to the progressive scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested in line with this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear degressive scale
Lower than or equal to -35 percentage points	0%

The level of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

The conditions of the LTIP provide for a vesting period of six years for all beneficiaries. There is no obligation to hold the shares after the vesting period.

December 1, 2016 performance shares

Following the authorization given by the Extraordinary Shareholders' Meeting on April 27, 2016, the Company's Board of Directors' meeting of October 26, 2016, on the proposal of the Compensation and Nomination Committee meeting of October 26, 2016, decided to grant on December 1, 2016 performance shares to certain French tax resident Partners hired after February 23, 2016, included employees of Designate partner status with promises at hiring.

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on October 26, 2016 for the implementation of this plan, allocated on December 1, 2016, 10,700 performance shares to 9 French tax resident Partners.

In agreement with the Board of Directors, the Chairman and Chief Executive Officer has granted, under a non-qualified plan, on December 1, 2016 23,364 performance shares to 18 non-French tax resident Partners of the Group.

The conditions of the plan provide for a vesting period of three years for all beneficiaries. There is no longer an obligation to hold shares for a period of two years after the vesting period for tax residents in France.

All the shares awarded to the Executive Global Partners and Senior Global Partners and half of the allocations awarded to the other Partners (below Senior Global Partners), are subject to the satisfaction of performance conditions (for the description of performance conditions, refer to Section 2.2.3.4.2 – February 23, 2016 Performance Shares).

The table below presents the total number of shares allocated in 2015 and 2016 by category within the Group, all types of plans included:

	Total number of LTIP shares allocated in 2016	Total number of beneficiaries of LTIP in 2016	Total number of shares allocated in 2016 (excluding LTIP)	Total number of beneficiaries in 2016 (excluding LTIP)	Total number of LTIP shares allocated in 2015	Total number of beneficiaries of LTIP in 2015	Total number of shares allocated in 2015 (excluding LTIP)	Total number of beneficiaries in 2015 (excluding LTIP)
Corporate officer (1)	75,000	1	125,000	1	-	-	125,000	1
Members of the Executive Committee	40,000	1	340,000	7	40,000	1	380,000	8
Partners	139,480	51	1,178,164	650	106,432	34	1,217,238	702
Non Partners	3,252	5	58,488	150	-	-	154,425	1,575
TOTAL	**257,732**	**58**	**1,701,652**	**808**	**146,432**	**35**	**1,876,663**	**2,286**

(1) Chairman and Chief Executive Officer.

Achievement of the performance conditions of the free shares plans vested in 2016

In 2016, the Compensation and Nomination Committee acknowledged the validation of all the performance conditions attached to the 2014 performance share plans as defined in the 2014 Registration Document, bringing the share acquisition rate to 100%.

In addition of the performance conditions described below, the absolute appliance of Group's ethical principles as described in the Code of Conduct of SCOR Group is required.

Performance condition	Actual ratio	Achievement
Solvency ratio at the end of each quarter ≥ 150% in 2014 and 2015	Ratio above 185% each quarter	Yes
SCOR Global P&C's combined ratio ≤ 100% on average in 2014 and 2015	91.25%	Yes
SCOR Global Life's technical margin ≥ 3% on average in 2014 and 2015	7.15%	Yes
ROE SCOR > 600/1000 points above the risk-free rate on average in 2014 and 2015 *(1000 points for Senior Global Partners and Executive Global Partners or 600 points for Associate partners and Global Partners)*	1,014.5 bps	Yes

The following table shows the free shares plans currently in force within the Group.
It should be noted that the source of shares to be allocated to these plans is treasury stock.

The plans in which shares have finally vested and for which the holding period ended on December 31, 2015, are not presented below.

Date of General Meeting	Date of Board of Directors meeting	Total number of shares allocated	Of which to Corporate officers	Date of share acquisition	End of the holding period	Number of shares exercised as of December 31	Number of shares cancelled as of December 31	Number of shares outstanding as of 12/31/2016
April 27, 2016	October 26, 2016	10,700 (1)	-	12/02/2019	12/01/2019	-	-	10,700
		23,364 (1) (2)	-	12/02/2019	12/01/2019	-	-	23,364
December 18, 2015	February 23, 2016	181,060 (1)	75,000	02/24/2022	02/23/2022	-	-	181,060
		76,672 (1) (2)	-	02/24/2022	02/23/2022	-	-	76,672
		673,260 (1)	125,000	02/24/2019	02/23/2019	-	-	673,260
		994,328 (1) (2)	-	02/24/2019	02/23/2019	-	-	994,328
December 18, 2015	December 18, 2015	30,752 (1)	-	12/19/2021	12/18/2021	-	-	30,752
		75,680 (1) (2)	-	12/19/2021	12/18/2021	-	-	75,680
December 18, 2015	December 18, 2015	549,224 (1)	-	12/19/2018	12/18/2018	-	40,840	508,384
		808,014 (1) (2)	-	12/19/2018	12/18/2018	500	24,060	783,454
		42,105	-	12/19/2018	12/18/2018	-	2,410	39,695
		112,320 (1)	-	12/19/2018	12/18/2018	100	12,225	99,995
May 6, 2014	March 4, 2015	125,000 (1)	125,000	03/05/2017	03/04/2019	-	-	125,000
		240,000 (1)	-	03/05/2019	03/04/2019	-	-	240,000
May 6, 2014	March 4, 2015	40,000 (1)	-	03/06/2021	03/05/2023	-	-	40,000
May 6, 2014	November 5, 2014	7,000 (1)	-	12/02/2017	12/01/2019	-	1,000	6,000
		26,000 (1)	-	12/02/2019	12/01/2019	-	4,000	22,000
		27,500 (1)	-	11/06/2018	11/05/2018	-	2,500	25,000
		7,500 (1)	-	11/06/2016	11/05/2018	7,500	-	-
May 6, 2014	July 30, 2014	3,490	-	07/31/2016	07/30/2018	3,485	5	-
April 25, 2013	March 4, 2014	88,500 (1)	-	03/05/2022	03/04/2022	-	2,000	86,500
		31,500 (1)	-	03/05/2020	03/04/2022	-	-	31,500
		147,965	-	03/05/2018	03/04/2018	550	13,840	133,575
		51,785	-	03/05/2016	03/04/2018	48,575	3,210	-
		1,115,730 (1)	-	03/05/2018	03/04/2018	225	61,050	1,054,455
		589,550 (1)	125,000	03/05/2016	03/04/2018	587,000	2,550	-
April 25, 2013	December 18, 2013	28,000 (1)	-	12/19/2018	12/18/2018	-	24,000	4,000
		9,500 (1)	-	12/19/2016	12/18/2018	8,000	1,500	-
April 25, 2013	November 5, 2013	13,500 (1)	-	11/06/2017	11/05/2017	-	-	13,500
		61,200 (1)	-	11/06/2015	11/05/2017	61,200	-	-
April 25, 2013	October 2, 2013	287,500 (1)	-	10/03/2017	10/02/2017	-	4,000	283,500
		16,800	-	10/03/2017	10/02/2017	-	1,600	15,200
May 3, 2012	March 5, 2013	232,500 (1)	-	03/06/2021	03/05/2021	-	2,500	230,000
		85,500 (1)	-	03/06/2019	03/05/2021	-	5,000	80,500
		878,450 (1)	-	03/06/2017	03/05/2017	-	23,200	855,250
		528,600 (1)	125,000	03/06/2015	03/05/2017	514,700	13,900	-

Date of General Meeting	Date of Board of Directors meeting	Total number of shares allocated	Of which to Corporate officers	Date of share acquisition	End of the holding period	Number of shares exercised as of December 31	Number of shares cancelled as of December 31	Number of shares outstanding as of 12/31/2016
May 3, 2012	October 30, 2012	24,000 (1)	-	10/31/2016	10/30/2016	22,500	1,500	-
		74,400 (1)	-	10/31/2014	10/30/2016	70,900	3,500	-
May 3, 2012	July 26, 2012	57,500 (1)	-	07/27/2018	07/26/2020	-	-	57,500
		51,000 (1)	-	07/27/2020	07/26/2020	-	-	51,000
		3,180	-	07/27/2014	07/26/2016	3,165	15	-
May 3, 2012	May 3, 2012	125,000 (1)	125,000	05/04/2014	05/03/2016	125,000	-	-
May 4, 2011	March 19, 2012	1,103,750 (1)	-	03/20/2016	03/19/2016	-	86,000	1,017,750
		418,950 (1)	-	03/20/2014	03/19/2016	418,250	700	-
		122,590	-	03/20/2016	03/19/2016	-	10,080	112,510
		45,650	-	03/20/2014	03/19/2016	43,890	1,760	-
May 4, 2011	July 27, 2011	415,500 (1)	125,000	09/02/2017	09/01/2019	-	91,000	324,500
		297,500 (1)	-	09/02/2019	09/01/2019	242,000	55,500	-
April 28, 2010	March 7, 2011	663,480 (1)	125,000	03/08/2013	03/07/2017	609,980	53,500	-
		687,060 (1)	-	03/08/2015	03/07/2017	660,710	8,850	17,500

(1) The acquisition of these shares is subject to performance conditions. The performance shares granted before the Extraordinary Shareholders' meeting of December 18, 2015 are subject, for half of the grant or all of the grant, depending on the employee's level within the organization, to performance conditions relating to the solvency ratio, the combined ratio of SCOR SE, the technical margin of SCOR Global life and the ROE. Since the Extraordinary Shareholders' meeting of December 18, 2015, the performance conditions relate to the ROE and the Solvency Ratio. All the performance shares granted since 2011 as part of LTIP plans are subject to ROE and Solvency ratio performance conditions. The performance conditions are assessed after a 2-year vesting period for performance shares granted before the Extraordinary Shareholders' meeting of December 18, 2015, after a 3-year vesting period for performance shares granted as of the Extraordinary Shareholders' meeting of December 18, 2015, and after a 6-year vesting period for all LTIP performance shares. The acquisition rates for performance shares definitively acquired as at December 31, 2016 are 100%.

(2) These shares are allocated under non-qualified plans.

See also Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations.

Since the implementation of free share plans in 2004, 21,133,418 shares have been allocated, all types of plans included.

During 2016, the rights vested by the ten employees of the Company and of any company included in the scope of consolidation with the highest number of shares thus obtained represent 321,010 shares. Those rights concerned, for tax residents of France, the free share allocation plans of March 4, 2014 and July 30, 2014 whose transfer occurred on March 5, 2016 and July 31, 2016, and for non-French tax residents, and the free share allocation plan of March 19, 2012 whose transfer occurred on March 20, 2016.

Stock option plans currently in force within the Group

For a list of the stock options plans currently in force within the Group see Appendix C – 5. Notes to the corporate financial statements, Note 12 – Stock options.

For the number of stock options of the issuer and of the companies referred to previously and exercised during the financial year by the ten employees of the issuer or these companies, with the highest number of shares thus purchased or subscribed, as well as the stock options granted during the financial year by the issuer and by any company included in the scope of allocation of the options to the ten employees of the issuer and of any company included in such scope with the highest number of stock options thus granted, see the table in Section 2.2.3.1 – Stock options held by the executive corporate officer and the members of the Executive Committee as at December 31, 2016.

Employee savings plan

The employees with a French work contract (excluding corporate officers) may invest in the employee savings plan. An agreement specifies the principle, financing, and conditions of the plan. The employee savings plan has five mutual investment funds, one of which is entirely dedicated to SCOR employees. An employer's contribution is provided for on two funds. Sums may be transferred into the funds in several different ways: sums received from profit-sharing plans, collective incentive plans, or any other voluntary contributions.

On April 27, 2016, the Ordinary and Extraordinary Shareholders' Meeting of the Company, in its twenty-first resolution, delegated its authority to the Company's Board of Directors in order to increase the share capital by issuing shares reserved for employees of the Company and of French and foreign companies affiliated with it pursuant to Article L. 225-180 of the French Commercial Code, who are participants in savings plans and/or mutual funds. This new authorization replaces the authorization granted by the Shareholders' Meeting of April 30, 2015.

As at the date of the Registration Document, the Company's Board of Directors has not exercised this delegation of authority. This authorization was granted for a period of eighteen months as from the date of the Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016.

2.3. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

2.3.1. CAPITAL OWNERSHIP

2.3.1.1. SIGNIFICANT SHAREHOLDERS KNOWN TO SCOR

Every quarter, SCOR conducts "TPI" ("Titres aux Porteurs Identifiables") searches to find out the number and identity of its bearer shareholders.

As of December 31, 2016, SCOR's shareholders are mainly institutional as they represent 82% of SCOR's share capital. Institutional shareholders come mainly from Europe (64%), the United States (31%) and Asia (4%). The rest of the share capital is split between treasury shares (4%), employees (4%), retail (3%), brokerage (3%) and others (4%).

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers (TPI) conducted by the Company as at December 31, 2016):

As at 12/31/2016	Number of shares	% of capital	% voting rights (1)
Groupe Covea	15,767,803	8.19%	8.53%
Tweedy, Browne Company LLC	9,271,104	4.82%	5.02%
Alecta Kapitalförvaltning AB	8,000,000	4.16%	4.33%
Malakoff Médéric (2)	5,875,506	3.05%	3.18%
Allianz Global Investors GmbH	5,807,265	3.02%	3.14%
BlackRock Institutional Trust Company (3)	5,739,523	2.98%	3.11%
Norges Bank Investment Management	4,832,929	2.51%	2.61%
Treasury Shares	7,679,482	3.99%	
Employees (4) (5)	6,861,616	3.56%	3.71%
Others	122,688,682	63.73%	66.37%
TOTAL	**192,523,910**	**100.00%**	**8.53%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) Member of the Board of Directors.
(3) BlackRock Inc's aggregated number of shares, including BlackRock Institutional Trust Company, amounted to 10,545,559 representing 5.48% of the capital and 5.71% of the voting rights.
(4) Employee shares carrying voting rights, excluding sold or transferred employee shares.
(5) This shareholding notably includes performance shares granted in accordance with the authorizations of the SCOR SE Shareholders' Meeting, prior to the publication of Law No. 2015-990 of August 6, 2015 and held as registered shares by employees as at December 31, 2016. Employee shareholdings, as defined in Article L.225-102 of the French Commercial Code, amount to 0.36% of the capital and 0.38% of voting rights.

Source: TPI and Nasdaq.

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers ("Titres aux Porteurs Identifiables" – "TPI") conducted by the Company as at December 31, 2015:

As at 12/31/2015	Number of shares	% of capital	% voting rights (1)
Sompo Japan Nipponkoa Holdings	15,000,000	7.79%	8.06%
Tweedy, Browne Company LLC	8,830,889	4.58%	4.75%
Alecta Kapitalförvaltning AB	8,000,000	4.15%	4.30%
Malakoff Médéric (2)	5,875,506	3.05%	3.16%
Epoch Investment Partners, Inc	5,817,534	3.02%	3.13%
BlackRock Institutional Trust Company (3)	5,084,380	2.64%	2.73%
Allianz Global Investors Europe GmbH	4,691,174	2.44%	2.52%
Treasury Shares	6,661,000	3.46%	0.00%
Employees (4) (5)	6,055,471	3.14%	3.26%
Others	126,637,141	65.73%	68.09%
TOTAL	**192,653,095**	**100.00%**	**100.00%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) Member of the Board of Directors.
(3) BlackRock Inc's aggregated number of shares, including BlackRock Institutional Trust Company, amounted to 9,772,590 representing 5.07% of the capital and 5.25% of the voting rights.
(4) Employee shares carrying voting rights, excluding sold or transferred employee shares.
(5) This shareholding notably includes performance shares granted in accordance with the authorizations of the SCOR SE Shareholders' Meeting, prior to the publication of Law No. 2015-990 of August 6, 2015 and held as registered shares by employees as at December 31, 2015. Employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 0.34% of the capital and 0.35% of voting rights.

Source: TPI and Thomson One

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers ("Titres aux Porteurs Identifiables" – "TPI") conducted by the Company as at December 10, 2014; there has been no significant change in the distribution of capital between December 10, 2014 and December 31, 2014):

As at 12/31/2014	Number of shares	% of capital	% voting rights (1)
Patinex AG	15,000,000	7.78%	8.06%
Tweedy, Browne Company LLC	9,919,884	5.15%	5.33%
Alecta Kapitalförvaltning AB	8,000,000	4.15%	4.30%
Malakoff Médéric (2)	5,875,506	3.05%	3.16%
Allianz Global Investors Europe GmbH	5,030,476	2.61%	2.70%
Epoch Investment Partners, Inc	4,920,994	2.55%	2.64%
Treasury Shares	6,593,132	3.42%	0.00%
Employees (3)	5,529,173	2.87%	2.97%
Others	131,822,314	68.42%	70.84%
TOTAL	**192,691,479**	**100.00%**	**100.00%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) Member of the Board of Directors.
(3) Including sold or transferred employee shares.

Source: TPI and Ipreo.

Pursuant to the shareholders' notifications received by SCOR, there was no shareholder other than those indicated in the table above holding, directly or indirectly, alone or in concert, more than 2.5% of the share capital and/or voting rights of the Company as at December 31, 2016, December 31, 2015 and December 31, 2014. According to the Nasdaq share analysis on December 31, 2016, December 31, 2015 and December 31, 2014, some of these companies are, in addition, shareholders via mutual funds and other investment funds.

The results of the TPI study conducted as at December 31, 2016 are presented in the following table:

TPI Date	December 2013	December 2014	December 2015	December 2016
Number of shareholders	19,923	22,304	17,682	27,879

There is no covenant stipulating preferential terms for the sale or purchase of ordinary shares eligible for trading on a regulated market, or for which an application is pending, and representing 0.5% or more of the share capital or voting rights that has been notified to the AMF. No ordinary shares have been pledged.

To SCOR's knowledge, there is no shareholder agreement, or other agreement, among Company shareholders pursuant to which they act in concert. To the Group's knowledge, there have been no transactions between executives, corporate officers, or shareholders holding more than 2.5% of the Company's share capital (or of the company controlling them) and the Company on terms other than market terms.

To its knowledge, except as disclosed above, the Company is not directly or indirectly owned or controlled by any other corporation, foreign government or any other natural or legal person jointly or severally and it is not aware of any contractual arrangements that may at a subsequent date result in a change of control of the Company.

To SCOR's knowledge, the percentage of share capital and voting rights held by its directors and Executive Committee members was 4.07% as at December 31, 2016 (December 31, 2015: 3.91%).

SCOR discloses below the threshold declarations sent by the significant shareholders in 2016. SCOR is not responsible for ensuring the completeness of these declarations.

On December 19, 2016, Norges Bank declared that it had exceeded the statutory threshold of 2.5% of the capital in SCOR SE and that it held 4,832,929 shares or 2.51% of the capital in SCOR SE.

On June 29, 2016, Tweedy, Browne Company LLC declared that it had exceeded the statutory threshold of 5% of the capital in SCOR SE and that it held 9,680,714 shares and 9,407,899 voting rights in SCOR SE.

On April 11, 2016, Sompo Japan Nipponkoa Holdings, Inc. declared that it had sold its entire interest in SCOR SE.

On April 11, 2016, Groupe Covéa declared that it had exceeded the statutory thresholds of 2.5% and 5% of the capital and voting rights in SCOR SE and that it held 14,767,803 shares or 7.67% of the capital and 14,767,803 voting rights or 7.94% of the voting rights in SCOR SE. Groupe Covéa also declared that it will not, directly or indirectly, exceed the threshold of 10% of SCOR's share capital over the three coming years, except in case of significant change in SCOR's strategy or shareholding structure which could be detrimental to its interests, or in case of change in SCOR's governance bodies.

2.3.1.2. STATEMENT AS TO THE ABSENCE OF DIFFERENCES BETWEEN THE VOTING RIGHTS OF VARIOUS SHAREHOLDERS

Until January 3, 2009, pursuant to Article 8 of the bylaws ("Rights attached to each share"), for two years after the Company's reverse stock split, as decided by the Company's Ordinary and Extraordinary Shareholders' Meeting on May 16, 2006 in its seventeenth resolution, each share with a par value of EUR 0.78769723 entitled the holder to one vote and each share with a par value of EUR 7.8769723 entitled the holder to ten votes, so that the number of votes attached to the shares remained proportional to the percentage of share capital they represented.

Since January 3, 2009 and the completion of the Company's reverse stock split, no further shares with a par value of EUR 0.78769723 are in existence and each share with a par value of EUR 7.8769723 entitles the holder to one vote subject to the applicable legal provisions.

Pursuant to Article 8 of the bylaws ("Rights attached to each share"), amended by the Company's Ordinary and Extraordinary Shareholders' Meeting on April 30, 2015 in its twenty-eighth resolution, each share entitles its holder to one vote at General Shareholders' Meetings and the voting rights attached to shares of the Company are in direct proportion to the proportion of the capital thereby represented and no double voting rights, as described by Article L. 225-123 of the French Commercial Code, can be allocated or attached, in any manner whatsoever, to any share. Therefore, the shareholders of the Company do not currently have different voting rights.

2.3.1.3. DIRECT OR INDIRECT CONTROL BY ONE SHAREHOLDER

Not applicable.

2.3.1.4. AGREEMENT WHICH COULD RESULT IN A SUBSEQUENT CHANGE IN CONTROL

Not applicable.

2.3.1.5. SHARE CAPITAL

Amount of issued capital and additional information

Date	Amount of capital subscribed *(In EUR)*	Number of shares outstanding
March 5, 2014	1,512,224,741.93	191,980,457
December 31, 2014	1,512,224,741.93	191,980,457
March 4, 2015	1,517,825,442.53	192,691,479
April 30, 2015	1,512,224,741.93	191,980,457
December 31, 2015	1,517,523,092.82	192,653,095
February 23, 2016	1,517,523,092.82	192,653,095
April 27, 2016	1,512,224,741.93	191,980,457
December 31, 2016	1,516,589,466.80	192,534,569
February 21, 2017	1,516,589,466.80	192,534,569

All SCOR shares outstanding are fully paid up.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company on (i) May 18, 2004, in its fourth resolution, (ii) May 31, 2005 in its sixth resolution, (iii) May 16, 2006 in its fifth resolution, (iv) May 24, 2007 in its 21st resolution, (v) May 7, 2008 in its 19th resolution and (vi) April 15, 2009 in its 22nd resolution to authorize the Board to grant to executives and employees options to subscribe for or purchase shares and to acknowledge, if necessary, at its first meeting following the year end of the Company, the number and amount of new shares issued during that period following the exercise of options, the Board of Directors of SCOR SE acknowledged, on March 4, 2014, the capital increase of EUR 6,123,983.62 by the creation of 777,454 shares with a par value of EUR 7.8769723 each.

According to the decision of the Ordinary and Extraordinary Shareholders' Meeting of the Company on April 25, 2013 in its 21st resolution, the Board of Directors of the Company decided on March 4, 2014, to carry out a share capital reduction of EUR 6,123,983.62 by the cancellation of 777,454 treasury shares, reducing the share capital from EUR 1,518,348,725.55 to EUR 1,512,224,741.93, divided into 191,980,457 ordinary shares. The reason for the capital reduction was to avoid any dilutive effect of the exercise of stock options on the share capital.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company on (i) May 18, 2004, in its fourth resolution, (ii) May 31, 2005 in its sixth resolution, (iii) May 16, 2006 in its fifth resolution, (iv) May 24, 2007 in its 21st resolution, (v) May 7, 2008 in its 19th resolution and (vi) April 15, 2009 in its 22nd resolution to authorize the Board to grant to executives and employees options to subscribe for or purchase shares and to acknowledge, if necessary, at its first meeting following the year-end of the Company, the number and amount of new shares issued during that period following the exercise of options, the Board of Directors of SCOR SE acknowledged, on March 4, 2015, the capital increase of EUR 5,600,700.60 by the creation of 711,022 shares with a par value of EUR 7.8769723 each.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company on (i) May 18, 2004, in its fourth resolution, (ii) May 31, 2005 in its sixth resolution, (iii) May 16, 2006 in its fifth resolution, (iv) May 24, 2007 in its 21st resolution, (v) May 7, 2008 in its 19th resolution, (vi) April 15, 2009 in its 22nd resolution and (vii) April 28, 2010 in its 19th resolution to authorize the Board to grant to executives and employees options to subscribe for or purchase shares and to acknowledge, if necessary, at its first meeting following the year end of the Company, the number and amount of new shares issued during that period following the exercise of options, the Board of Directors of SCOR SE acknowledged, on April 30, 2015, the capital increase of EUR 4,326,073 by the creation of 549,205 shares with a par value of EUR 7.8769723 each.

According to the decision of the Shareholders' Meeting of the Company on April 30, 2015, in its 23rd resolution, the Board of Directors of the Company decided on April 30, 2015, to carry out a share capital reduction of EUR 9,926,773 by the cancellation of 1,260,227 treasury shares to reduce the share capital from EUR 1,522,151,515.10 to EUR 1,512,224,741.93, divided into 191,980,457 ordinary shares. The reason for the capital reduction was to avoid any dilutive effect of the exercise of stock options on the share capital.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company on (i) May 31, 2005 in its sixth resolution, (ii) May 16, 2006 in its fifth resolution, (iii) May 24, 2007 in its 21st resolution, (iv) May 7, 2008 in its 19th resolution, (v) April 15, 2009 in its 22nd resolution, (vi) April 28, 2010 in its 19th resolution and (vii) May 4, 2011 in its 28th resolution to authorize the Board to grant to executives and employees options to subscribe for or purchase shares and to acknowledge, if necessary, at its first meeting following the year end of the Company, the number and amount of new shares issued during that period following the exercise of options, the Board of Directors of SCOR SE acknowledged, on February 23, 2016, the capital increase of EUR 5,298,350.89 by the creation of 672,638 shares with a par value of EUR 7.8769723 each.

According to the decision of the Shareholders' Meeting of the Company on April 27, 2016, in its 19th resolution, the Board of Directors of the Company decided on April 27, 2016, to carry out a share capital reduction of EUR 5,298,350.89 by the cancellation of 672,638 treasury shares to reduce the share capital from EUR 1,517,523 092.82 to EUR 1,512,224,741.93, divided into 191,980,457 ordinary shares. The reason for the capital reduction was to avoid any dilutive effect of the exercise of stock options on the share capital.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company on April 27, 2016, in its 17th resolution, and of the Board of Directors of SCOR SE on October 26, 2016, 9,599,022 warrants ("Warrants") were issued on December 16, 2016. The features of these Warrants are specified in the paragraph – Amount of convertible securities, exchangeable securities or securities with subscription warrants – below.

According to the decisions of the Extraordinary Shareholders' Meetings of the Company (i) May 16, 2006 in its fifth resolution, (ii) May 24, 2007 in its 21st resolution, (iii) May 7, 2008 in its 19th resolution, (iv) April 15, 2009 in its 22nd resolution, (v) April 28, 2010 in its 19th resolution and (vi) May 4, 2011 in its 28th resolution to authorize the Board to grant to executives and employees options to subscribe for or purchase shares and to acknowledge, if necessary, at its first meeting following the year end of the Company, the number and amount of new shares issued during that period following the exercise of options, the Board of Directors of SCOR SE acknowledged, on February 21, 2017, the capital increase of EUR 4,364,724.88 by the creation of 554,112 shares with a par value of EUR 7.8769723 each.

As a result, on December 31, 2016, the share capital of SCOR SE was EUR 1,516,589,466.80 divided into 192,534,569 shares with a par value of EUR 7.8769723 each.

Due to the exercise of 187,849 stock options since December 31, 2016, at the date of the Registration Document, the registered share capital of SCOR SE is EUR 1,518,069,148.17 divided into 192,722,418 shares with a par value of EUR 7.8769723 each.

To the Company's knowledge, there is no significant pledge on the SCOR SE's shares.

See Section 4.6 – Notes to the consolidated financial statements, Note 23 – Commitments received and given.

Number of shares authorized under convertible securities and stock option plans

Issuance of warrants	As at 12/31/2015	As at 12/31/2016	On the date of the Registration Document	Date of availability of the warrants	Expiration date
12/20/2013	-	25,390,466	25,390,466	12/20/2013	04/28/2017
12/16/2016	-	19,198,044	19,198,044	01/01/2017	05/01/2020
TOTAL		**44,588,510**	**44,588,510**		

Stock option plans	As at 12/31/2015	As at 12/31/2016	On the date of the Registration Document	Date of availability of options	Expiration date
09/14/2006	224,372	-	-	09/15/2010	09/15/2016
12/14/2006	81,507	-	-	12/15/2010	12/15/2016
09/13/2007	440,951	400,212	400,212	09/13/2011	09/13/2017
05/22/2008	219,000	212,000	212,000	05/22/2012	05/22/2018
09/10/2008	350,350	311,550	311,550	09/10/2012	09/10/2018
03/23/2009	701,830	668,300	668,300	03/23/2013	03/23/2019
11/25/2009	13,000	11,000	11,000	11/25/2013	11/25/2019
03/18/2010	821,610	777,100	777,100	03/19/2014	03/19/2020
10/12/2010	9,500	9,000	9,000	10/13/2014	10/13/2020
03/22/2011	532,000	498,000	498,000	03/23/2015	03/23/2021
09/01/2011	111,000	109,000	109,000	09/02/2016	09/02/2021
03/23/2012	807,000	691,000	691,000	03/24/2016	03/24/2022
03/21/2013	663,500	653,500	653,500	03/22/2017	03/22/2023
10/02/2013	130,000	105,000	105,000	10/03/2017	10/03/2023
11/21/2013	5,000	5,000	5,000	11/22/2017	11/22/2023
03/20/2014	669,375	658,125	658,125	03/21/2018	03/21/2024
12/01/2014	6,000	6,000	6,000	12/02/2018	12/02/2024
03/20/2015	666,881	666,881	666,881	03/21/2019	03/21/2025
12/18/2015	45,250	5,250	5,250	12/19/2019	12/19/2025
03/10/2016	-	629,118	629,118	03/11/2020	03/11/2026
12/01/2016	-	750	750	12/02/2020	12/02/2026
TOTAL	**6,498,126**	**6,416,786**	**6,416,786**		

See Section – Amount of convertible securities, exchangeable securities or securities with subscription warrants for a description of the warrants issued on December 20, 2013.

Number of shares initially authorized at date of the Shareholders' Meeting and number of outstanding shares authorized at the date of the Registration Document

Resolutions	Number of shares initially authorized at the date of the shareholders' meeting of April 27, 2016	Number of shares initially authorized at the date of the Registration Document
Delegations of authority granted by the Extraordinary Shareholders' Meeting of April 27, 2016		
10th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding upon the incorporation of profits, reserves or premiums into the share capital)	25,390,466 shares	25,390,466 shares
11th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance of shares and/or of securities granting access to the capital or giving entitlement to debt instruments, with pre-emptive subscription rights)	77,061,238 shares	77,061,238 shares
12th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance, in the context of a public offering, of shares and/or of securities granting access to the capital or giving entitlement to debt instruments, without pre-emptive subscription rights)	19,265,309 shares	19,265,309 shares
13th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance, in the context of an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, of shares and/or of securities granting access to the capital or entitling the holder to debt instruments, without pre-emptive subscription rights)	19,265,309 shares	19,265,309 shares
14th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance of shares and/or securities granting access to the capital or entitling the holder to debt instruments, as compensation for shares contributed to the Company in the context of any public exchange offer launched by the Company, without pre-emptive subscription rights)	19,265,309 shares	19,265,309 shares
15th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or securities granting access to the capital or entitling the holder to debt instruments, as compensation for shares contributed to the Company in the context of contributions in kind within a limit of 10% of the share capital, without pre-emptive subscription rights)	19,265,309 shares	19,265,309 shares
17th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing securities granting access to the capital without pre-emptive subscription rights of the shareholders in favor of a class of persons insuring the underwriting of the Company's equity securities without pre-emptive subscription rights)	19,265,309 shares	67,265 shares
21st resolution (Delegation of authority granted to the Board of Directors in order to issue shares reserved for the members of savings plans (plans d'épargne), without pre-emptive subscription rights)	3,000,000 shares	3,000,000 shares
Authorizations granted by the Extraordinary Shareholders' Meeting of April 27, 2016		
16th resolution (Authorization granted to the Board of Directors for the purpose of increasing the number of shares issued in accordance with the 11th, 12th and 13th resolutions in the event of over-subscription to the share capital increase, with or without cancellation of pre-emptive subscription rights)	This resolution can only be used with the 11th, 12th and 13th resolutions and is in any case capped by the 22th resolution	
19th resolution (Authority to issue shares for stock option plans)	1,500,000 shares	1,499,250 shares
20th resolution (Authorization granted to the Board of Directors to issue shares under the existing free share allocation plans)	3,000,000 shares	2,989,300 shares
22nd resolution (Aggregate ceiling of the capital increases)	100,826,547 shares	81,627,753 shares
TOTAL	**126,217,013 SHARES**	**107,018,217 SHARES**

Except for the delegation granted pursuant to the 17th and 21th resolution, which is granted for an 18-month period, the delegations of authority granted by the Shareholders' Meeting of April 27, 2016 are each granted for a 26-month period as from the date of the Shareholders' Meeting, i.e. until June 26, 2018, when they will be deemed to have expired if the Board of Directors has not used them.

Except for the authorization granted pursuant to the 16nd resolution, which is granted for a 26-month period, the authorizations granted by the Shareholders' Meeting of April 27, 2016 are each granted for a 24-month period as from the date of the Shareholders' Meeting, i.e. until April 26, 2018, when they will be deemed to have expired if the Board of Directors has not used them.

The total number of shares authorized at the date of the Registration Document, including the shares that could be issued in connection with the implementation of (i) stock option plans, (ii) securities granting access to the capital and (iii) the current delegations and authorizations is 107,018,217.

Existence of non-equity shares

Not applicable.

Number and value of directly or indirectly held treasury shares

The description of the stock buyback program implemented under the 18th resolution of the Annual General Meeting of April 27, 2016 was published by the Company on April 26, 2016. The report of the Board of Directors of the Company to the Annual Shareholders' Meeting to be held in the first half of 2017 on the use of the 8th resolution will be made available to SCOR shareholders under the conditions set forth by law.

In the context of the abovementioned buyback program, SCOR carried out, between January 1, 2016 and December 31, 2016:

- the purchase of 6,586,034 treasury shares;
- the sale of 3,085,948 treasury shares;
- the transfer of 1,809,205 treasury shares;
- the cancellation of 554,112 treasury shares.

On December 31, 2016, SCOR held 7,679,482 shares compared with 6,661,000 shares at December 31, 2015. The par value of these treasury shares is EUR 60,491,066.99 and their book value is EUR 223,310,647. The average purchase price was EUR 29.92. The average sale price was EUR 29.482. The amount of fees was EUR 106,526.40.

Amount of convertible securities, exchangeable securities or securities with subscription warrants

In the context of a contingent capital facility program, SCOR issued 12,695,233 share warrants on December 20, 2013 to UBS, each warrant committing UBS to subscribe for two new SCOR shares (up to a maximum amount of EUR 200 million, including an available issuance premium per tranche of EUR 100 million, including issuance premium) when the total amount of the estimated ultimate net losses resulting from eligible natural catastrophes or extreme Life events incurred by the Group (in its capacity as an insurer/reinsurer) reaches certain contractual thresholds in any given calendar year between January 1, 2014 and December 31, 2016 or if no drawdown already took place in the context of the agreement and SCOR's share price drops below EUR 10.

As part of the implementation of a contingent capital facility program, SCOR issued, on December 16, 2016, 9,599,022 Warrants for the benefit of BNP Paribas, each allowing BNP Paribas to subscribe, as from January 1, 2017 and no later than May 1, 2020, to two new SCOR shares (within the limit of an aggregate amount of subscription of EUR 300 million – issuing premiums included, without exceeding 10% of SCOR's share capital) when the aggregated amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer / reinsurer) between January 1, 2017 and December 31, 2019 or (ii) the ultimate net claims amount recorded by SCOR group Life segment (in its capacity as an insurer/reinsurer) over two consecutive semesters over the period from July 1, 2016 and December 31, 2019 reaches certain contractual thresholds. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10 an individual tranche of EUR 150 million will be drawn down out of the EUR 300 million facility.

Information about and terms and conditions of any acquisition rights and/or obligations oversubscribed but unissued capital or an undertaking to increase the capital

See:

- Section 2.2.3 – Stock options and performance shares;
- Section 2.3.1.5 – Share capital;
- Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves;
- Section 4.6 – Notes to the consolidated financial statements, Note 14 – Provisions for employee benefits;
- Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations;
- Appendix C – 5 – Notes to the corporate financial statements, Note 12 – Stock options; and
- Appendix C – 5 – Notes to the corporate financial statements, Note 5 – Shareholders' equity.

Information about the capital of any member of the Group which is under option or is to be put under option and characteristics of such options

See:

- Section 2.2.3 – Stock options and performance shares;
- Section 2.3.1.5 – Share capital;
- Section 4.6 – Notes to the consolidated financial statements, Note 14 – Provisions for employee benefits;
- Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations; and
- Appendix C – 5 – Notes to the corporate financial statements, Note 12 – Stock options.

The shares of Group companies other than SCOR SE are neither under option nor agreed to be put under option.

2.3.2. RELATED PARTY TRANSACTIONS AND AGREEMENTS

Related party transactions

Transactions with related parties as required by the regulations adopted under EC regulation No. 1606/2002, entered into by the Group appear in Section 4.6.22, Note 22 – Related party transactions.

Regulated agreements

Regulated agreements and commitments within the meaning of Articles L. 225-38 et seq. of the French Commercial Code appear in the Statutory Auditors' special report in Section 2.3.3 – Special report of the Statutory Auditors on related party agreements and commitments.

The annual review of the regulated agreements was made by the Company's Board of Directors on February 23, 2016. The Board of Directors of SCOR SE decided on October 26, 2016 to requalify the following regulated agreements with BNP Paribas into "agreements relating to current operations concluded under arms-length conditions":

- subscription agreement for the issuance and the placement of subordinated notes (known as "Bugatti");
- subscription agreement for the issuance and the placement of subordinated notes (known as "Bugatti II");
- cash-pooling contract with BNP Paribas;
- contract between your Company and BNP Paribas participating in the notional cash-pooling agreement;
- Master Trust Agreement with BNP Paribas and/or one of its subsidiaries (trustee), SCOR SE and SCOR Global Life SE (grantors, jointly and severally liable) and Transamerica Corp. (beneficiary);
- Stand-By Letter of Credit Facility Agreement with BNP Paribas dated December 23, 2008, as amended by 6 successive amendments ("Multicurrency Revolving Letter of Credit Facility Agreement");
- subscription agreement for the issuance and the placement of subordinated notes (Project "Serenity");
- subscription agreement with BNP Paribas with BNP Paribas with BNP Paribas for the issuance and placement of subordinated notes for a maximum amount of EUR 500.000.000;
- Amendment n°7 of Multicurrency Revolving Letter of Credit Facility Agreement with BNP Paribas.

Related party agreements

In accordance with Article L. 225-102-1 of the French Commercial Code, during the year 2016 there have been no agreements concluded directly or through a third party between, on the one hand, the Chief Executive Officer, one of the directors or one of the shareholders holding a fraction of the voting rights greater than 10%, of SCOR SE and, on the other hand, SCOR SE or another company in which SCOR SE owns directly or through a third party more than half of the capital or, with executives and directors in common with SCOR SE, unless such agreements are ordinary transactions carried out under arm's length conditions.

2.3.3. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments referred to in Article L. 225-38 of the French Commercial Code (*Code de commerce*) and on the information referred to in Article R. 322-7 of the French insurance Code (*Code des assurances*).

We are required to inform you, on the basis of the information provided to us, of the terms, the conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation during the year of the agreements and commitments already approved by the General Meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of shareholders

We inform you that we have not been advised of any related party agreement authorized during the past financial year to be submitted for the approval of the general meeting of shareholders in accordance with the articles L. 225-38 of the French commercial code (*Code de commerce*) and R. 322-7 of the French insurance code (*Code des assurances*).

Agreements and commitments already approved by the General Meeting of shareholders

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved in prior years by the General Meeting of shareholders in prior years continued during the year.

1. Commitments for the benefit of Mr. Denis Kessler, Chairman and Chief Executive Office of your Company in case of his forced departure

Nature and purpose

Commitments for the benefit of Mr. Denis Kessler.

Conditions

The Board of Directors, at its meetings of May 4 and July 27, 2011, in accordance with articles L. 225-38 and L. 225-42-1 of the French commercial code (*Code de commerce*), and upon the recommendation of the Compensations and Nominations Committee, renewed the commitments for the benefit of the Chairman and Chief Executive Officer, which had been decided by the Board of Directors on March 21, 2006 and amended on December 12, 2008. These commitments to the Chairman and Chief Executive Officer have been approved under the fifth resolution adopted at the Mixed Shareholders' Meeting of May 3, 2012, and are described in Appendix A – Report of the Chairman of the Board of Directors on the conditions for preparing and organizing the work of the Board of Directors and on internal control and risk management procedures in accordance with article L. 225-37 of the French commercial code (*Code de commerce*).

Pursuant to a decision dated July 26, 2012, taken in accordance with article L. 225-42-1 of the French commercial code (*Code de commerce*) and with the provisions of article L. 225-40 of the French commercial code (*Code de commerce*), the Board of Directors of the Company has authorized, based on the recommendations of the Compensations and Nominations Committee of July 25, 2012, and in accordance with the decision of the Board of Directors dated May 3, 2012 and the subsequent commitments made by the Chairman and Chief Executive Officer during the Mixed Shareholders' Meeting of May 3, 2012, the adoption of an amendment to the regulated agreement relating to the commitments made for the benefit of the Chairman and Chief Executive Officer, the terms of which are outlined below, with respect notably to the compensation elements taken into account for the indemnity to be granted to Mr Denis Kessler in case of his forced departure from the SCOR Group, as well as the performance conditions which this indemnity is subject to.

In the event that the Chairman and Chief Executive officer is dismissed for fault or following a manifestly negative performance of the Company (the non-realization of the performance condition (C_n) defined below for at least two of the three preceding years), no indemnity will be paid to the Chairman and Chief Executive Officer.

In the event of a forced departure or a revocation ad nutum typically due to diverging views on the strategy of the Group, the Chairman and Chief Executive Officer will benefit from an indemnity limited to the amount of fixed and variable compensation paid to him during the last twenty-four months preceding the date of his departure from the Group. The payment of this indemnity shall be subject to the satisfaction of the performance condition (C_n) defined below for at least two of the last three fiscal years preceding the date of departure of the Chairman and Chief Executive Officer.

In the event that the Chairman and Chief Executive Officer is dismissed or his departure is imposed due to a hostile offer resulting in a change of control in the SCOR Group, the Chairman and Chief Executive Officer will benefit from an indemnity limited to the amount of fixed and variable compensation paid to him by the Group during the last twenty-four months preceding the date of his departure from the Group. The payment of the indemnity is subject to the satisfaction of the performance condition (C_n) defined below for at least two of the last three years preceding the date of departure of the Chairman and Chief Executive Officer.

In addition, the performance stock and stock options granted to the Chairman and Chief Executive Officer before his departure shall be subject, in their totality, to the only performance conditions of each plan as validated by the Board of Directors at the time of attribution: thereby focusing on the common interest to add value to the Group in the scope of the offer.

The performance condition (C_n) established by the Board of Directors on the recommendation of the Compensations and Nominations Committee will be achieved for the year n if at least three of the four conditions below are satisfied:

(A) SCOR's financial rating by S&P must be maintained to a minimum "A" on average in the years n-1 and n-2;

(B) SCOR Global P&C's net combined ratio must be less than or equal to 102% on average in the years n-1 and n-2;

(C) SCOR Global Life's technical margin must be higher than or equal to 3% on average in the years n-1 and n-2;

(D) the SCOR group's return on equity "ROE" must be higher by 300 base points than the risk-free rate on average in the years n-1 and n-2.

In case of recognition of the achievement of the performance condition (C_n) by the Board of Directors, based on the recommendation of the Compensations and Nominations Committee, the indemnity for the last two events mentioned above will be paid to the Chairman and Chief Executive Officer as soon as possible.

The modifications of the commitments to the Chairman and Chief Executive Officer have been published five days after their adoption.

2. Additional retirement plan

Persons concerned

Mr. Denis Kessler, as Chairman and Chief Executive Officer of your Company.

Nature and purpose

Amendment to the additional pension plan subject to article 39 of the French tax code (Code général des impôts).

Conditions

At its meeting of March 18, 2008, the Board of Directors of the Company authorized pursuant to article L. 225-38 of the French commercial code (*Code de commerce*), the execution of an additional pension plan, which was ultimately executed on May 15, 2008.

This additional pension plan purports to determine the terms and conditions of additional pension plan benefits granted by the Company for the benefit of:

- all the managers of the Group (cadres de direction) within the meaning of the professional agreement of March 3, 1993, who were exercising their activity within the Group on the date on which the additional pension plan took effect;
- executives of the Group, who had entered into an employment contract but were subject to France's general social security regime and to the additional pension benefits of ARRCO and AGIRC and were discharging their duties on the date on which the additional pension plan took effect.

The compensation used to calculate pension benefits due to an eligible person is based on the average compensation of such person during the last five years of his or her employment (or professional activity, as the case may be), as adjusted on the date of departure by the evolution of the INSEE's annual average index for consumer prices.

The eligible person who retired from Company is entitled to additional benefits under this pension plan if he or she complies with the terms and conditions of the additional pension plan on the date of his or her departure, including a seniority of at least five years at the time of departure and obtaining the implementation of his or her pension benefits under the mandatory pension plans.

On July 27, 2011, the Board of Directors of the Company approved an amendment to the additional pension scheme concerning the condition of age and retirement rate (62 years minimum or full retirement vs 60 previously).

At its meeting of November 5, 2014, the Company's Board of directors approved an amendment to the settlement of supplementary pension plan that provides for:

- cap to 45% of the beneficiary reference income the amount of rent that may be received under the plan; and
- the progressive increase in beneficiaries' rights at 5% of the reference salary per year, as required by the AFEP-MEDEF code.

Paris-La Défense, February 21, 2017

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit
Jean-Claude PAULY	Guillaume WADOUX	Guillaume FONTAINE

#3

RISK FACTORS AND RISK MANAGEMENT MECHANISMS

3.1. INTRODUCTION

The information included in this section referring to the nature and extent of risks arising from financial instruments and insurance and reinsurance contracts as required by IFRS 7 – Financial Instruments: Disclosures and IFRS 4 – Insurance Contracts, is an integral part of the consolidated financial statements as at December 31, 2016. As such, the corresponding information is audited.

The Group regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation or its results (or capacity to reach objectives), and considers that no other significant risk than those disclosed in the section below exists. This section outlines the management's current view of SCOR's main risks and main risk management mechanisms currently in place.

The Group has identified the following risk categories:

- strategic risks;
- underwriting risks related to the P&C and Life reinsurance businesses;
- market risks;
- credit risks;
- liquidity risks;
- operational risks.

If the risks disclosed in this section were to occur, they could potentially have a significant impact on SCOR's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

All risks described in Section 3 are managed through a variety of mechanisms in SCOR's ERM (Enterprise Risk Management) Framework, whose main ones are also described below.

SCOR's ERM framework is further described in Appendix A – Report of the Chairman on the internal control which contains a description of the Group risk management procedures as well as the role and function of each administrative and management body and team involved in risk management and related control functions.

Although risk management mechanisms have been designed and rolled out across the Group in order to prevent all risks from having a significant impact, there is no guarantee that these mechanisms achieve their intended objective. Many of SCOR's methods for managing risks and exposures are based on observed historical market behavior, statistics based on historical models, or expert judgment. As a result, these methods may not fully predict future exposures, which may be significantly greater than estimated, particularly in unstable or volatile markets and environments. Other risk management methods depend upon the evaluation of information regarding markets, clients, natural catastrophes or other matters that is publicly available or otherwise accessible to SCOR. This information may not always be accurate, complete, up-to-date or properly evaluated.

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

Emerging risks may adversely affect SCOR's reinsurance business due to either a change in interpretation of the contracts leading to extensions of covers beyond what policyholders had expected (e.g. due to the inapplicability or interpretation of certain clauses) or by increasing the frequency and/or severity of claims. Such risks may also lead to higher fluctuations than expected in macroeconomic indicators such as interest rates and price level, or disruptions in financial markets, further impacting SCOR's business. In addition, emerging risks may also have a direct impact on SCOR's operations, for instance by generating unexpected additional expenses. Examples of emerging risks include: cyber-attacks, antimicrobial resistance, non-controlled bio-experiments, climate change, electromagnetic fields, extreme social unrest and Eurozone break-up.

Therefore, the Group cannot exclude the possibility of exceeding SCOR's risk tolerance limits due to an incorrect estimation of its risks and exposures. This may have an adverse impact on SCOR's business, present and future revenues, net income, cash flows, financial position, and potentially, on SCOR's share price.

3.2. STRATEGIC RISK

Strategic risk can arise either from the strategy itself (such as the accumulation of risks or development in lines of business or less known markets), from external risks (such as an adverse economic environment), or from internal risks (such as certain causes of operational risk). Therefore, many of the risks discussed throughout Section 3, including emerging risks, could also impact the success of the strategy.

The main strategic risks to which SCOR is exposed are described below.

3.2.1. RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT AFFECTING SCOR'S STRATEGY

The main risks are the uncertain economic recovery that may affect SCOR's growth, in both emerging and advanced economies, and the poor returns on financial markets exacerbating the adverse competitive environment.

3.2.1.1. DIFFICULT CONDITIONS IN THE GLOBAL CAPITAL MARKETS AND DIFFICULT ECONOMIC CONDITIONS MAY MATERIALLY ADVERSELY AFFECT SCOR'S BUSINESS AND OPERATING RESULT

The Group's operating result could be materially affected by the economic and financial situations in France and other countries in continental Europe, the United Kingdom, the United States of America and elsewhere around the world, particularly in Latin America and Asia Pacific. Any continued deterioration in macroeconomic trends could have an adverse effect on SCOR's business and operating result, even more so as the global economy is still in convalescence since the 2008 financial crisis and remains vulnerable to negative economic, financial and geo-political shocks fueled by ongoing tensions or open conflicts in several global regions. In particular, the growing debt of governments in advanced economies and of private companies in emerging countries could generate significant adjustments if the main central banks were to raise interest rates. As a result, financial markets could enter a period of high volatility, which could lead to adverse consequences such as waves of company defaults, or a major liquidity crisis. The financial situation in many Eurozone countries remains unstable and downgrades of some states' financial ratings have occurred. SCOR cannot predict whether any of the other government securities that it holds in its investment portfolio will be adversely affected in the future by ratings downgrades, the continuing debt crisis or other developments. For further information on investments, see Section 1.3.5.4 – Net investment income and investment income on invested assets and Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

The global economy may suffer from a sharp shift in US monetary policy, which could spur a rise in interest rates along the entire yield curve. Financing conditions could thus deteriorate across sectors and economies. In particular, emerging and developing economies may suffer from capital outflows in the wake of any US monetary normalization.

This difficult environment and the continuing market upheavals may have an adverse effect on SCOR, from both an investment and reinsurance business viewpoint. Furthermore, the economic uncertainty might be compounded by recent political changes such as the results of the Brexit referendum, the outcome of the elections in the USA, Germany and France.

Impact on SCOR's investment activities

SCOR has a large investment portfolio. In the event of extreme prolonged market events, such as global credit crises, SCOR could incur significant losses in its investment portfolio.

See Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, which includes analyses of unrealized and realized investment losses.

Even in the absence of a market downturn, SCOR remains exposed to a substantial risk of losses due to market volatility. See Section 3.4 – Market risk.

Impact on SCOR's reinsurance business

SCOR is also dependent upon customer behavior and premium growth. The Group's premiums are likely to decline in such circumstances and its profit margins could erode. In an economic downturn characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for SCOR's and its clients' products could be adversely affected. Factors such as government and consumer spending, corporate investment, the volatility and strength of both debt and equity markets, and inflation, all affect the business and economic environment and ultimately, the size and profitability of SCOR's business.

In addition, the Group may experience an elevated incidence of claims or be impacted by a decrease in demand for reinsurance and increased surrenders of policies from the cedents (see paragraph on lapse risk in Section 3.3.2 – Life reinsurance) that could affect the current and future profitability of its business. Although written premiums have seen steady growth in prior years, a prolonged economic crisis could result in lower written premiums in the future.

3.2.1.2. SCOR IS EXPOSED TO SIGNIFICANT AND PROTRACTED DEVIATIONS OF THE GENERAL PRICE LEVEL FROM ITS TREND

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

For further information on P&C long-tail reserve deterioration, refer to Section 3.3.1 – P&C reinsurance.

SCOR's assets are also exposed to increased inflation or inflationary expectations, accompanied by a rise in the yield curve with a subsequent reduction in the market value of its fixed income portfolios. Increased inflation could also have a negative impact on the solvency of bond issuers; a widening of credit spreads would lead to a loss of value for the issuers' bonds. Finally, depending on the macroeconomic environment, an increase in inflation could also reduce the value of SCOR's equity portfolio. Any negative fluctuations in equity values would lead to a similar decrease in shareholders' equity.

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

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

In conclusion, both high inflation and a protracted episode of deflation could have a material adverse effect on SCOR.

3.2.1.3. MANAGEMENT OF RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT

These risks are monitored via a robust strategic planning approach and regular risk reporting mechanisms throughout the Group, including complementary risk analyses on ad-hoc topics, where deemed necessary. Potential impacts on SCOR's risk profile are managed through a variety of dedicated and transversal risk management mechanisms. For more details on risk reporting mechanisms and roles and responsibilities of SCOR's main governance bodies, see Appendix A – Report of the Chairman of the Board of Directors.

3.2.2. RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

3.2.2.1. SCOR OPERATES IN A HIGHLY COMPETITIVE SECTOR AND WOULD BE ADVERSELY AFFECTED BY LOSING COMPETITIVE ADVANTAGE OR IF ADVERSE EVENTS HAD AN IMPACT ON THE REINSURANCE INDUSTRY

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

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

Furthermore, the Group's reputation is sensitive to reinsurance sector information. It can be affected by adverse events concerning competitors but also by its own business activity, such as financial difficulties following a major market event. Loss of reputation due to internal risks would also weaken SCOR's competitive position.

3.2.2.2. CONSOLIDATION IN THE INSURANCE AND REINSURANCE INDUSTRIES COULD ADVERSELY IMPACT SCOR

After a very active 2015 in terms of M&A, the first half of 2016 was very calm, however, in September 2016 M&A activity in the insurance and reinsurance sector picked up again.

Within the insurance industry, these consolidated entities may use their enhanced market power and broader capital base to negotiate price reductions for SCOR's products and services, and reduce their use of reinsurance, and as such, the Group may experience price declines and possibly write less business.

Within the reinsurance industry, such external growth activity could potentially enhance these players' competitive position, e.g. in terms of being able to offer greater capacity or broader product offerings, which could permit them to gain market shares at SCOR's expense.

3.2.2.3. MANAGEMENT OF RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

As for risks related to the macro-economic environment, risks related to the competitive environment are monitored via a robust strategic planning approach and regular risk reporting mechanisms throughout the Group, including complementary risk analyses on ad-hoc topics, where deemed necessary. For more details on risk reporting mechanisms and roles and responsibilities of SCOR's main governance bodies, see Appendix A – Report of the Chairman of the Board of Directors.

3.2.3. RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

3.2.3.1. MAIN RISKS RELATED TO LEGISLATIVE AND REGULATORY DEVELOPMENTS

SCOR is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance regulatory authorities in all countries in which it operates. Some of these authorities, especially in non-European countries, are considering or may in the future consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision and submit them to reinforced measures of control and higher capital requirements. These changes could affect the calculation of the local solvency ratio and have a material adverse impact on the Group. Insurance and reinsurance supervisory authorities have broad administrative power over many aspects of the reinsurance industry and SCOR cannot predict the timing or form of any future regulatory initiatives.

The Solvency II regime applies since January 1, 2016, in the European Union. It has been transposed in French law in 2015. Actual implementation by supervisory and regulatory authorities could vary between these jurisdictions, which could place SCOR at a competitive disadvantage with regard to other European financial services groups.

Furthermore, supervisory and regulatory authorities could make the protection of policyholders and financial stability prevail over shareholders or creditors of a reinsurer when designing new regulations, especially in developing countries. These new regulations may then increase solvency margin obligations, thereby restricting SCOR's underwriting capacity.

In November 2016, the Financial Stability Board (FSB) published the updated list of systemic direct insurers (G-SIIs) based on a recommendation by the International Association of Insurance Supervisors (IAIS). As the IAIS is continuing to work on its methodology for assessing systemic (re)insurers, there is a risk that SCOR will receive such a designation in subsequent updates. The impact of receiving such a designation is a risk of a higher capital requirement, a Higher Loss Absorbency (HLA), and greater regulatory burdens such as the establishment of resolution plans. On the other hand, there is a possibility that G-SIIs could benefit from a market perception of an implicit state guarantee. Were SCOR's competitors to receive such a designation and SCOR were not, there could be a risk of SCOR's market perception weakening relative to these peers.

In the meantime, the International Association of Insurance Supervisors (IAIS) has been developing a common framework for internationally active insurance groups (IAIGs), the ComFrame. The IAIS intends to develop Insurance Capital Standards (ICSs) to be applied by all IAIGs with implementation in 2020. This development could jeopardize the extent of recognition of diversification effects or the use of internal models, and could have an impact on capital management. Moreover, these standards involve risks in terms of competition on a level playing field if they are not implemented simultaneously and consistently across different jurisdictions.

Similarly, changes in tax legislation and regulations, or in their interpretation, may have a negative impact on SCOR's results, e.g. due to the inability to recognize deferred tax assets in the future.

3.2.3.2. OTHER LEGAL AND REGULATORY DEVELOPMENTS

The reinsurance sector has been exposed in the past, and may be exposed in the future, to involvement in legal proceedings, regulatory inquiries and actions by various administrative and regulatory authorities, as well as to regulation concerning certain practices used in the insurance sector.

More generally, adverse changes in laws or regulations or an adverse outcome of any legal proceeding could have an adverse impact on SCOR. For further details on SCOR's current litigations, see Section 4.6 – Notes to the consolidated financial statements, Note 25 – Litigation.

For further information on risks related to current legislation and regulations and their impact on SCOR's operations, see Section 3.7.1.4 Risks related to external events.

3.2.3.3. MANAGEMENT OF RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

SCOR monitors the legal and supervisory developments which could have an impact on the Group and its entities, ensuring in particular that it takes an active position vis-à-vis the requirements to which it is exposed or could be exposed in the different jurisdictions where it operates and that it prepares in due time for their implementation.

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

3.2.4. DOWNGRADE RISK

3.2.4.1. OVERVIEW OF DOWNGRADE RISK

Credit ratings are very important to all reinsurance companies, including SCOR, as ceding companies wish to reinsure their risks with companies that have a satisfactory financial position. For more details on the current rating of the Group, see Section 1.2.4 – Ratings information.

Impact on SCOR's reinsurance business

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

The Group's Life reinsurance activities and the Business Solutions (large corporate accounts underwritten essentially on a facultative basis and occasionally as direct insurance) business area in P&C reinsurance are particularly sensitive to the way its existing and prospective clients perceive its financial strength, notably through its ratings.

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

Impact on the Group's letters of credit

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

Some LOCs issued by banks providing such facilities may be collateralized with securities. The value of the collateral can be different from the amount of the LOC. For some facilities, initial collateral requirements may be increased following a downgrade of SCOR's rating, impacting the Group's liquidity level. In the case of a LOC being drawn by a cedent, the bank has the right to request a cash payment from this collateral, up to the amount drawn by the cedent.

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

Moreover, some of SCOR's facilities contain conditions about its financial situation which, if not met, constitute a default and might result in the suspension of the use of current credit facilities and/or a prohibition on obtaining new lines of credit or result in the need to negotiate new LOC facilities under adverse conditions.

For more details about the Group's lines of credit, see Section 1.3.6 – Financial position, liquidity and capital resources. For more details on liquidity risk, see Section 3.6 – Liquidity risk.

3.2.4.2. MANAGEMENT OF DOWNGRADE RISK

SCOR's current ratings are at the highest levels within the reinsurance sector after Standard & Poor's and Fitch upgraded the Group's ratings to "AA-" from "A+" in 2015, followed by a Moody's upgrade to Aa3/Stable and an AM Best confirmation of positive outlook in September 2016. Therefore, a downgrade by one notch would not endanger its future business development, its liquidity position or its capacity to raise funds. For further information on SCOR's current rating, see Section 1.2.4 – Ratings information.

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

This team analyses rating agencies' methodologies, reports published on the reinsurance market, on SCOR and on its main competitors, in order to anticipate any potential rating actions. It also monitors specific qualitative and quantitative Key Performance Indicators developed by the four main rating agencies, and performs analyses of selected deterministic scenarios (for more details on "footprint scenarios" process, see Appendix A – 2. Internal control and risk management procedures). It also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

3.2.5. THE VALUATION OF SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS MAY SIGNIFICANTLY AFFECT ITS SHAREHOLDERS' EQUITY AND THE PRICE OF ITS SECURITIES

3.2.5.1. RISKS RELATED TO THE VALUATION OF SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS

A significant portion of SCOR's assets consists of intangible assets, the value of which depends on its expected future profitability and cash flows. The valuation of intangible assets is largely based on subjective and complex judgments concerning items that are uncertain by nature. If a change were to occur in the assumptions underlying the valuation of its intangible assets (including goodwill, value of business acquired and deferred acquisition costs), SCOR would have to reduce their value, in whole or in part, thereby reducing shareholders' equity and its results.

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

Details of intangible assets, related impairment testing policy and recent acquisitions are included in Section 4.6 – Notes to the consolidated financial statements, Note 1 – Accounting principles and methods, Note 3 – Acquisitions and disposals, Note 5 – Goodwill, Note 6 – Value Of Business Acquired and Note 17 – Income taxes.

3.2.5.2. MANAGEMENT OF VALUATION RISKS RELATED TO SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS

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

See Section 3.7 – Management of operational risk for further details on SCOR's Internal control system approach, Appendix A – Report of the Chairman of the Board of Directors, Section 2.4.1 – Group functions for a description of some of the departments involved in the management of intangible assets and Appendix A – Report of the Chairman on the internal control, Section 2.7 – Financial reporting for further details on the production of SCOR's technical and financial results, including intangible assets.

For further details on the management of valuation risks related to goodwill and Value of Business Acquired, see Section 3.2.6.2 – Management of risks related to acquisitions.

3.2.6. OTHER STRATEGIC RISKS

SCOR may be exposed to other less significant strategic risks further described below.

3.2.6.1. RISKS RELATED TO CAPITAL

Capital may not be completely fungible between different regulated legal entities, which may have negative consequences

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

In addition, ongoing regulatory developments and discussions on global standards may impact SCOR in the future.

Adverse capital and credit market conditions may significantly affect SCOR's ability to access capital and/or liquidity and increase its cost of capital

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

- replace, in a timely manner, maturing debts;
- access the capital needed to grow its business;
- satisfy statutory capital requirements and maintain a solvency ratio in line with its risk appetite framework.

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

Disruptions to financial markets, and more particularly credit market conditions, could also affect SCOR's ability to access liquidity. Please see Section 3.6 – Liquidity risk, for further details.

For further information on changes in the macro-economic environment that could impact SCOR, refer to Section 3.2.1 – Risks related to the macro-economic environment affecting SCOR's strategy.

Management of risks related to capital

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

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

SCOR manages efficiently its capital allocation and fungibility among subsidiaries based on legal and regulatory constraints. SCOR is continuously leveraging, in its day-to-day activity, on various tools that are core to the reinsurance activity (such as intra-group retrocession, intra-group financing, portfolio transfer, capital transfer or collateral posting).

3.2.6.2. RISKS RELATED TO ACQUISITIONS

Overview of risks related to acquisitions

SCOR has made a number of acquisitions around the world. Acquisitions involve risks that could adversely affect its operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. Acquisitions could also result in additional indebtedness, costs, contingent liabilities, and impairment and amortization expenses related to goodwill and other intangible assets. In addition, acquisitions may expose SCOR to operational challenges and various risks.

A failure to successfully manage such operational challenges could adversely affect the Group.

The businesses SCOR has recently acquired are described in Section 1.2.2 – History and development of SCOR.

Specific risks relating to the acquired businesses are as follows:

Integration of the acquired activities may prove to be more difficult than expected

Integrations may take longer, be more expensive or more difficult than expected. The success of integrations may depend on operational and commercial planning, execution of systems and procedures, and on the retention of key employees. Difficulties could result in higher integration costs or fewer synergies than expected.

Retaining client relationships and related business volumes

It may be outside the control and influence of SCOR to retain certain client relationships and business volumes related to acquired businesses. Related earnings and efficiencies may be lower than expected, which may dilute the return on such acquisition related investments.

AEGON's insolvency might impair the value of business acquired (VOBA) of SCOR Global Life

Since August 2011, the majority of the mortality reinsurance business in the US related to the former Transamerica Reinsurance Co. flows into SCOR via retrocession from AEGON companies. Not all underlying reinsurance agreements between cedents and AEGON have been novated; an AEGON insolvency might reduce or terminate cedent premiums passed on to SCOR, and impair the value of business acquired ("VOBA") and have a material adverse effect on SCOR.

Certain risks relating to acquired companies may not yet be known

Due notably to the size and complexity of acquisitions, and despite pre-acquisition due diligence work carried out, there is a risk that not all financial elements (including litigation related to prior periods) may have been fully and/or correctly evaluated. Unknown or unexpected financial risks could emerge, which may have significant consequences on the initially estimated impact of the relevant acquisition on the combined Group.

Management of risks related to acquisitions

SCOR adheres to high internal standards for acquisition processes, governance and integration, based on an approach approved by its Executive Committee.

SCOR retains outside legal, accounting, tax, actuarial, regulatory and financial counsel for its due diligence, valuation and integration assessments and execution, led by experienced employees in various multi-jurisdictional disciplines, including but not limited to underwriting, structuring, valuation, accounting, tax, actuarial, risk management, legal, audit, strategy, claims management, regulatory, rating agencies, and asset management. SCOR's governance is overseen by a Group Steering Committee, chaired by its Chief Executive Officer and including various members of SCOR's Executive Committee. All progress, assessments and any offers made to third parties are generally presented and approved by the Strategy Committee of SCOR's Board of Directors.

All planned acquisitions that may have an impact on SCOR's risk profile are reviewed in collaboration with SCOR's risk management teams. Integration of acquired businesses typically begins during the due diligence phase and is carefully planned between SCOR and the personnel of the acquired companies. SCOR integration plans typically take into account all systems, procedures, commitments and constraints, as well as employees, clients, suppliers and contractual third parties, and focuses on pre-closing, closing day and post-closing objectives. While SCOR has experience in managing acquisitions and takes care in planning and executing such operations, the outcomes may not always meet expectations.

3.3. UNDERWRITING RISK RELATED TO THE P&C AND LIFE REINSURANCE BUSINESS

For further details on the terminology used to describe the Group's activity, see Section 1.2.5 – Business overview.

The main risk the Group faces in relation to insurance and reinsurance contracts is that the actual amounts of claims and indemnity payments, or the timing thereof, differ from estimates. The frequency of claims, their severity, the actual payments made, the development of long-tail claims (whether they be litigated or not), and long-term mortality trends as well as external factors such as those listed below, are all beyond the Group's control. Additionally, the Group is dependent on the quality of underwriting of its cedents for certain reinsurance treaties, and on the quality of claims management by these companies and the data provided by them. Under these uncertainties, the Group seeks to ensure that sufficient reserves are available to cover its liabilities.

Generally, SCOR's ability to increase or maintain its portfolios of insurance and reinsurance risks in the P&C and Life divisions may depend on external factors such as professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions. These factors create uncertainties and may adversely affect SCOR's business due to either an interpretation of the contracts leading to an extension of coverage (e.g. through inapplicability or interpretation or overriding of treaty clauses) or by increasing the frequency and/or severity of claims beyond what was anticipated at the time of the underwriting.

SCOR mitigates its underwriting risk related to the P&C and Life reinsurance business through the purchase of risk-mitigation covers, both on the traditional retrocession market and on the capital markets via alternative risk transfer solutions (e.g. the multi-year securitization of catastrophic and pandemic risk in the form of Insurance-Linked Securities ("ILS") and the issuance of contingent capital facilities). However, there is a risk that SCOR may not be able to transfer its liabilities through the purchase of such instruments on economically viable terms and conditions in the future. For further details on retrocession and other risk mitigation techniques within SCOR, see Section 3.3.1.4 – Management of underwriting risk related to the P&C and 3.3.2.7 – Management of underwriting risk related to Life reinsurance business and Appendix A – 2 Internal control and risk management procedures – paragraph on capital shield strategy.

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

SCOR underwrites reinsurance covers in P&C and Life and occasionally in direct P&C insurance.

SCOR writes direct insurance, primarily on a business-to-business basis to cover large corporate risks through the Business Solutions domain of SCOR Global P&C and through the participation in Lloyd's syndicates including Channel 2015, for which SCOR is the sole capital provider as well as through some participations in business ventures and partnerships.

3.3.1. P&C REINSURANCE

The main risks linked with the P&C reinsurance business (and direct insurance activity) underwritten by SCOR's P&C division are P&C long-tail reserves deterioration, natural and man-made catastrophes, including terrorism, and other risks beyond its direct control such as systematic crisis or the cyclicality of the business.

3.3.1.1. 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 Best Estimate Liabilities (BEL) and mostly affects the long-tail lines of business, such as all casualty, professional liability and financial lines, inherent defect and construction warranty, medical malpractice, motor (first and third party liability) and workers' compensation. Claims inflation is influenced by, but not directly linked to general inflation.

For SCOR's casualty business, the frequency and severity of claims and the related amounts of indemnity paid can be affected by several factors. The most significant factors are the changing legal and regulatory environment, including changes in civil liability law and jurisprudence.

For further information on risks related to reserves, see Section 3.3.4 – Risks related to reserves.

3.3.1.2. NATURAL AND MAN-MADE CATASTROPHES

SCOR's property business underwritten by SCOR Global P&C 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 of SCOR's lines of business.

Natural Catastrophes

The most material catastrophes in SCOR's risk profile are related to natural events, mainly tropical cyclones, windstorms, earthquakes and floods arising in North America and Europe and affecting property, engineering and possibly other lines of business.

SCOR manages its gross exposure to catastrophes through a comprehensive risk transfer and capital protection program which combines traditional retrocession and non-traditional solutions, including catastrophe bonds and a contingent capital equity line.

For further information on management of underwriting risks within the P&C division, refer to Section 3.3.1.5 – Management of underwriting risks related to the P&C business. For further information on SCOR's retrocession and other risk mitigation techniques, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques.

Man-Made Catastrophes

SCOR is exposed to insured losses, arising from single or multiple events, which can be catastrophic, caused by the occurrence of a man-made event. The lines of business mostly exposed to man-made catastrophe are property (other than natural catastrophe), marine, motor, casualty, credit and surety, aviation and space.

Property

Man-made catastrophes refer to negligent or deliberate human actions, e.g. conflagration, a large explosion and fire at a major industrial site, and terrorism. These events can cause great damage to property and lives. Malicious man-made events often target large cities and illustrious landmarks such as international airports and governmental facilities.

In particular, SCOR is exposed to single or multiple terrorist attacks through some P&C treaties and national terrorism pools. Terrorism exposures are monitored on a worldwide basis as a fully integrated part of the Underwriting Management Framework. Underwriting guidelines stipulate the rules and procedures for terrorism risk for Treaty P&C, Specialty lines and SCOR Business Solutions (SBS). SCOR monitors this risk using a very conservative approach.

SCOR's exposure to terrorism arises from participation in the protection of existing national terrorism pools and exposure from some markets that do not permit the exclusion of terrorism from insurance policies due to local regulation, such as in the US, or due to market practice. Furthermore, the US insurance market is exposed to significant risks due to the insurance obligation created by the law. However federal aid is also provided by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA").

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

Casualty

SCOR is also exposed to man-made casualty catastrophes whose underlying nature and key specificities can vary widely, from commonly used products (with Asbestos as a typical example), massive product liability losses emanating from items produced by a single manufacturer, to a single disastrous event (e.g. Deepwater Horizon oil rig explosion).

The amount of information available on casualty catastrophes is limited. In contrast to property catastrophes, which are short term in nature (limited number of days between insured event and loss emergence), at which point reasonable estimates of the size of the loss can be calculated, most casualty catastrophes emerge gradually and the full extent of the losses is often not known for decades.

SCOR is engaged in the development of advanced liability catastrophe analytics, and data mining and modeling techniques for improving its prediction capabilities for man-made casualty event losses.

Property and Casualty

The extent of the loss event and the affected lines of business will vary depending on the man-made event. SCOR can be affected from a man-made event simultaneously in the property and the casualty lines of business, e.g. if the explosion at a large industrial site destroys the industrial facility, but also pollutes the environment, given its proximity to vulnerable landscape (e.g. river, lake), and causes property damages and bodily injuries affecting the population.

For further information on management of underwriting risks within the P&C Division, refer to Section 3.3.1.4 – Management of underwriting risks related to the P&C business.

3.3.1.3. OTHER RISK CONSIDERATIONS

In addition to the two main risks of SCOR's P&C underwriting risk as listed above, other factors could have an adverse impact, such as systemic crisis, cyclicality of the business and concentration risks related to its broker business.

Systemic Crisis

Historically, reinsurers have experienced significant fluctuations in operating income due to volatile and unpredictable developments, many of which are beyond the control of the reinsurer including general economic conditions, levels of capacity offered by the market, and the level of competition with regards to pricing. In particular some SCOR's lines of business which are directly linked to financial activities are more exposed to global economic recessions (e.g. systemic crisis post Lehman Brothers): as an example specialty lines such as credit and surety or liability risk such as Errors & Omissions and Directors & Officers Liability.

Cyclicality of the business

P&C insurance and reinsurance businesses are cyclical. The primary consequences of the market softening are a reduction in the volume of P&C reinsurance premiums on the market, an increase in competition within the reinsurance market, and also a preference for those operators who are most attentive to the specific needs of the cedents and the most capable of answering them. This could lead potentially to a loss of competitive advantage for SCOR.

Beyond the general trends, the premium rate cycle affects certain geographic markets and/or certain lines of business in different ways and different levels, independently of each other.

Concentration risk related to its broker business

SCOR produces out its P&C business both through both brokers and through direct relationships with insurance company clients. For the year ended December 31, 2016, P&C wrote approximately 61% of gross written premiums through brokers and 39% through direct business, while Life wrote approximately 6% through brokers and approximately 94% through direct business. For P&C, the largest brokers that the Group wrote gross premium with were Aon Group with approximately 19% MMC with approximately 15% and Willis Group with approximately 10% of total gross written premiums. See Section 1.2.5.4 – paragraph on distribution by production source. The risk for SCOR is mainly the concentration of premiums written through a limited number of brokers. A significant reduction in the business generated through these brokers could potentially reduce premium volume and net income.

3.3.1.4. MANAGEMENT OF UNDERWRITING RISK RELATED TO THE P&C BUSINESS

The P&C Division is organized in order to enable it to assess and control its risks at each level of its business.

- Most of the business underwritten is renewed on agreed dates. This enables SCOR to establish annual underwriting plans, both qualitative (description of the environment) and quantitative (activity budget). These plans are approved by the Executive Committee.
- The Property and Casualty Treaty underwriters manage client relationships and offer reinsurance support after a careful review and assessment of the cedents' underwriting policies, portfolio profiles, exposures and management procedures. They are responsible for writing treaty business as well as associated support on small and medium-size facultative risks in their respective territories within the limits of their individually delegated underwriting authority and the scope of underwriting guidelines.
- Most of SCOR's facultative underwriters work in the Business Solutions domain of SCOR Global P&C, which operates worldwide. This business area is dedicated to large corporate businesses and is geared to provide the clients of SCOR Global P&C with solutions for coverage of large conventional risks.
- Underwriting and pricing guidelines, defined by SCOR Global P&C, specify the underwriting capacities delegated to each underwriter in each entity, as well as the underwriting rules and principles to be complied with. These guidelines are subject to a regular review and approval process. SCOR's underwriting guidelines are more restrictive regarding certain areas with difficult or uncertain legal environments.
  - Underwriting guidelines in place within SCOR Global P&C specify (i) the underwriting rules and principles to be complied with: (ii) underwriting capacities individually delegated to the underwriters in each of the markets and lines of business in which the Group operates as well as (iii) the relevant maximum acceptable commitments per risk and per event. They are reviewed and updated annually by the Underwriting Management function and approved by the Chief Executive Officer and Chief Risk Officer of SCOR Global P&C.
  - Pricing guidelines and parameters apply to all treaties priced within SCOR Global P&C. There are additional guidelines related to Natural Catastrophes and others specific to certain products which include Agriculture and Credit & Surety. These guidelines seek to ensure that the analyses provide: a best estimate of the costs and profitability of a treaty as well as the uncertainty surrounding estimates; assistance with underwriting decisions; suitable outputs needed for the risk management process, in particular the internal model, such as probability distributions for losses/NPV, cash flow patterns

for premium/losses, etc. They are set to provide consistency and continuity across the organization but also to take into account differences between markets and lines of business as well as the geographical location of the client and the risks insured. Parameters are revised at least once a year to consider, as the case may be, changing market conditions and environment. Contracts that meet certain risk thresholds are subject to mandatory peer reviews that have to be performed and documented before pricing is completed. SCOR Global P&C uses a data system that allows management to monitor and review the results from pricing tools.

- The underwriting teams are supported by the SCOR Global P&C Underwriting Management function located in Paris and represented in the four Hubs. This function provides worldwide treaty and facultative underwriting guidelines, policies regarding the delegation of capacity, underwriting support to specific lines of business or individual risks when required, ceding company portfolio analysis and risk surveys and is responsible for monitoring and referral of non-standard business and for authorizing exceptions to the underwriting guidelines.
- Business opportunities going beyond the stipulations of the guidelines thus defined are subject to special referral procedures at two levels: (1) by the Underwriting Management function; and, where applicable, by the Legal Department and/or the Finance department; (2) and for cases which may have a significant impact on the balance sheet (thresholds and/or conditions defined in a procedure or specific guidelines) by the Group Risk Management Department and the Chief Executive Officer of SCOR Global P&C.
- SCOR Global P&C Actuarial Pricing Department is responsible for the pricing of the reinsurance business which is done by individual treaty. Guidelines, methods and tools are set and maintained at the global level which are used by the pricing team across the SCOR offices. Delegation authorities specify criteria under which the underwriters may price certain contracts still subject to the use of the Pricing Guidelines and tools. Pricing results quantify expected underwriting statistics (such as loss and expense ratios), volatility measures, and profitability measures (such as NPV, RORAC, and Profit Excess Targets).The results are also used as criteria for referrals within Underwriting Departments. Pricing actuaries, team up with underwriters and modelers by market or by lines of business.
- The Risk Modeling & Global Natural Hazards Department is in charge of monitoring accumulations. A "CAT" sub-group of the P&C Risk and Capital Committee meets regularly to review accumulations and decide on or arbitrate the allocation of CAT capacities by country. Earthquake and storm risks gross exposures are measured using proprietary external models from industry-leading catastrophe model suppliers, including Risk Management Solutions RiskLink® ("RMS") and AIR Worldwide Catrader® ("AIR"). These tools enable the Group to quantify its exposure in terms of a probable maximum loss ("PML") at various levels of probability for each peril and geographic location. The overall aggregate annual PML per peril, allowing for potential multiple events, provides the information required to determine the level of retrocession and other alternative risk transfer solutions (e.g. catastrophe bonds) that are needed to ensure that the net aggregate exposure is optimized for the Group's risk appetite and remains within predefined tolerance limits.
- In order to mitigate its property exposure, the Group retrocedes a portion of the risks it underwrites. See 3.3.5 – Retrocession and other risk mitigation techniques for further information on how these instruments are managed.
- The claims handling function is performed by the claims teams, which review, process and monitor reported claims. SCOR Global P&C's Claims & Commutations Department is in charge of the implementation and overview of the overall claims handling and commutation management policy for the P&C division, implementing worldwide control and reporting procedures and managing commutation of portfolios and commitments. It supports and controls the day-to-day activity and takes over the direct management of large, litigious, serial and latent claims. In addition, periodic audits are conducted on specific claims and lines of business, and claims processing and procedures are examined at the ceding companies' offices with the aim of evaluating their claims adjustment process, valuation of case reserves and overall performance. When needed, recommendations are given to underwriters and local management.
- The adequacy of SCOR Global P&C reserves are controlled based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.4 – Risks related to reserves.
- Risks specific to the administration of contracts are subject to checks performed at the subsidiary and branch level. SCOR's Group Information System includes multiple automatic checks and additional tools.
- A quarterly review of technical results is performed by business area (Property and Casualty Treaties, Specialty Lines, Business Solutions (Facultative), business ventures and partnerships) and region. The review enables the analysis of technical results by underwriting year, by nature and by line of business.
- SCOR Global P&C's Risk Management organizes the quarterly P&C Risk and Capital Committee, which is responsible for highlighting the main risks to which the P&C division is exposed, regarding both assets and liabilities.
- Cross reviews are conducted by SCOR Global P&C's Risk Management to assess the quality of underwriting, pricing and claims handling of particular business units or certain lines of business, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management measures, including mitigating actions.

3.3.2. LIFE REINSURANCE

The main underwriting risks for SCOR's life division are described below.

3.3.2.1. LONG-TERM MORTALITY DETERIORATION

This risk refers to potential negative deviations in future mortality patterns from current best-estimate assumptions due to a higher-than-anticipated number of deaths (i.e. increased mortality rates) among the portfolio lives reinsured by SCOR. This could result from inherent volatility, initial mispricing (level risk) or an adverse long-term trend. The latter could potentially be influenced by various emerging risks.

SCOR's long term mortality reserves are based on a number of assumptions and information provided by third parties, which, if incorrect and/or incomplete, could have an adverse effect on the Group. For further information on risks related to reserves, see Section 3.3.4 – Risks related to reserves.

3.3.2.2. PANDEMIC

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

3.3.2.3. LONGEVITY

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

3.3.2.4. POLICYHOLDER BEHAVIOR RISK

SCOR Global Life is also exposed to risks related to policyholder behavior, including risks such as lapsation and anti-selection at policy issue.

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

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

- take out a policy in the knowledge that either their chance of claiming is high or higher than average;
- terminate a policy in the knowledge that their chance of claiming is low or lower than average, or;
- choose and exercise a policy option which increases the policyholder's expected benefit.

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

3.3.2.5. MORBIDITY RISK

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

3.3.2.6. OTHER RISKS

In addition to the main underwriting risks of SCOR Global Life as listed above, other factors could have an adverse impact, whether related to policyholder behavior such as resale or purchase of policies by third parties with no insurable interest, or other risk factors such as risks related to product guarantees.

3.3.2.7. MANAGEMENT OF UNDERWRITING RISK RELATED TO THE LIFE REINSURANCE BUSINESS

In addition to the transversal risk management mechanisms described in the introduction to this section, SCOR Global Life also implements mechanisms to mitigate certain risks specific to the division:

- Claims deterioration risks are mitigated through yearly renewable terms for parts of the mortality business, and through premium adjustment clauses for some Disability, Long-Term Care (LTC) and Critical Illness (CI) products. In the case of LTC, the premium adjustments are designed to offset worsening incidence or increasing longevity of disabled lives. In the case of CI, premium adjustments mitigate potential negative impacts on future claims patterns due to a general deterioration in health and improved medical diagnosis.
- Lapse risks are mitigated through appropriate reinsurance treaty clauses, as well as product, client and market diversification.
- Anti-selection risks are mitigated through careful product design and a well-defined medical and financial underwriting selection process.

The Life division is organized in order to be able to assess and control its risks at each level of its business.

- Generally, the Life reinsurance business is underwritten throughout the year. The Life business underwritten is monitored on a quarterly basis against prior year development as well as the business plan and regular updates are provided to the Executive Committee.

- Underwriting of the Life business within the Group is under the worldwide responsibility of SCOR Global Life. Clients are worldwide Life, Pension or Accident and Health insurance companies. They are served by SCOR's specialized underwriters and actuaries who are familiar with the specific features of the markets in which they operate, particularly with local lines of business and policy conditions, as well as the technical specifics such as mortality tables, morbidity incidence rates and persistency rates. In the Life underwriting process, consideration is typically given to the quality of the client's medical and financial underwriting standards, the target clientele of the ceding company, as well as past experience to the extent credible data is available.
- Life reinsurance treaties are underwritten by Life reinsurance experts familiar with the specific features of their markets. The Life business is underwritten following internal underwriting and pricing guidelines. Mandates for underwriting Life reinsurance business are assigned to teams on a mutually exclusive basis.
- In order to ensure that SCOR Global Life is continually up-to-date with biometric trends and scientific developments, SCOR Global Life uses the expertise of five dedicated Research & Development centers to analyze and assess the key factors underlying mortality, longevity, morbidity and policyholder behavior. These Research & Development Centers provide recommendations for the implementation of the research results into the pricing, underwriting and determination of exposure limits.
- Guidelines and other documents defined by SCOR Global Life specify the underwriting rules and principles to be complied with, underwriting capacities delegated to the underwriters and pricing actuaries in each of the markets in which the Group operates, as well as maximum acceptable commitments per risk and per event. These guidelines outline contract types and terms and conditions of acceptance. Furthermore, they set out the level of retention of SCOR Global Life for various risks and types of cover (for more information, see Section 3.3.5 – Retrocession and other risk mitigation techniques). Revisions and updates follow a formalized approval process.

  Business opportunities going beyond the stipulations of these guidelines and documents are subject to a special referral process in order to ensure that the business complies with established risk-adjusted return criteria and risk tolerance limits. These cases are examined at the SCOR Global Life level by the Regional and Global Pricing and Risk Management Department and, where applicable, the Finance Department. Cases which may have a significant impact on the balance sheet of the Group are additionally reviewed by the Group Risk Management. Thresholds or conditions for a referral to Group Risk Management are outlined in specific guidelines.
- Accumulations of risk particularly exposed to catastrophes in the Life business are regularly assessed in "footprint" scenarios and local CAT scenarios. Specific tools are used to monitor known Group cover accumulation in selected geographical areas. Specifically designed retrocession programs aim at protecting the Life reinsurance business. One program protects assumed catastrophe excess of loss acceptances; another one protects the net retained lines in respect of proportional and per risk acceptances. SCOR is making use of the RMS model for infectious diseases in order to assess the potential exposure to risk arising from global pandemics.
- Maximum underwriting capacities are established to limit SCOR Global Life's exposure on various types of treaties underwritten, proportional and non-proportional, covering individual or Group policies. These capacities are reviewed each year, taking into account the capacities obtained by the retrocession coverage. These limits include: maximum commitment per life accumulated for all SCOR exposures, maximum annual commitments for non-proportional cover per life or per event, maximum commitment per country for nonproportional exposures by event. Aggregate portfolio exposures are continually monitored. Specialized software allows an accumulation control of insured lives and is fed with single risk information as received by the client companies. Based on this system, risks under which the accumulated exposure exceeds SCOR Global Life's retention are identified and retroceded. The retention limits are reviewed regularly. The exposure is monitored throughout the year against SCOR's defined risk limits and used for decisions on mitigating measures. Monitoring of peak exposures is included in Life regular risk reporting. See Section 3.3.5 – Retrocession and other risk mitigation techniques for further information on how these instruments are managed.
- The Life division's claims handling is performed by local claims teams that handle and monitor claims. Claims exceeding a predefined threshold are reviewed by CREDISS, SCOR Global Life's global medical underwriting and claims research center. In addition, where deemed appropriate, audits are conducted on claims or specific lines of business at the ceding companies' offices.
- The adequacy of SGL reserves is monitored based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.4.2 – Management of reserving risk.
- Risks specific to the management of contracts are mitigated by specific controls supported by SCOR's IT Systems which include numerous automatic controls and additional tools.
- A quarterly review of technical results is performed by region and by business area.
- SCOR Global Life's Risk Management Department organizes quarterly meetings of the Life Risk Committee which is responsible for reviewing the main risks to which the Life division is exposed.
- In addition, cross reviews are commissioned by SCOR Global Life's Chief Executive Officer to evaluate, on the one hand, the quality of underwriting, pricing, medical underwriting and claims handling of particular market areas or lines of business and, on the other hand, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management actions.

3.3.3. INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

3.3.3.1. OVERVIEW OF THE MAIN INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

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

Unforeseen events, such as natural catastrophes or man-made catastrophes, can make SCOR's claims experience vary significantly from one year to the next, which can have a significant impact on its profitability and financial position. These types of risk primarily affect Non-Life business areas. However, in cases where SCOR faces a large number of casualties, the possibility of the losses also affecting its Life lines of business cannot be excluded. Similarly, unforeseen events such as terrorist attacks may materially impact the P&C business area, but also the Life business area, in the case of attacks resulting in many fatalities. Although in past events the Life claims incurred have been comparatively small in relation to the Non-Life claims incurred, a terrorist act might claim a large number of insured lives.

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

In addition, depending on the frequency and nature of losses, the speed with which claims are made and the terms of the policies affected, it may be required to make large claim payments within a short period. SCOR may be forced to fund those obligations by liquidating investments in distressed market conditions, or by raising funds under unfavorable conditions. For further information on such risks, see Section 3.6 – Liquidity risk.

SCOR's ability to grow or maintain its portfolios in the P&C and Life reinsurance divisions may also be subject to external factors which may be interconnected, such as economic and political risks. For instance, slowdowns in economic growth or recessions in the major markets may lead households and companies to take out less insurance, to suspend certain premium payments, or to terminate the insurance policies underlying the existing P&C and Life treaties earlier than anticipated. Similarly, the risk of social and political instability is particularly significant in emerging markets, in which both divisions operate. These risks could lead to significantly reduced business growth in these target markets. See Section 3.2 – Strategic risk for further details.

SCOR is also exposed to insurance risks in its investment portfolio either through publicly traded securities (e.g. CAT bonds), or Over-The-Counter (OTC) contracts (e.g. collateralized reinsurance). Such investments could be impacted by the occurrence of underwriting risks as described in the above paragraphs (e.g. natural catastrophe, mortality etc.) that could significantly result in changes in value, or even the full loss of the amount invested. In the case of publicly traded securities, these risks could also have a significant impact on the liquidity of these instruments.

3.3.3.2. MANAGEMENT OF INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

The Group aims at diversifying its business and monitors its main accumulation risks and areas of dependencies across its business through regular risk monitoring and reporting mechanisms, including via its internal model.

SCOR manages its exposure to catastrophes through selective underwriting practices, especially by limiting its exposure to certain events in certain geographic areas, by monitoring risk accumulation on a geographic basis and by retroceding a portion of those risks to other selectively chosen reinsurers.

3.3.4. RISK RELATED TO RESERVES

3.3.4.1. SCOR'S RISK RELATED TO RESERVES

The SCOR Group is required to maintain reserves to cover its estimated ultimate liability for losses and loss adjustment expenses with respect to reported and unreported claims, incurred as at the end of each accounting period, net of estimated related recoveries. Its reserves are established based on the information it receives from its cedent insurance companies, including their own reserving levels, as well as on the basis of its knowledge of the risks, the studies it conducts and the trends it observes on a regular basis. As part of the reserving process, SCOR reviews available historical data and tries to anticipate the impact of various factors, such as changes in laws and regulations, judicial decisions, social and political attitudes and trends in mortality and morbidity, and changes in general economic conditions.

If some information were incorrect and/or incomplete, this could have an adverse effect on the Group. Despite the audits it carries out on the companies with which it does business the Group is still dependent on their reserves assessment.

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

Another factor of uncertainty resides in the fact that some of SCOR's activities are long-tail in nature, such as long-term care, whole Life products, longevity, worker's compensation, general liability or medical malpractice, etc. It has, in the past, been necessary for SCOR to revise estimated potential loss exposure on such lines of business.

See Section 3.3.1.1 – P&C long-tail reserve deterioration for further details.

3.3.4.2. MANAGEMENT OF RESERVING RISK

The adequacy of P&C and Life reserves is checked on a quarterly basis by internal actuaries at division level as well as at the Group level by the Group Chief Actuary who signs off on the adequacy of reserves and reports to the Executive Committee and the Audit Committee.

External consulting firms can also be mandated to review the P&C reserves. Life reserving assumptions have been reviewed by an external firm as part of the embedded value calculation. If necessary, internal audits of its portfolios are performed.

The Chief Reserving Actuaries of the divisions are responsible for overseeing the reserves of their respective divisions, to assure appropriateness in the reserving methods and parameters used and to enhance reserving governance. The Group Chief Actuary is in charge of the independent validation and testing of reserving tools, workflows, assumptions and processes.

A centrally defined and tightly controlled reserving process, strong portfolio diversification, prudent reserving, sound reserving tools and, actuarial methods used by highly skilled professionals and a high level of transparency, both internally and externally, all tend to minimize the risk of inadequate reserves.

P&C business

Within SCOR Global P&C, in order to ensure an adequate and efficient monitoring of the reserves, a report is established on a yearly basis by the Group Actuarial Department, where the Group Chief Actuary, reporting to the Group Chief Risk Officer, gives his opinion on the year-end booked reserves' adequacy. The main objective of this report is to provide SCOR's Executive Committee and Audit Committee with an overall opinion on the adequacy of the P&C division's reserves but also to highlight the inherent uncertainties surrounding this assessment. The monitoring of the reserves by the division's and Group's Actuarial Department is centered on three mechanisms:

- a quarterly follow-up of the claims activity and review of reserves for each segment through adequate reporting procedures;
- an annual internal actuarial analysis, including a review of all segments together with a full analysis of the segments that may have a substantial impact on SCOR's balance sheet. This analysis is performed by the SCOR Global P&C reserving actuaries and reviewed by the Group Actuarial Department which performs as well its own full analysis. These analyses are recorded in an annual actuarial report;
- regular external reviews of SCOR Global P&C division reserves adequacy are performed including those required by local regulators (Canada, Australia, Hong Kong, South Africa, China and SCOR Lloyd's syndicate).

SCOR regularly reviews its methods for determining outstanding claims reserves and IBNR reserves. However, it is difficult to accurately value the amount of reserves required, especially in view of changes in the legal environment, which could have an impact on reserve development.

When a claim is reported to the ceding company, its claims department establishes a reserve corresponding to the estimated amount of the ultimate settlement for the claim. The estimate is based on the cedent's own evaluation methods. The ceding company reports the claim and its suggested reserve amount to the Group entity with which it concluded its reinsurance contract. The Group records the ceding company's suggested reserve and is free to establish greater or smaller reserves based on the review and analysis by SGP&C's claims team. Greater or smaller potential reserves are based upon the consideration of many factors, including the level of the commitments, seriousness of the claims and the SGP&C's assessment of the ceding company's claims' management.

In compliance with applicable regulatory requirements and in accordance with industry practices, the Group maintains IBNR reserves in addition to outstanding claims reserves. These reserves represent:

- the estimated final amount that may be paid by the Group on losses or events that have occurred, but are not yet reported to the ceding company or to the SCOR entity concerned; and
- the estimated cost variation on claims already reported to the Group.

In determining the amount of its reserves, the Group generally uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect reinsurance treaty terms and conditions, and any changes in claims processing that may potentially affect the Group's commitment over time.

A table showing historical changes in reserves for P&C claims is provided in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

The Group continues to pursue the active commutations policy of its portfolios initiated in 2003, the main goals being to reduce the volatility of claims reserves and administrative costs, particularly of the oldest reserves, and to allow the reallocation of capital. This policy will be continued by focusing efforts on the US run-off activities and on some treaties written by the former Converium company acquired by SCOR in 2007.

Life business

Within SCOR Global Life, in order to ensure an adequate and efficient monitoring of the reserves, a report is established on a yearly basis by the Group Actuarial Department where the Group Chief Actuary gives his opinion on the year-end booked reserves' adequacy. The main objective of this report is to provide SCOR's Executive Committee and Audit Committee with an overall opinion on the adequacy of the Life division's reserves but also to highlight the inherent uncertainties surrounding this assessment.

The monitoring of the reserves by the division's and Group's Actuarial Department is centered on three mechanisms:

- a quarterly follow-up of the claims activity and review of reserves for each segment through adequate reporting procedures;
- an annual internal actuarial analysis, including a review of all segments together with a full analysis of the segments that may have a substantial impact on SCOR's balance sheet. This analysis is performed by the SCOR Global Life reserving actuaries and reviewed by the Group Actuarial Department which performs as well its own full analysis. These analyses are recorded in an annual actuarial report;
- regular external reviews of SCOR Global Life division reserves adequacy are performed including those required by local regulators.

The Group Actuarial Department does not intend to provide an alternative best estimate but verifies the adequacy of the assumptions and methods and processes used by the teams of SCOR Global Life to determine the Life reserves. In some cases, the Group Actuarial Department applies a global approach and calculates a confidence range in order to check that the reserves booked are within said confidence range.

For its Life business, SCOR is required to maintain adequate reserves to reflect the liability for future claims and benefit payments resulting from life reinsurance treaties, mainly mathematical reserves and claim reserves.

The mathematical reserves are generally calculated as the present value of projected future payments to cedents less the present value of projected premiums still payable by cedents. The calculation includes assumptions relating to mortality, morbidity, disability, lapses and expected future interest rates.

The mathematical reserves are established on initial recognition of a contract on the basis of best estimate assumptions and allow for an adequate safety margin for the risks of change, error and random fluctuation. They are subject to a liability adequacy test.

In determining its best estimates, the Group takes into consideration its past experience, current internal data, external market indices and benchmarks and other relevant information. The contracts' liabilities established by the Group with respect to individual risks or classes of business may be greater or less than those established by ceding companies due to the use of different mortality tables or other assumptions.

Claim reserves for losses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and IBNR. SCOR regularly reviews and updates its methods for determining outstanding claims reserves and IBNR Reserves.

A table showing changes in the mathematical reserves in Life reinsurance is provided in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

3.3.5. RETROCESSION AND OTHER RISK MITIGATION TECHNIQUES

Reinsurers typically purchase reinsurance to cover their own risk exposures. Reinsurance of a reinsurer's business is called retrocession. SCOR remains primarily liable to the direct insurer on all risks reinsured although the retrocessionaire is liable to the Group to the extent of the cover limits purchased.

The level of retrocession is selected each year to ensure that SCOR's retained risk profile respects the specific Group risk appetite framework and to help the Group achieve its return on capital and solvency objectives.

SCOR aims to diversify its retrocession and risk mitigation instruments as well as counterparties in order to take advantage of all different sources of capacities on the market. This enables the retrocession and risk mitigation program to be constructed with complementary mitigation effects offering optimal efficiency and also to avoid overdependence on a reduced number of counterparties.

Beyond traditional retrocession, purchased for all main lines of business, SCOR has implemented a "Capital Shield Strategy, which combines the following solutions:

- traditional retrocession (proportional or non-proportional);
- capital markets solutions and alternative risk transfer solutions (collateralized retrocession, Insurance-Linked Securities including catastrophe and extreme mortality bonds, sidecars);
- Solvency buffer; SCOR has set out a solvency scale with clear and well defined buffers safeguarding the Group's franchise;
- contingent capital facilities, designed as tools of last resort, to partially replenish the Group's capital base in case of very remote pre-defined events. The current contingent capital guaranteed equity line is providing the Group with EUR 300 million coverage. It is innovative in that it protects the Group against both natural catastrophes and extreme mortality events.

For information on the Atlas Special Purpose Vehicles, used as capital markets solutions and alternative risk transfer solutions in the capital shield policy, see Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation. For information on the contingent capital used in the capital shield policy, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

Retrocession procedures are centralized within the retrocession teams of the P&C and Life divisions:

- within the P&C division, SCOR Global P&C Underwriting Management and Retrocession Department establishes and implements the external retrocession plan for P&C business. This department is responsible for proper application of the plan, for monitoring the solvency of the retrocessionaires, the related counterparty risks and, when necessary, recovery of balances due;
- within the Life division, scenarios are established within the Actuarial & Risk Department of SCOR Global Life in order to define the need for retrocession coverage. The retention and the retrocession structure are revised every year.

The availability and efficiency of SCOR's retrocession and risk mitigation program is monitored at Group level on a regular basis in order to ensure that the Group's overall exposure remains within pre-defined risk tolerances.

For further information on how counterparty default risk related to retrocessionaires is managed, see Section 3.5 – Credit risk.

An analysis of the share of retrocessionaires in contract liabilities by rating of the retrocessionaires and collateral from retrocessionaires in favor of SCOR at December 31, 2016 and 2015 is presented in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities and Note 19 – Net retrocession result.

3.4. MARKET RISK

3.4.1. MARKET RISK – AN OVERVIEW

Market risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of changes in market prices or macro-economic variables. This includes interest rate risk and currency risk, further described below, as well as equity risk and real estate risk, to which SCOR is exposed to through its investments. It also includes credit spread risk on these invested assets exposed to changes in spread due to general changes in market conditions as well as default risk arising from insolvency of an issuer or a counterparty. For further information on credit risk (counterparty default), see Section 3.5 – Credit risk.

3.4.1.1. INTEREST RATE RISK

Interest rates are very sensitive to a number of external factors, including monetary and budgetary policies, the national and international economic and political environment, and the risk aversion of economic actors.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in interest rates. Interest rate fluctuations have direct consequences on both the market value and the return on SCOR's investments as the level of unrealized capital gains or losses and the return on securities held in its portfolio both depend on the level of interest rates. Floating-rate instruments expose the Group to cash flow interest rate risk, whereas fixed interest rate instruments expose the Group to fair value interest rate risk.

During periods of declining interest rates, income from investments is likely to fall due to investment of net cash flows and reinvestments of redemptions at rates lower than those of the existing portfolio (dilutive effect of new investments). During such periods, there is therefore a risk that SCOR's return on equity objectives are not met. For callable bonds for which the issuer has an option to redeem earlier than the ultimate maturity, the probability of having to reinvest the early proceeds at lower interest rates is increased.

On the other hand, an increase in interest rates could lead to a fall in the market value of fixed income securities that SCOR holds. In the case of a need for cash, SCOR may be obliged to sell fixed income securities, possibly resulting in capital losses. SCOR's reinsurance business may also be exposed to interest rate risk. The Group has certain life insurance contracts which are sensitive to fluctuations in interest rates. Although in general all long-term liabilities are discounted, in most cases there is no accounting impact from a 100 basis point change in the interest rate because valuation interest rates are typically locked-in.

Finally, the interest rate risk depends on the duration mismatch between assets and liabilities. As such, changes in interest rates can affect the shareholders' equity and the solvency ratio of the Group.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to interest rate risk, see Section 3.4.3 – Sensitivity analysis to market risk.

3.4.1.2. CURRENCY RISK

Currency risk is the risk of loss arising due to adverse changes in or volatility of foreign exchange rates. This would impact the value of SCOR's assets (e.g. through direct investments in assets denominated in various currencies) and liabilities (e.g. reinsurance treaties with liabilities denominated in specific currencies).

The following types of foreign exchange risk have been identified by SCOR:

Transaction risk

Fluctuations in exchange rates can have consequences on SCOR's reported net income because of the conversion results of transactions expressed in foreign currencies, the settlement of balances denominated in foreign currencies and the lack of perfect matching between monetary assets and liabilities in foreign currencies. In this case, and to reduce the impact of imperfect matching, SCOR uses derivative financial instruments in order to hedge against currency fluctuations on sensitive currencies, particularly in times of greater volatility on the capital markets. Nevertheless, a perfect matching of monetary assets and liabilities can never be achieved and a potential profit or loss impact due to fluctuations in exchanges rates can arise.

Translation risk

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

SCOR's main non-French legal entities are located in Ireland, Switzerland, North America, the UK and Asia. The shareholders' equity of these entities is denominated mainly in Euros, US dollars, British pounds and Canadian dollars.

As a result, changes in the exchange rates used to convert foreign currencies into Euros, particularly the fluctuation of the US dollar against the Euro, have had and may have in the future, an adverse effect on the Group's consolidated shareholders' equity. SCOR does not fully hedge its exposure to this risk. The impact of the fluctuation in the exchange rates used to translate foreign currencies into Euros on its consolidated shareholders' equity is described in Section 4.5 – Consolidated statements of changes in shareholders' equity.

SCOR has issued debt instruments in currencies other than the Euro, currently Swiss Francs, and to the extent that these are not used as a hedge against foreign currency investments, it may be similarly exposed to fluctuations in exchange rates. Most debts are fully hedged. For more information on the forward sales and purchases and swaps of currencies used to hedge these risks see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments. For more information on debts issued in different currencies, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

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

For further information on the sensitivity of the Group's consolidated income and consolidated equity to currency risk, see Section 3.4.3 – Sensitivity analysis to market risk.

3.4.1.3. EQUITY RISK

Equity prices are likely to be affected by risks which affect the market as a whole (uncertainty on economic conditions in general, such as anticipated changes in growth, inflation, interest rate fluctuations, sovereign risk, etc.) and/or by risks which influence a single asset or a small number of assets (specific or idiosyncratic risk). This may lead to a decrease in prices of the equity held by SCOR and may impact its unrealized gains and losses. A material or long-lasting decline in the prices of SCOR's equity holdings may also result in the impairment of its equity portfolio which would affect its net income.

The Group's exposure to the equity market results from direct purchases of stocks or investments in equity funds and in convex equity strategies such as convertible bonds.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to currency risk, see Section 3.4.3 – Sensitivity analysis to market risk.

3.4.1.4. REAL ESTATE RISK

Real estate risk, either for properties owned directly or through funds, are risks arising from a variation in the real estate market valuation or a change in rental market conditions, the two being closely linked.

Rental income from the property portfolio is exposed to the variation in the indices on which the rents are indexed (for instance, the Construction Cost Index in France) as well as risks related to the rental market (changes in supply and demand, changes in vacancy rates, impact on market rental values or rent renewals) and lessee default. On the other hand the indexation may provide an attractive hedge against inflation.

The value of property assets is exposed to the risk of regulatory obsolescence of properties (regulatory developments related to the accessibility of buildings for people with a disability, on the reduction of energy consumption and the production of carbon dioxide, etc.) which would lead to losses of value in the event of a sale of the assets or to additional expenditure to restore the value of the property.

3.4.1.5. CREDIT SPREAD RISK

Credit spreads reflect the market's assessment of the credit quality of a financial instrument (e.g. a bond) and are derived from the market value of the instrument. Credit spread risk is the risk that the credit spread increases i.e. the market value deteriorates leading potentially to a loss on the financial instrument.

3.4.2. MANAGEMENT OF MARKET RISK

The investment strategy complies with the prudent person principle. It is defined given the Risk Appetite and Risk Tolerance and takes into account the economic and market environment in line with a strong ALM process.

Investment Guidelines at Group and local levels outline the investment universe and limits, including concentration ones, in line with the objectives of the strategic plan. They are approved by the Group Board/local Board or top management.

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

Exposures to major risks are monitored on a weekly basis and stress tests measure the impact of parametric or footprint scenarios on the invested assets portfolio. These scenarios cover changes in interest rates, inflation, equities, credit spreads and real estate market. Portfolio sensitivity analysis to major risks is an important management tool which is used when making portfolio reallocation or hedging decisions.

3.4.2.1. MANAGEMENT OF INTEREST RATE RISK

The Group's aim is to maintain an appropriate mix of fixed and variable rate instruments. It also manages the maturities of interest bearing financial assets.

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

In addition, SCOR has entered into interest rates swaps to cover its exposure to financial liabilities with variable interest rates. For further details on these swaps, see Section 4.6 – Notes to the consolidated financial statements, Note 9 – Derivative instruments.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to interest rate risk, see Section 3.4.3 – Sensitivity analysis to market risk.

3.4.2.2. MANAGEMENT OF CURRENCY RISK

SCOR has a balance sheet hedging approach whereby there is an objective to match monetary assets and liabilities in each foreign currency so that the fluctuation in the exchange rate has no material impact on the reported net income. The policy is to closely monitor the net monetary currency positions and, where appropriate, execute either cash arbitrages or forward hedges.

The Group has one net investment hedge in place to reduce its exposure to variations in the net assets of a USD functional currency subsidiary.

3.4.2.3. MANAGEMENT OF EQUITY RISK

With regards to equity, the Group's objective is to develop and manage a high-quality diversified portfolio.

The Group's equity selection is predominantly based on a bottom-up fundamental analysis with the goal to develop a diversified portfolio of stocks and convertible bonds directly or through mutual funds. Due to the inherent volatility of equities, this asset class (direct positions and mutual funds) is monitored on a daily basis, facilitating quick arbitrage or portfolio re-allocation decisions. On a Group level, the equity exposure is set and reviewed at least quarterly by the Group Investment Committee. The equity risk is also monitored by establishing maximum exposures per stock or mutual fund and is reviewed regularly (e.g. exposure to large-cap stocks will generally be greater than exposure to mid-cap stocks). The holding's ratios on mutual funds are also reviewed regularly, based on the mutual fund's portfolio.

3.4.2.4. MANAGEMENT OF REAL ESTATE RISK

SCOR has adopted an active strategy to select core buildings and focuses on high environmental quality.

3.4.2.5. MANAGEMENT OF CREDIT SPREAD RISK

SCOR applies strict limits in terms of asset concentration by asset class but also within a single asset class and actively diversifies its portfolio (by type of investment, by issuer, by country and by sector). These limits also enable to limit counterparty default risk arising from investments, as described in the Section 3.5.2 – Management of credit risk.

For information on the ratings of the debt securities owned by SCOR, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

3.4.3. SENSITIVITY TO MARKET RISK

The following table summarizes the accounting sensitivity of the Group's consolidated income and consolidated equity to market risks based on reasonably possible movements in key variables with all other variables held constant. The assumptions included are:

Interest rate risk

The interest rate sensitivities for equity presented in the table below include movements on the bond portfolio, cash and cash equivalents, structured notes, the impact of changes in interest rates on variable rate financial liabilities and the GMDB business.

The interest rate sensitivities of income presented in the table below show the impact of changes in fair value of financial assets at fair value through income held at closing date, and changes in income on variable rate financial assets held at the closing date, following an increase/decrease in interest rates of 100 basis points. An estimate of the impact on the future income following a change of 100 basis points is therefore included. However, SCOR does not include in this analysis the impact that changes in interest rates might have on the reinvestment of future cash flows, as future cash flows of SCOR business are difficult to predict and asset allocations might change over time.

Equity price risk

SCOR conducted an analysis of the sensitivity of net income and shareholders' equity to the price of equity securities. The analysis considers the impact on both equities at fair value through the income statement and on equities classified as available for sale. For equities classified as available for sale, the impact on impairment is computed by applying the accounting policy and application guidance set out in Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, to theoretical future market value changes. SCOR estimates that, excluding any impairment arising from duration, a further uniform decline of 10% from December 31, 2016 market values would generate no further impairment of equity securities (2015: EUR 1 million; 2014: EUR 1 million). It should be noted that this figure should not be scaled up or down as the impairment rules are not a linear function of market value. For example, a scenario with a market value decline of 20% would not double the potential further equity impairment.

Both Life and P&C businesses have minimal sensitivity to equity price movements.

The market sensitivities of the Group are estimated as follows:

In EUR million	December 31, 2016 Income [2][3]	December 31, 2016 Equity [2][3]	December 31, 2015 Income [2][3]	December 31, 2015 Equity [2][3]	December 31, 2014 Income [2][3]	December 31, 2014 Equity [2][3]
Interest +100 basis point	20	(468)	14	(414)	12	(390)
% of Equity	0.3%	-7.0%	0.2%	-6.5%	0.2%	-6.8%
Interest – 100 basis points	(20)	402	(14)	310	(13)	324
% of Equity	-0.3%	6.0%	-0.2)%	4.9%	-0.2%	5.7%
Equity markets +10%[1]	6	34	7	28	5	26
% of Equity	0.1%	-0.5%	0.1%	0.4%	0.1%	0.5%
Equity markets –10%[1]	(6)	(34)	(7)	(28)	(5)	(26)
% of Equity	-0.1%	-0.5%	-0.1%	-0.4%	-0.1%	-0.5%

(1) Excludes investments in hedge funds which normally do not have a uniform correlation to equity markets and securities where SCOR has a strategic investment including where the Group has a substantial shareholding but does not meet the "significant influence" criteria in IAS 28.
(2) The reduction in equity represents the estimated net asset impact including the additional impairment recognized in the income statement.
(3) Net of tax at an estimated average rate of 27% in 2016 (21% in 2015 and 24% in 2014).

Currency risk

The Group recognized a net foreign exchange gain of EUR 11 million for the year ended December 31, 2016 (2015: gain of EUR 16 million and 2014: gain of EUR 11 million).

For currency translation risk, the following sensitivity analysis[1] considers the impact on equity of a 10% movement in the exchange rates of the Group's two largest translation risk currency exposures, USD and GBP relative to the EUR.

In EUR million	Currency movement	Equity impact 2016	Equity impact 2015	Equity impact 2014
USD/EUR	10%	365	347	271
% of equity		5.5%	5.5%	4.8%
USD/EUR	-10%	(365)	(347)	(271)
% of equity		-5.5%	-5.5%	-4.8%
GBP/EUR	10%	30	41	37
% of equity		0.4%	0.6%	0.6%
GBP/EUR	-10%	(30)	(41)	(37)
% of equity		-0.4%	-0.6%	-0.6%

(1) This analysis excludes the impact of hedging activity.

3.5. CREDIT RISK

3.5.1. OVERVIEW OF CREDIT RISK

Credit risk is the risk of incurring a loss as a result of a change in the financial situation of a counterparty.

This includes counterparty default risk which is the risk that one party to a financial instrument or other asset will cause a financial loss to the other party by failing to discharge an obligation. Credit risk also includes migration risk, which is the risk of a potential loss in the value of assets due to changes in the credit quality of our counterparties.

SCOR is mainly exposed to the following credit risks or the accumulation of such risks in a single counterparty, in the same sector of activity or the same country: from bond and loan portfolios, liabilities retroceded also called share of retrocessionaires in contract liabilities, deposits with cedents, future cash-flows from Life reinsurance treaties, cash deposits at banks and default of members of pools which SCOR is a member of. SCOR may also be exposed to credit risk through its Credit and Surety reinsurance portfolio.

Credit risk is actively monitored and managed. The processes for managing the respective credit risks and the methods used to measure these risks are further described below.

3.5.1.1. CREDIT RISK RELATED TO BOND AND LOAN PORTFOLIOS

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

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

For information on the debt securities portfolio, see Section 4.6 – Notes to the consolidated financial statements, Note 7 Insurance business investment.

3.5.1.2. CREDIT RISK RELATED TO RETROCEDED LIABILITIES

SCOR transfers part of its risks to retrocessionaires via retrocession programs in exchange for the payment of premiums. The retrocessionaires then assume the losses related to claims covered by the retrocession contracts. If a retrocessionaire defaulted, or its financial situation deteriorated, SCOR could lose part or all of the coverage provided by its retrocessionaire whereas it would retain its liability towards the cedent for the payment of all claims covered under the reinsurance contract.

SCOR could also lose receivables from the defaulting retrocessionaire (receivables are due to a timing difference between statement accounts received and real payment due for positive balances of retrocessionaire accounts).

The retrocessionaires' share in the reserves broken down by retrocessionaires' financial rating is included in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

3.5.1.3. CREDIT RISK RELATED TO DEPOSITS WITH CEDENTS

SCOR may be exposed to credit risk in relation to amounts deposited with ceding companies in respect of reinsurance reserves which cover its liabilities. However, depositing these amounts does not a priori discharge the Group of its liability towards the cedent in cases where it is not able to recover all or part of these amounts in the event of a cedent default or a deterioration in the financial situation of that cedent. Hence, it is at least in principle, possible that the Group may remain liable for paying claims due under the reinsurance treaty without being able to offset all or part of the corresponding deposits.

3.5.1.4. CREDIT RISK RELATED TO FUTURE CASH FLOWS FROM LIFE REINSURANCE TREATIES

Under most of its Life reinsurance contracts, SCOR expects to receive premiums from its cedents over several years. These often exceed expected future payments for claims, commissions, etc., meaning that SCOR expects to receive positive future cash flows.

Credit risk on future cash flows from Life reinsurance policies arises from two risk factors:

- the payment of future cash flows expected under Life reinsurance contracts requires that the cedent is financially sound. Therefore, SCOR risks a reduction in the value of its portfolio of Life contracts in the event of a deterioration in the financial strength of the cedent. This may lead to the impairment of SCOR's intangible assets, i.e. the value of business acquired (VOBA) and deferred acquisition costs (DAC);
- a reduction in the value of future cash flows could arise from material unexpected lapsation of policies following a deterioration of the cedent's credit rating or standing or an event which has a negative effect on the cedent's reputation.

3.5.1.5. CREDIT RISK RELATED TO CASH DEPOSITS AT BANKS

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

3.5.1.6. OTHER CREDIT RISKS

For special, highly-technical risk categories such as terrorism, nuclear, aviation or pollution, SCOR chooses to participate in various market dedicated groups of insurers and reinsurers ("pools") aimed at pooling the relevant risks among the members of each group pools which offer best available expertise and risk sharing at market level. In the event of a total or partial default by one of the members of a group, it could be required to assume, in the event of joint liability of the members, all or part of the liabilities of the defaulting member.

3.5.2. MANAGEMENT OF CREDIT RISK

3.5.2.1. MANAGEMENT OF CREDIT RISK RELATED TO BOND AND LOAN PORTFOLIOS

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

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

For details on the debt securities portfolio, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

3.5.2.2. MANAGEMENT OF CREDIT RISK RELATED TO SHARES OF RETROCEDED LIABILITIES

SCOR selects retrocessionaires carefully, taking into account their financial strength, and regularly monitors the Group's exposure to retrocessionaires taking into account all relevant accounting balances (estimated and actual claims, premiums, reserves, deposits and pledges) and provides a summary reports to the Divisional and Group Risk Committees on a regular basis. SCOR typically requires that unrated retrocessionaires pledge assets or provide other forms of collateral (cash deposits or letters of credit) to the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR in the balance sheet is lower.

The retrocessionaires' share in the reserves broken down by retrocessionaires' financial rating is included in Section 4.6, Note 15 – Net contract liabilities.

3.5.2.3. MANAGEMENT OF CREDIT RISK RELATED TO DEPOSITS WITH CEDENTS

SCOR favors deposit arrangements with the ability to offset liabilities against deposits with high legal certainty.

Deposits with cedents are monitored through a quarterly analysis of exposure and associated risks. Actions aiming at reducing or limiting the exposure (e.g. ad-hoc legal opinions, introduction of offset clauses) can be implemented where needed.

3.5.2.4. MANAGEMENT OF CREDIT RISK RELATED TO FUTURE CASH FLOWS FROM LIFE REINSURANCE TREATIES

SCOR monitors the development of its cedents financial situation through regular contact, which enables to SCOR to take appropriate action when deemed necessary. In addition, credit risk on future cash flows from Life reinsurance policies is mitigated by industry-wide protection solutions in several countries, such as "Protektor" in Germany.

For more details on the impact of the valuation of intangible assets, see Section 3.2.5 – The valuation of SCOR's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities, and Section 4.6 – Notes to the consolidated financial statements, Note 6 – VOBA.

3.5.2.5. MANAGEMENT OF CREDIT RISK RELATED TO CASH DEPOSITS AT BANKS

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

For further information on how risks related to invested assets are managed, see Section 3.4.2 – Management of market risk.

3.5.2.6. MANAGEMENT OF OTHER CREDIT RISKS

In the event of joint liability of the members in pools to which SCOR participates, the risk of default of other pool members is carefully monitored by SCOR:

- through its appointment as director and via the participation of its senior management in dedicated committees such as Audit and Risk Committees and Technical Committees, for the pools in which SCOR's participation is the most significant; and
- via the careful consideration of the financial situation of other pool members. This contributes to the application of sound and robust governance.

3.5.2.7. AGING OF ASSETS

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2016:

In EUR million	Current	1 – 12 months	12 – 24 months	24 – 36 months	> 36 months	Total
Available-for-sale financial assets	16,553	-	-	-	-	16,553
Financial assets at fair value through income	812	-	-	-	-	812
Derivative instruments	187	-	-	-	-	187
Loans and receivables	9,815	-	-	-	-	9,815
Insurance receivables	5,330	871	34	11	31	6,277
Tax receivables	164	-	-	-	-	164
Miscellaneous assets	292	4	-	-	-	296
Cash and cash equivalents	1,688	-	-	-	-	1,688
TOTAL	**34,842**	**875**	**34**	**11**	**31**	**35,792**

The following table provides an overall analysis of the aging of financial assets as at December 31, 2015:

In EUR million	Current	1 – 12 months	12 – 24 months	24 – 36 months	> 36 months	Total
Available-for-sale financial assets	15,381	-	-	-	-	15,381
Financial assets at fair value through income	744	-	-	-	-	744
Derivative instruments	221	-	-	-	-	221
Loans and receivables	10,492	-	-	-	-	10,492
Insurance receivables	4,929	369	36	11	33	5,378
Tax receivables	138	-	-	-	-	138
Miscellaneous assets	208	3	-	-	-	211
Cash and cash equivalents	1,626	-	-	-	-	1,626
TOTAL	**33,739**	**372**	**36**	**11**	**33**	**34,191**

Assets have been categorized within the above aging analysis according to their original due date. The due date for each of these instruments may vary depending on the type of asset. Insurance receivables business credit terms are typically based on normal terms of trade, as specified within contracts. Insurance receivables include estimates, which are presented as current. The available-for-sale investments and fair value through income categories presented above include fixed income securities and equity securities. For fixed income securities, amounts are only presented as non-current if the security has not been redeemed on the date of maturity and therefore the amount receivable is past due. For equity securities, due to the absence of a contractual date of redemption, these instruments are presented as current. Other assets presented in the above aging analysis, including derivative instruments, loans and receivables, cash and cash equivalents and other accounts receivable, are presented in a similar manner as those instruments described above, depending on the existence of a redemption date.

Impairment information relating to financial assets is included in Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, Note 8 – Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions and Note 18 – Investment income.

3.6. LIQUIDITY RISK

3.6.1. OVERVIEW OF LIQUIDITY RISK

Liquidity risk arises when available liquidity is not sufficient to meet liquidity needs. This liquidity shortfall can result either from:

- a deviation from planned liquidity needs over either the short term, or the medium/long term;
- a deviation from estimated liquidity capacities, e.g. due to adverse business conditions.

3.6.1.1. LIQUIDITY NEEDS

SCOR needs liquidity to pay claims, operating expenses, interest payments and redemptions on its debts and declared dividends on its share capital. Without sufficient liquidity, the Group may be forced to curtail its operations, and business will suffer. In the case of catastrophe claims, in particular, it may need to settle amounts which exceed the amount of available liquidity in a reduced timeframe. SCOR's liquidity needs to cover catastrophe exposures is calibrated using the Group's gross (before retrocession) Nat Cat annual loss distributions, on top of other regular liquidity needs as listed above.

Liquidity needs may also arise from increased collateral requirements. Some facilities SCOR uses to grant letters of credit to cedents require 100% collateral in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating, which would result in a deterioration of the Group's liquidity level. Collateral arrangements are also used by SCOR when operating business in jurisdictions that demand a higher level of reserves than under IFRS in other jurisdictions. This is especially the case in the US for business falling under the NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation, commonly referred to as Regulation XXX (or Triple X). Letters of Credit carry the risk of a duration mismatch, i.e. that short-term Letters of Credit are covering long-term business and might have to be renewed as less favorable conditions, creating additional cost.

Information on SCOR's letter of credit facilities, including related financial covenants, is included in Section 4.6 – Notes to the consolidated financial statements, Note 23 – Commitments received and granted.

3.6.1.2. SOURCES OF LIQUIDITY

The principal internal sources of the Group's liquidity are reinsurance premiums, cash flows from its investment portfolio and other assets, consisting mainly of cash or assets that are readily convertible into cash.

External sources of liquidity in normal markets include a variety of short and long-term instruments, such as repurchase agreements, commercial paper, medium and long-term debt, junior subordinated debt securities, capital securities and raising additional funds in the equity markets. For further information on SCOR's debt, including related financial covenants, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

SCOR's ability to access external sources of liquidity may be subject to adverse capital and credit market conditions.

Liquidity risks are increased when capital and credit markets experience extreme volatility or disruption, as SCOR may need to sell a significant portion of its assets quickly and on unfavorable terms, particularly if current internal resources do not satisfy its liquidity needs.

This risk may be increased due to the characteristics of certain assets held by SCOR, whose liquidity may be limited due to contractual or regulatory constraints (e.g. investments in corporate, real estate or infrastructure loans).

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

3.6.2. MANAGEMENT OF LIQUIDITY RISK

Timing and transferability

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

Timing

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

- actions to be taken by the insurance or reinsurance business areas to take into account both short term and long term liquidity risk (see maturity profiles in Section 3.6.3 – Maturity profiles); and
- the appropriateness of the composition of the assets in terms of their nature, duration and liquidity in order to meet the obligations as they fall due.

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

Liquidity considerations over the long-term need must be assessed in a way which takes into consideration the possibility of various unexpected and potentially adverse business conditions where assets may not be sold for current market values. SCOR has defined an internal methodology to estimate the level of its liquid free assets (i.e. non-pledged assets) which could be sold within a reasonable timeframe.

Transferability

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

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

Additional information on the timing of repayments and liquidity risk is included in Section 3.6.3 – Maturity profiles. For further information on liquid assets of SCOR Group, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Additional information on SCOR's letter of credit facilities is included in Section 4.6 – Notes to the financial statement, Note 23 – Commitments received and granted.

3.6.3. MATURITY PROFILES

3.6.3.1. SCOR GLOBAL P&C (NON-LIFE)

The technical reserves of SCOR Global P&C are established on an undiscounted basis (except workers compensation and payments in annuity on Motor Liability). The table below includes the estimated maturity profiles of the Non-Life insurance liabilities based on payment patterns derived from historical data.

P&C insurance contact liabilities

In EUR million	0 – 1 year	1 – 3 years	3 – 7 years	> 7 years	Total
As at December 31, 2016	3,629	4,222	3,357	2,837	14,045
As at December 31, 2015	3,619	4,409	3,350	2,611	13,989

The analysis of the balance sheet reserve movements, including net paid losses, is included in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

3.6.3.2. SCOR GLOBAL LIFE

The projections for insurance contract liabilities of the Life segment have been prepared on a best estimate basis. The amounts below represent the estimated maturity profile of the assumed contract liabilities. For long-term life reinsurance, benefit payments are typically settled net of premiums (for treaties with periodic premium payments). Where contract liabilities require to deposit cash to the cedent as collateral, the settlement normally also includes certain other account items, primarily the release of the deposits. For contracts where funds withheld are used to offset the amounts settled between SCOR and its cedents, funds withheld to cover the life insurance contract liabilities in the table below mature at the same date as the respective Life insurance contract liabilities.

The table below reflects gross cash outflows:

Life insurance contract liabilities

In EUR million	< 1 year	1 – 5 years	6 – 10 years	> 10 years	Total
As at December 31, 2016	2,751	958	1,327	9,432	14,468
As at December 31, 2015	1,868	1,128	639	10,109	13,744

3.6.4. FINANCIAL LIABILITIES

Maturity profiles have been based on undiscounted contractual maturities and include contractual interest payments (including those from cross-currency and interest rate swaps). In the case of perpetual debt, or debt which is subject to multiple optional reimbursement dates, the analysis below has been prepared based on the assumption that the Company does not make use of any of the early optional reimbursement dates. Perpetual debts are classified in the column “over 5 years” (no maturity date).

As at December 31, 2016

		Debt maturity profiles			
In EUR million	Interest rate ranges	< 1 year	1 – 5 years	> 5 years*	Total**
Subordinated debt	1.83% – 3.91%	75	278	3,306	3,659
Real estate debt	0.78% – 4.47%	41	402	96	539
Other financial debt	0.03%	5	2	4	11
TOTAL		**121**	**682**	**3,406**	**4,209**

As at December 31, 2015

		Debt maturity profiles			
In EUR million	Interest rate ranges	< 1 year	1 – 5 years	> 5 years*	Total**
Subordinated debt	1.02% – 6.98%	110	349	3,501	3,960
Real estate debt	0.97% – 4.50%	59	341	175	575
Other financial debt	0.19%	6	2	-	8
TOTAL		**175**	**692**	**3,676**	**4,543**

* *Interest on perpetual debt as at December 31, 2016 of EUR 40 million, on a yearly basis (2015: EUR 84 million).*
** *Of the amounts above, EUR 84 [(1)] million (2015: EUR 98 [(1)] million) relate to variable rate debt.*

Details on financial liabilities are presented in Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

Maturity analyses of financial assets that are held for managing liquidity risk are presented within Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Various entities in the Group rent their office headquarters. The minimum payments relating to these operating leases are presented within Section 4.6 – Notes to the consolidated financial statements, Note 9 – Miscellaneous Assets (Tangible assets and related commitments).

(1) These amounts exclude debt which has been swapped from a variable interest rate to a fixed interest rate.

3.7. OPERATIONAL RISK

3.7.1. OVERVIEW OF OPERATIONAL RISK

Operational risks are inherent to all businesses including SCOR's. Operational risks may be split into four broad categories further described below: risks related to staff, systems or facilities, processes or external events.

3.7.1.1. RISKS RELATED TO STAFF

Risks related to staff can arise as follows:

- the failure to attract or retain key personnel or the loss of crucial information/skills concentrated in a single person, or of a whole team;
- incidents due to mistakes or non-compliance with instructions, guidelines or policies;
- internal staff mandated by SCOR having authorized access to SCOR's offices or systems taking advantage of SCOR's assets for personal gain e.g. through misappropriation of assets, tax evasion, intentional mismarking of positions or bribery;
- intentional damage to SCOR's assets (including data) required to perform its operations by internal or external staff could lead to significant additional remediation costs (to rebuild databases or systems).

3.7.1.2. RISKS RELATED TO SYSTEMS OR FACILITIES

Risks related to systems can arise as follows:

- a malfunction or a major breakdown in SCOR's IT systems, outages, disruptions due to viruses, attacks by hackers and thefts or data breaches. This can occur within SCOR's own environment or to a third party providing services or data to SCOR;
- interruption of any of SCOR's IT systems leading to loss of data, delays in service or in a loss of efficiency of teams, which could lead to remediation costs, loss of contracts or damage to the Group's reputation. In addition, these incidents could increase other operational risks such as external fraud or human error (e.g. delay in the recognition of adverse business development). The interruption of these systems could damage commercial activities including underwriting, pricing, reserving, premium and claims payment, commercial support, and asset management;
- in addition, the facilities in which SCOR operates might be impacted by natural or man-made perils. The offices might need to be closed for a period of time potentially resulting in a loss of productivity and business opportunity, as well as remediation costs.

3.7.1.3. RISKS RELATED TO PROCESSES

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

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

In addition, SCOR may be involved in legal and arbitration proceedings due to non-protective terms of a contract, denounced either by third parties or internally which could lead to an unfavorable outcome. There are no governmental, judicial or arbitration proceedings, including any proceedings SCOR would be aware of, pending or which SCOR could be threatened with, likely to have or having a significant impact on SCOR's financial situation or profitability over the last 12 months. For information on this issue, see Section 4.6 – Notes to the consolidated financial statements, Note 25 – Litigation.

Some of SCOR's and SCOR's subsidiaries' processes are partially or fully outsourced. Failed outsourced processes could lead to direct losses and other operational incidents.

3.7.1.4. RISKS RELATED TO EXTERNAL EVENTS

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

Legal and regulatory risk

As an international group, SCOR must comply with national and international laws, regulations and accounting standards. This includes all applicable economic sanctions, anti-bribery as well as anti-terrorism laws and regulations applicable to its operations, such as the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) as well as certain laws administered by the United States Department of State, the Foreign Corrupt Practices Act (FCPA) and other anti-bribery laws such as the UK Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials. The level of legal, regulatory, tax or accounting requirements depends on several factors including the type of business (e.g. primary insurance or reinsurance business), the location and the legal structure of the entity. The large number of regulatory environments, as well as changes in regulations increase the complexity of the related processes. Any violation of laws, regulations or accounting requirements could expose SCOR to fines, class actions with compensation payments, accounts restatements or business restrictions.

For further details on current main regulatory developments which may have an impact on SCOR, see Section 3.2.3 – Risks related to capital and legal and regulatory developments.

Other risks related to external events

SCOR is also exposed to external fraud which is characterized by the fraudulent misappropriation of certain SCOR assets by third parties. External frauds may be perpetrated by various means including cyber-attacks, and usually target cash or data. Should they succeed in bypassing the controls or protection measures in place, this could generate a direct loss for the Group.

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

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

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

3.7.1.5. INSURANCE OF SPECIFIC OPERATIONAL RISKS

Some of the above operational risks are transferred in whole or in part to direct insurers[1] as follows:

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

Nevertheless, these insurance covers could prove to be insufficient. In case of a loss, the insurance companies could also possibly contest their liability towards SCOR.

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

3.7.2. MANAGEMENT OF OPERATIONAL RISK

The two main principles driving the operational risk management approach are:

- exhaustiveness: ensure that a complete and exhaustive identification of all risks within the Group is carried out to the extent possible;
- proportionality: once operational risks are identified, management uses appropriate and proportionate responses, resources and procedures, focusing on key risks.

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

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

At Group level, experienced staff members collect relevant information and analyses on operational risks, on a qualitative and quantitative basis. When relevant, they develop key indicators, with support from Group Risk Management. The Group has also implemented regular risk reporting mechanisms in order to provide for an overview of risks across the Group, as well as mitigate and monitor risks identified.

At legal entity level, depending on local requirements, specific operational risk management processes are implemented, where relevant.

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

Outsourcing some activities or processes may improve or streamline some aspects of a process, but SCOR is still expected to deliver the same level of service. Principles to properly manage potential operational risks stemming from outsourcing of certain functions are set out in dedicated policies and guidelines.

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

#4

CONSOLIDATED FINANCIAL STATEMENTS

In application of Article 28 of the EC Commission Regulation No. 809/2004, the following information is incorporated by reference in this Registration Document:

- The consolidated financial statements as at December 31, 2015 are included from pages 153 to 231 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2015 is included from pages 232 to 233 of the Registration Document filed with the AMF on March 4, 2016 under Number D.16-0108 (and from pages 143 to 219 and from pages 220 to 221, respectively, of the free translation into English of the above mentioned Registration Document. The translation is available on SCOR's website **www.scor.com**).
- The consolidated financial statements as at December 31, 2014 are included from pages 195 to 288 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2014 is included from pages 289 to 290 of the Registration Document filed with the AMF on March 20, 2015 under Number D.15-0181 (and from pages 190 to 278 and from pages 279 to 280, respectively, of the free translation into English of the above mentioned Registration Document. The translation is available on SCOR's website **www.scor.com**).

The consolidated financial statements for the year ended December 31, 2016 are presented below:

4.1. CONSOLIDATED BALANCE SHEET

ASSETS

		As at December 31	
In EUR million		**2016**	**2015**
Goodwill	**Note 5**	**788**	**788**
Value of business acquired	**Note 6**	**1,612**	**1,600**
Insurance business investments	**Note 7**	**28,137**	**27,676**
Real estate investments		770	838
Available-for-sale financial assets		16,553	15,381
Investments at fair value through income		812	744
Loans and receivables		9,815	10,492
Derivative instruments		187	221
Investments in associates	**Note 2**	**114**	**105**
Share of retrocessionaires in insurance and investment contract liabilities	**Note 15**	**1,362**	**1,258**
Other assets		**9,592**	**8,552**
Accounts receivable from assumed insurance and reinsurance transactions	Note 8	6,174	5,303
Accounts receivable from ceded reinsurance transactions	Note 8	103	75
Deferred tax assets	Note 17	683	794
Tax receivables		164	138
Miscellaneous assets	Note 9	1,092	966
Deferred acquisition costs	Note 10	1,376	1,276
Cash and cash equivalents	**Note 11**	**1,688**	**1,626**
TOTAL ASSETS		**43,293**	**41,605**

SHAREHOLDERS' EQUITY AND LIABILITIES

		As at December 31	
In EUR million		**2016**	**2015**
Shareholders' equity – Group share	**Note 12**	**6,661**	**6,330**
Share capital		1,517	1,518
Additional paid-in capital		833	838
Revaluation reserves		134	112
Consolidated reserves		3,761	3,350
Treasury shares		(224)	(172)
Net income for the year		603	642
Share-based payments		37	42
Non-controlling interests		**34**	**33**
TOTAL SHAREHOLDERS' EQUITY		**6,695**	**6,363**
Financial liabilities	**Note 13**	**2,757**	**3,155**
Subordinated debt		2,256	2,613
Real estate financing		491	534
Other financial liabilities		10	8
Employee benefits and other provisions	**Note 14**	**262**	**300**
Contract liabilities	**Note 15**	**28,715**	**27,839**
Insurance contract liabilities		28,513	27,733
Investment and financial reinsurance contract liabilities		202	106
Other liabilities		**4,864**	**3,948**
Deferred tax liabilities	Note 17	354	366
Derivative instruments	Note 7	90	89
Accounts payables on assumed insurance and reinsurance transactions	Note 8	792	484
Accounts payable on ceded reinsurance transactions	Note 8	1,306	1,195
Tax payables		129	102
Other liabilities		2,193	1,712
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**43,293**	**41,605**

4.2. CONSOLIDATED STATEMENT OF INCOME

In EUR million		For the year ended December 31 2016	2015	2014
Gross written premiums		13,826	13,421	11,316
Change in unearned premiums reserves		(101)	(122)	(178)
Gross earned premiums	**Note 4**	**13,725**	**13,299**	**11,138**
Other income and expenses		(51)	(57)	(49)
Investment income	Note 18	756	744	637
Total income from ordinary activities		**14,430**	**13,986**	**11,726**
Gross benefits and claims paid		(9,848)	(9,499)	(7,835)
Gross commission on earned premiums		(2,457)	(2,349)	(2,028)
Net retrocession result	Note 19	(388)	(336)	(385)
Investment management expenses	Note 20	(62)	(52)	(40)
Acquisition and administrative expenses	Note 20	(482)	(484)	(414)
Other current operating expenses	Note 20	(217)	(189)	(153)
Total other current operating income and expenses		**(13,454)**	**(12,909)**	**(10,855)**
CURRENT OPERATING RESULT		**976**	**1,077**	**871**
Other operating expenses		(40)	(34)	(71)
Other operating income		15	5	26
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**951**	**1,048**	**826**
Acquisition related expenses		-	-	(1)
Gain from bargain purchase	Note 3	-	-	-
OPERATING RESULT		**951**	**1,048**	**825**
Financing expenses	Note 13	(185)	(175)	(145)
Share in results of associates		6	(4)	(5)
CONSOLIDATED INCOME, BEFORE TAX		**772**	**869**	**675**
Corporate income tax	Note 17	(166)	(227)	(166)
CONSOLIDATED NET INCOME		**606**	**642**	**509**
Attributable to:				
Non-controlling interests		3	-	(3)
GROUP SHARE		**603**	**642**	**512**
In EUR				
Earnings per share (Basic)	Note 21	3.26	3.46	2.75
Earnings per share (Diluted)	Note 21	3.20	3.38	2.72

4.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR million		For the year ended December 31 2016	2015	2014
Consolidated net income		**606**	**642**	**509**
Other comprehensive income		**84**	**282**	**482**
Items that will not be reclassified subsequently to income		**(30)**	**(5)**	**(36)**
Remeasurements of post-employment benefits		(38)	(7)	(43)
Taxes recorded directly in equity	Note 17	8	2	7
Items that will be reclassified subsequently to income		**114**	**287**	**518**
Revaluation – Available-for-sale financial assets		(25)	(112)	236
Shadow accounting		47	34	(36)
Effect of changes in foreign exchange rates		75	316	361
Net gains/(losses) on cash flow hedges		3	35	(8)
Taxes recorded directly in equity	Note 17	(3)	11	(38)
Other changes		17 (1)	3	3
COMPREHENSIVE INCOME, NET OF TAX		**690**	**924**	**991**
Attributable to:				
Non-controlling interests		3	-	(3)
Group share		687	924	994

(1) Mostly relates to the partial sale of ASEFA.

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR million		2016	2015	2014
Net cash flows provided by/(used in) operations	**Note 11**	**1,354** [1]	**795**	**894**
Acquisitions of consolidated entities		(2)	-	(52) [2]
Disposals of consolidated entities, net of cash disposed of		8 [3]	2	-
Change in scope of consolidation (cash and cash equivalents of acquired/disposed companies)		-	-	-
Acquisitions of real estate investments		(124)	(33)	(60)
Disposals of real estate investments		201	16	62
Acquisitions of other insurance business investments [4]		(11,515)	(8,942)	(11,259)
Disposals of other insurance business investments [4]		11,135	8,508	9,951
Acquisitions of tangible and intangible assets		(71)	(84)	(59)
Disposals of tangible and intangible assets		-	-	20
Net cash flows provided by/(used in) investing activities		**(368)**	**(533)**	**(1,397)**
Issuance of equity instruments		10	20	12
Treasury share transactions		(106)	(87)	(36)
Dividends paid [5]		(280)	(262)	(245)
Cash generated by issuance of financial liabilities	Note 13	620 [6]	933	348
Cash used to redeem financial liabilities	Note 13	(899) [7]	(181)	(193)
Interest paid on financial liabilities		(152)	(140)	(121)
Other cash flow from financing activities		(88) [8]	134 [9]	-
Net cash flows provided by/(used in) financing activities		**(895)**	**417**	**(235)**
Effect of change in foreign exchange rates on cash and cash equivalents		(29)	87	84
TOTAL CASH FLOW		**62**	**766**	**(654)**
Cash and cash equivalents at January 1	**Note 11**	**1,626**	**860**	**1,514**
Net cash flows provided by/(used in) operations		1,354	795	894
Net cash flows provided by/(used in) investing activities		(368)	(533)	(1,397)
Net cash flows provided by/(used in) financing activities		(895)	417	(235)
Effect of change in foreign exchange rates on cash and cash equivalents		(29)	87	84
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**1,688**	**1,626**	**860**

(1) In 2016, includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.
(2) In 2014, mainly related to the acquisition of two private equity investments, accounted for using the equity method.
(3) Partial disposal of Asefa for EUR 8 million.
(4) Acquisitions and disposals of other insurance business investments also include movements relating to bonds and other short-term investments with a maturity of less than three months, and classified as cash equivalents.
(5) Of which EUR 2 million of dividends paid by MRM to non-controlling interests (EUR 2 million paid in 2015).
(6) Cash generated by issuance of financial liabilities includes net proceeds from subordinated notes issuance of EUR 497 million. See Note 13 – Financial liabitilties.
(7) Cash used to redeem financial liabilities includes the redemptions of two perpetual debts (EUR 350 million and CHF 650 million) for a total amount of EUR 856 million. See Note 13 – Financial liabitilties.
(8) Cash paid in respect of margin calls received in 2015 and linked to cross-currency swaps (EUR 88 million) following the CHF 650 million perpetual debt redemption.
(9) Cash received in respect of margin calls linked to cross-currency swaps for EUR 134 million following significant fluctuations in the EUR/CHF exchange rate since the beginning of the year.

4.5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR million	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2014	**1,518**	**842**	**21**	**2,119**	**(142)**	**549**	**33**	**40**	**4,980**
Allocation of prior year net income	**-**	**-**	**-**	**549**	**-**	**(549)**	**-**	**-**	**-**
Net income for the year ended December 31, 2014	**-**	**-**	**-**	**-**	**-**	**512**	**-**	**(3)**	**509**
Other comprehensive income net of tax	**-**	**-**	**153**	**329**	**-**	**-**	**-**	**-**	**482**
Revaluation – Assets available for sale	-	-	236	-	-	-	-	-	236
Shadow accounting	-	-	(36)	-	-	-	-	-	(36)
Effect of changes in foreign exchange rates	-	-	-	361	-	-	-	-	361
Net gains/(losses) on cash flow hedge	-	-	-	(8)	-	-	-	-	(8)
Taxes recorded directly in equity	-	-	(47)	16	-	-	-	-	(31)
Remeasurements of post-employment benefits	-	-	-	(43)	-	-	-	-	(43)
Other changes	-	-	-	3	-	-	-	-	3
Comprehensive income net of tax	**-**	**-**	**153**	**329**	**-**	**512**	**-**	**(3)**	**991**
Share-based payments	-	-	-	-	3	-	6	-	9
Other changes	-	-	-	-	-	-	(5)	(2)	(7)
Capital transaction (1)	-	(1)	-	-	-	-	-	-	(1)
Dividends paid	-	-	-	(243)	-	-	-	-	(243)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014	**1,518**	**841**	**174**	**2,754**	**(139)**	**512**	**34**	**35**	**5,729**

(1) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 12 million (EUR 6 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 711,022 new shares during the year ended December 31, 2014. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 13 million (EUR 6 million in share capital and EUR 7 million in additional paid-in capital).

In EUR million	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2015	**1,518**	**841**	**174**	**2,754**	**(139)**	**512**	**34**	**35**	**5,729**
Allocation of prior year net income	**-**	**-**	**-**	**512**	**-**	**(512)**	**-**	**-**	**-**
Net income for the year ended December 31, 2015	**-**	**-**	**-**	**-**	**-**	**642**	**-**	**-**	**642**
Other comprehensive income net of tax	**-**	**-**	**(62)**	**344**	**-**	**-**	**-**	**-**	**282**
Revaluation – Assets available for sale	-	-	(112)	-	-	-	-	-	(112)
Shadow accounting	-	-	34	-	-	-	-	-	34
Effect of changes in foreign exchange rates	-	-	-	316	-	-	-	-	316
Net gains/(losses) on cash flow hedge	-	-	-	35	-	-	-	-	35
Taxes recorded directly in equity	-	-	16	(3)	-	-	-	-	13
Remeasurements of post-employment benefits	-	-	-	(7)	-	-	-	-	(7)
Other changes	-	-	-	3	-	-	-	-	3
Comprehensive income net of tax	**-**	**-**	**(62)**	**344**	**-**	**642**	**-**	**-**	**924**
Share-based payments	-	-	-	-	(33)	-	11	-	(22)
Other changes	-	-	-	-	-	-	(3)	(2)	(5)
Capital transaction (1)	-	(3)	-	-	-	-	-	-	(3)
Dividends paid	-	-	-	(260)	-	-	-	-	(260)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015	**1,518**	**838**	**112**	**3,350**	**(172)**	**642**	**42**	**33**	**6,363**

(1) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 21 million (EUR 10 million in share capital and EUR 11 million in additional paid-in capital). This resulted in the creation of 1,221,843 new shares during the year ended December 31, 2015. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 24 million (EUR 10 million in share capital and EUR 14 million in additional paid-in capital).

In EUR million	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2016	**1,518**	**838**	**112**	**3,350**	**(172)**	**642**	**42**	**33**	**6,363**
Allocation of prior year net income	**-**	**-**	**-**	**642**	**-**	**(642)**	**-**	**-**	**-**
Net income for the year ended December 31, 2016	**-**	**-**	**-**	**-**	**-**	**603**	**-**	**3**	**606**
Other comprehensive income net of tax	**-**	**-**	**22**	**62**	**-**	**-**	**-**	**-**	**84**
Revaluation – Assets available for sale	-	-	(25)	-	-	-	-	-	(25)
Shadow accounting	-	-	47	-	-	-	-	-	47
Effect of changes in foreign exchange rates	-	-	-	75	-	-	-	-	75
Net gains/(losses) on cash flow hedge	-	-	-	3	-	-	-	-	3
Taxes recorded directly in equity	-	-	-	5	-	-	-	-	5
Remeasurements of post-employment benefits	-	-	-	(38)	-	-	-	-	(38)
Other changes	-	-	-	17 (1)	-	-	-	-	17
Comprehensive income net of tax	**-**	**-**	**22**	**62**	**-**	**603**	**-**	**3**	**690**
Share-based payments	-	-	-	-	(52)	-	(4)	-	(56)
Other changes	-	-	-	(15) (1)	-	-	(1)	(2)	(18)
Capital transaction (2)	(1)	(5)	-	-	-	-	-	-	(6)
Dividends paid	-	-	-	(278)	-	-	-	-	(278)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2016	**1,517**	**833**	**134**	**3,761**	**(224)**	**603**	**37**	**34**	**6,695**

(1) Relates to the partial sale of ASEFA.

(2) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 10 million (EUR 4 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 554,112 shares during the year ended December 31, 2016. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 16 million (EUR 5 million in share capital and EUR 11 million in additional paid-in capital).

4.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. ACCOUNTING PRINCIPLES AND METHODS

NOTE 1.1. GENERAL INFORMATION

SCOR SE ("the Company") is a European Company (*Societas Europaea*) domiciled in France and governed by the provisions of French law relating to European Companies as well as by the French corporate law provisions applicable to joint stock companies (sociétés anonymes) where this is not contrary to the specific provisions applicable to European Companies. SCOR's shares are publicly traded on the Eurolist by Euronext Paris stock market and on the SIX Swiss Exchange. The principal activities of the Company and its subsidiaries ("the Group" or "SCOR") are Life and Non-Life reinsurance.

The consolidated financial statements were presented by Group Management to the Audit Committee. Management and the Audit Committee report to the Board of Directors, which approved the consolidated financial statements on February 21, 2017.

The consolidated financial statements as at and for the year ended December 31, 2016 will be presented for approval at the 2017 Annual General Meeting.

NOTE 1.2. BASIS OF PREPARATION

SCOR's consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 have been prepared in compliance with IFRS issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("EU") and effective as at December 31, 2016. The term "IFRS" refers collectively to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and to the interpretations of the Standing Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRIC), mandatorily applicable as at December 31, 2016. See Note 3 below for a detailed overview on the new and amended International Financial Reporting Standards applicable in 2016 that are relevant to SCOR and adopted by the Group as endorsed by the European Union and the standards relevant to SCOR and expected to have a significant impact that were issued by the IASB during the period but have not yet been adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial instruments (including derivative instruments) at fair value through income.

The financial statements of material subsidiaries are prepared for the same accounting period as for the parent company. All material intragroup balances and transactions, including the result of intercompany transactions, are eliminated.

Reclassification of prior year comparatives

Certain reclassifications and revisions have been made to the financial information in respect of the prior year to bring it in line with the current year presentation.

Other intangible assets and tangible assets have been grouped together with "miscellaneous assets" on the face of the consolidated balance sheet with further details included in Note 9 – Miscellaneous assets.

Use of estimates

The preparation of the consolidated financial statements requires management to make certain judgments, assumptions and estimates. These may affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the reporting date. Management reviews these estimates and assumptions periodically, based on past experience and other factors. The actual outcome and results could differ substantially from estimates and assumptions made. The main material financial statement captions for which the Group uses estimates and assumptions are reinsurance reserves, accounts receivable from and accounts payable on reinsurance transactions, the fair value and impairment of financial instruments, intangible assets, retirement and other defined post-employment benefits and deferred taxes, in particular with respect to the recognition of deferred tax assets and the availability of future taxable income against which tax loss carryforwards can be used.

Consequences of Britain's referendum to leave the European Union

The impact of the referendum on Britain's membership in the European Union has led to heightened financial market volatility and increased political and economic uncertainty. Its impact on SCOR's business and operations is currently expected to be limited.

Foreign currency translation and transactions

The Group's consolidated financial statements are presented in euros (EUR) and all values are rounded to the nearest EUR million except where stated otherwise. The other key currencies in which the Group conducts business and the exchange rates used for the preparation of the consolidated financial statements are as follows:

In EUR per foreign currency unit	Closing rate As at 12/31/2016	Average rate Q4 2016	Q3 2016	Q2 2016	Q1 2016
USD	0.9508	0.9136	0.8959	0.8855	0.9060
GBP	1.1716	1.1805	1.1766	1.2712	1.2966
CNY	0.1363	0.1354	0.1344	0.1355	0.1385

In EUR per foreign currency unit	Closing rate As at 12/31/2015	Average rate Q4 2015	Q3 2015	Q2 2015	Q1 2015
USD	0.9185	0.9257	0.8988	0.9037	0.8846
GBP	1.3625	1.3996	1.3922	1.3852	1.3420
CNY	0.1416	0.1446	0.1425	0.1456	0.1417

In EUR per foreign currency unit	Closing rate As at 12/31/2014	Average rate Q4 2014	Q3 2014	Q2 2014	Q1 2014
USD	0.8237	0.8084	0.7406	0.7296	0.7304
GBP	1.2839	1.2726	1.2344	1.2221	1.2131
CAD	0.7111	0.7077	0.6774	0.6661	0.6593

Where the functional currency of an entity is not the same as the reporting currency used to present the Group's consolidated financial statements, assets and liabilities of the entity are translated using the exchange rate at the reporting date and the statement of income is translated using the average exchange rate for the period. Translation differences are recognized directly in shareholders' equity in the reserve line denominated "Currency translation adjustment".

Movements in the translation adjustment are primarily due to the translation of financial statements of subsidiaries and branches not using EUR as their functional currency. As at December 31, 2016, 2015 and 2014, the Group has one net investment hedge in place.

The Group reviews the functional currencies of its entities on an ongoing basis to ensure they appropriately reflect the currency of the primary economic environment in which they operate.

Transactions denominated in foreign currencies (currencies other than the functional currency) are translated into the functional currency at the exchange rate applicable at the date of the transaction (for practical purposes, an average rate is used). These rates may differ from the rates used to translate functional currency into the reporting currency as mentioned above.

At each period end, the entity must translate the items on its balance sheet which are denominated in a foreign currency into the functional currency, using the following procedures:

- monetary items and non-monetary items measured at fair value through income are translated at end of period exchange rates and the resulting gains and losses are recorded in the statement of income;
- other non-monetary items are translated:
  - at the exchange rates in effect on the transaction date for items measured at historical cost, or
  - at the end of period exchange rates if they are measured at fair value, and
  - to the extent that any gains or losses arise, these are directly recorded in shareholders' equity. In particular this affects foreign exchange differences for available for sale equity securities and exchange differences resulting from the conversion of these items which are also directly recorded in shareholders' equity;
- the gains and losses resulting from the translation of net foreign investment hedges are recorded in shareholders' equity. They are recognized in the statement of income upon the disposal of the net investment.

Accounting principles and methods specific to reinsurance activities

Certain specific reinsurance accounting principles are described directly within Notes 8 – Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions, 10 – Deferred acquisition costs, 15 – Net contract liabilities, and 19 – Net retrocession result. Further accounting principles and methods related to reinsurance activities are described below:

Classification and accounting of reinsurance contracts

The contracts assumed and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall within the scope of IFRS 4 – Insurance Contracts or IAS 39 – Financial Instruments: Recognition and Measurement.

Assumed and ceded reinsurance transactions are contracts that transfer significant reinsurance risk at the inception of the contract. Reinsurance risk is transferred when the Group agrees to compensate a cedent if a specified uncertain future event (other than a change in financial variables) adversely affects the cedent. Any contracts that do not meet the definition of a reinsurance contract under IFRS 4 – Insurance Contracts, are classified as investment and financial reinsurance contracts or derivative contracts as appropriate.

Assumed and ceded reinsurance transactions that do not transfer significant reinsurance risk are recognized in accordance with IAS 39 – Financial Instruments: Recognition and Measurement. Premiums collected are not recognized as income, and reserves and deferred acquisition costs are classified as "Investment and financial reinsurance contract liabilities" or "Financial contract assets" on the balance sheet. These liabilities are assessed only on the basis of contractual flows and no longer on the basis of estimated ultimate results as required by accounting principles applicable to insurance transactions. Income from these transactions is equal to SCOR's net fee or spread and is recorded in "Other income and expenses".

Cedent accounts

The reinsurance entities of the Group record accounts transmitted by ceding companies upon receipt. At year end, estimates are made for those accounts not yet received from ceding companies. Under this method, the amounts recorded in the financial statements reflect as closely as possible the actual reinsurance commitments of the Group. This method is applied to the majority of the contracts signed during the year.

Premium estimates

Non-Life gross premiums (both written and earned) are based upon reports received from ceding companies, supplemented by the Group's own estimates of premiums (both written and earned) for which ceding companies' reports have not yet been received. Differences between such estimates and actual amounts are recorded in the period in which the estimates are changed or the actual amounts are determined. The difference between ultimate estimated premiums, net of commissions, and premiums reported by ceding companies, is recorded under accounts receivable from or accounts payable on assumed reinsurance transactions. Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts, which is generally one to two years. For certain US and Japanese catastrophe risks, agriculture risks in Brazil and certain other risks, premiums are earned commensurate with the seasonality of the underlying exposure.

Unearned premium reserves represent the portion of premiums written that relate to the unexpired terms of contracts and policies in force. Such reserves are computed by pro-rata methods based on statistical data or reports received from ceding companies. Reinstatement premiums are estimated after the occurrence of a significant loss and are recorded in accordance with the contract terms based upon paid losses and case reserves reported in the period. Reinstatement premiums are earned when written.

For Life reinsurance contracts qualifying as "insurance contracts", the estimation method consists of estimating ceding companies' outstanding accounts for the current year in addition to information actually received and recorded.

Shadow accounting

For the measurement of deferred acquisition costs (DAC), value of business acquired (VOBA) and reserves recognized for different insurance portfolios, SCOR applies the shadow accounting principles stipulated in IFRS 4. As the amortization of DAC (for Life) and VOBA is calculated using expectations for estimated revenues from investments and the measurement of reserves is based on the discount rate reflecting directly the performance of assets, the corresponding portion of the unrealized gains and losses recorded under available-for-sale financial investments are considered as shadow DAC, shadow VOBA and shadow reserves and offset directly in shareholders' equity.

Impairment of shadow DAC and shadow VOBA for the life business is included within the liability adequacy testing conducted by SCOR Global Life.

Participation in Lloyd's syndicates

Participations in syndicates operating at Lloyd's of London are accounted for on an annual basis with a delay due to the transmission of information from syndicates that the Group does not control. The Group recognizes its proportionate share of the syndicates' insurance and reinsurance premiums as revenue over the policy term, and claims, including an estimate of claims incurred but not reported. At the end of an underwriting year, typically three years after the policy's inception, syndicates reinsure all remaining unsettled liabilities into the following underwriting year, a mechanism known as Re-Insurance To Close ("RITC"). If the Group participates in both accepting and ceding transactions and has increased its participation, RITC paid is reduced, which generates an RITC receivable. This reflects the fact that the Group has assumed a greater proportion of the business of the syndicate. If the Group has reduced its participation from one year of account to the next, the RITC receivable is eliminated, generating an RITC payable. This reflects the reduction in the Group's exposure to risks previously written by the syndicates. The Group recognizes Lloyd's RITC in claims and policy benefits to ensure consistency with other reinsurance transactions and to present a true and fair view.

NOTE 1.3. IFRS STANDARDS APPLIED FOR THE FIRST TIME AND IFRS STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

The amended International Financial Reporting Standards and Interpretations as adopted by the European Union applicable for the first time for annual periods beginning January 1, 2016, did no materially impact SCOR's consolidated financial statements.

The following standards relevant to SCOR and expected to have a material impact on its consolidated financial statements have been issued by the International Financial Reporting Standards Board but are not yet effective or have not been endorsed by the European Union:

- On July 24, 2014, the IASB published IFRS 9 – Financial Instruments. The final version of IFRS 9 replaces the previously published versions of IFRS 9 on classification and measurement and hedge accounting. It also replaces IAS 39 – Financial Instruments: Recognition and Measurement and covers classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

  IFRS 9 requires financial assets to be classified based on the business model for managing the financial assets and their contractual cash flow characteristics. Based on their classification, financial assets will be measured at amortized cost, fair value through OCI or fair value through income. The new impairment model requires recognition of expected credit losses based on available historical, current and forecast information. The hedging model included in IFRS 9 aligns hedge accounting more closely with risk management but does not fundamentally change the types of hedging relationships or the requirements to measure and recognize hedge effectiveness.

  On November 29, 2016, the European Union endorsed IFRS 9. The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets as more financial assets may be accounted for at fair value through income. SCOR's impairment policies will also be affected as impairments will be recognized based on expected credit losses and no longer based solely on incurred credit losses. There are no material changes expected for the hedge accounting as applied by SCOR. The Group is in the process of determining the impacts of IFRS 9 on its financial position and performance as well as on disclosures in more detail.
- On September 12, 2016, the IASB published an Amendment to IFRS 4 – Insurance contracts, in order to address the temporary consequences of different effective dates of IFRS 9 and of the expected new Standard on insurance contracts. Applying IFRS 9 before the new Standard on insurance contract would potentially increase volatility in profit or loss. The amendment introduces two independent options to address such additional accounting volatility: a temporary exemption from applying IFRS 9 ("Deferral Approach"), and reclassifying the increased volatility from income or loss to other comprehensive income ("Overlay Approach"). The Deferral Approach would result in continued application of IAS 39 and some additional disclosures about the fair value of assets not meeting the "solely payments of principal and interest" criterion and information about their credit risk exposure until the new insurance contracts Standard becomes effective, however no later than January 1, 2021. This option is restricted to companies whose predominant activity is to issue insurance contracts. The Overlay Approach would result in applying IFRS 9 from January 1, 2018, but allows companies that issue insurance contracts to remove from profit or loss the increased volatility caused by changes in the measurement of financial assets upon application of IFRS 9. SCOR has assessed it would meet the predominance criteria.
- On January 13, 2016, the IASB published IFRS 16 – Leases. The Standard will replace the current guidance in IAS 17 – Leases, and is applicable from January 1, 2019. Earlier application is permitted, subject to endorsement by the EU and provided IFRS 15 – Revenue from Contracts with Customers, is also applied. IFRS 16 will significantly change the accounting by lessees, who will recognize a lease liability reflecting the present value of future lease payments and a right-of-use asset for lease contracts on the balance sheet. Exemptions are optional for certain short-term leases and leases of low-value assets. Lessees will recognize depreciation of the right-of use asset and interest expense, calculated in accordance with the effective interest rate method, on the lease liability in their income statement. For lessors, accounting remains broadly unchanged from IAS 17. Transition to the new principles for lease accounting can be done either fully retrospectively or by adopting a simplified approach that includes certain reliefs related to the measurement of the right-of use asset and the lease liability and does not require a restatement of comparatives. SCOR is currently assessing the impacts of IFRS 16 on its financial position and performance as well as on disclosures in detail.

NOTE 2. SCOPE OF CONSOLIDATION

Determining control

All material entities over which SCOR has control are fully consolidated. SCOR controls an entity when it is exposed to, or has rights to, variable returns from its investment in the entity and has the ability to affect those returns through its power to direct the entity's activities.

Critical judgments are sometimes required to determine the consolidation method for certain entities in which the Group holds less than 50% of the voting rights. As such, despite holding less than 50% of its voting rights, the Group determines that it continues to control MRM S.A. as it exerts de facto control as defined by IFRS 10 in light of the proportion of voting rights it holds, and of the wide dispersion of the other vote holders.

Subsidiaries are consolidated from the date on which the Group acquires control until the date on which control is transferred outside the Group or control ceases.

Certain subsidiaries have been included within the Group financial statements under the equity method and are not fully consolidated on a line-by-line basis as they are not core business and as they are immaterial to the Group's consolidated financial statements.

Interests in joint arrangements and associates

The Group's investments in associates are recorded using the equity method. Associates are companies in which the Group exercises significant influence but no control or joint control. Significant influence generally occurs when the Group owns, directly or indirectly, between 20% and 50% of the outstanding voting rights. For certain associates accounted for under the equity method the Group consistently uses provisional financial year-end information and makes adjustments, if necessary, in the following reporting period.

SCOR determined that its Lloyd's participations and reinsurance pools do not constitute joint arrangements as there is no contractually agreed sharing of control requiring unanimous consent for decisions about the relevant activities of those arrangements.

Consolidation of investment funds

The Group, through SCOR Investment Partners, acts as a fund manager for various investment funds. Funds for which SCOR acts as principal, even if the Group holds less than 50% of the voting rights are consolidated.

When determining whether the Group is an agent or principal with respect to investment funds, the power to direct the relevant fund activities, i.e. the scope of the Group's decision-making authority over the funds, as well as the aggregated economic interest, including the returns and fund management compensation generated for the Group are taken into account.

Mutual funds and real estate entities are fully consolidated or recorded using the equity method in accordance with the aforementioned rules. Non-controlling interests in fully consolidated mutual funds are presented in "Other liabilities" as the third-party holders have an unconditional right to sell their holdings to SCOR. 100% of assets (including insurance business investments and cash and cash equivalents), liabilities, cash flows and income statement of the fully consolidated funds, are therefore reflected in SCOR's consolidated financial statements.

Certain mutual funds that the Group manages and controls are open to external investors. When certain conditions are met, these funds are consolidated under a "short-cut method" under which the total assets of the fund are recognized as investments at fair value through income on the line "Insurance business investments", and the elimination of the third-party share is presented as "Other liabilities".

Structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and relevant business activities are directed by means of contractual arrangements.

The Group sponsors a number of mortality or catastrophe bond ("Cat bond") notes issued by Atlas special purpose vehicles (SPVs). These vehicles are not consolidated by the Group as SCOR does not control them, is not liable for any residual risk or benefit of ownership and has no ability to affect their returns.

SCOR has no interests in consolidated structured entities.

NOTE 2.1. SIGNIFICANT SUBSIDIARIES, INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Country	2016 Percentage		2015 Percentage		Consolidation method
		Control	Interest	Control	Interest	
SCOR SE and its direct subsidiaries						
SCOR SE	France	Parent	Parent	Parent	Parent	Parent
General Security Indemnity Company of Arizona	US	100	100	100	100	Full
General Security National Insurance Company	US	100	100	100	100	Full
SCOR Africa Ltd.	South Africa	100	100	100	100	Full
SCOR Investment Partners	France	100	100	100	100	Full
SCOR Services Asia-Pacific PTE LTD	Singapore	100	100	100	100	Full
SCOR Brazil Reasseguros S.A.	Brazil	100	100	100	100	Full
SCOR Perestrakhovaniye	Russia	100	100	100	100	Full
SCOR Reinsurance Company	US	100	100	100	100	Full
SCOR U.S. Corporation	US	100	100	100	100	Full
SCOR Brazil Participações Ltda.	Brazil	100	100	100	100	Full
SCOR Global LIFE SE and its subsidiaries						
SCOR Global Life SE	France	100	100	100	100	Full
Revios Canada Holding Corp. Ltd.	Canada	100	100	100	100	Full
Revios Canada Ltd.	Canada	100	100	100	100	Full
SCOR Global Life Australia Pty Ltd	Australia	100	100	100	100	Full
SCOR Global Life USA Holdings Inc.	US	100	100	100	100	Full
SCOR Global Life Americas Holding Inc. (Delaware)	US	100	100	100	100	Full
SCOR Global Life Reinsurance International (Barbados) Ltd.	Barbados	100	100	100	100	Full
SCOR Global Life Reinsurance Ireland dac	Ireland	100	100	100	100	Full
SCOR Global Life USA Reinsurance Company	US	100	100	100	100	Full
SCOR Global Life Reinsurance Company of Delaware	US	100	100	100	100	Full
SCOR Life Insurance Company (SLAC)	US	100	100	100	100	Full
SCOR Life Reassurance Company (SLRC)	US	100	100	100	100	Full
Quantitative Data Solutions	US	100	100	100	100	Full
SCOR Global P&C SE and its subsidiaries						
SCOR Global P&C SE	France	100	100	100	100	Full
SCOR Canada Reinsurance Company	Canada	100	100	100	100	Full
SCOR Reinsurance Asia Pacific Pte Ltd.	Singapore	100	100	100	100	Full
SCOR Reinsurance Company (Asia) Ltd.	Hong Kong	100	100	100	100	Full
SCOR Underwriting Ltd.	UK	100	100	100	100	Full
SCOR UK Company Limited	UK	100	100	100	100	Full
SCOR Holding (Switzerland) AG and its subsidiaries						
SCOR Holding (Switzerland) AG	Switzerland	100	100	100	100	Full
SCOR Holding (UK) Ltd.	UK	100	100	100	100	Full
SCOR Services Switzerland AG	Switzerland	100	100	100	100	Full
SCOR Switzerland AG	Switzerland	100	100	100	100	Full
SCOR Asia House Limited Partnership	UK	100	100	100	100	Full
Real estate businesses						
MRM S.A.	France	47.31	59.90	47.29	59.90	Full
SCOR Auber	France	100	100	100	100	Full

NOTE 2.2. INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD

The Group has investments that are accounted for using the equity method and are not individually or in aggregate material to the Group. The following table provides a summary of the aggregate amount of SCOR's share of these investments.

	As at December 31	
In EUR million	2016	2015
Aggregate net book value (in SCOR) of individually immaterial associates	114	105
Aggregate amount of the reporting entity's share of net income/(loss)	6	(4)
Other comprehensive income	(2)	-
Total comprehensive income/(loss)	4	(4)

The table above is based on 2016 and 2015 provisional financial information.

In 2016, the Group partially sold its participation in ASEFA (interest rate decreased from 39.97% to 19.97%), but retained its significant influence.

NOTE 2.3. INFORMATION RELATED TO UNCONSOLIDATED STRUCTURED ENTITIES

The Group sponsors a number of special purpose vehicles (SPVs) designed to reduce SCOR's exposure to catastrophe losses and to extreme mortality events through the transfer of risk to external investors.

Depending on the design of the risk transfer agreement with the SPV, the transaction is classified as either a derivative or as an insurance contract. Derivatives are accounted for as at fair value through income and are included in the balance sheet line item "Derivative instruments". Future payments to the SPV scheduled in the risk transfer contract are recognized as "Other liabilities". Assets from the agreements designated as insurance contracts, are recognized in the balance sheet line item "Share of retrocessionaires in insurance and investment contract liabilities". Payments to the SPV are recognized in the income statement as "Retroceded written premiums".

	12/31/2016				12/31/2015		
In EUR million	Atlas IX Series 2013-1	Atlas IX Series 2015-1	Atlas IX Series 2016-1	Atlas X	Atlas IX Series 2013-1	Atlas IX Series 2015-1	Atlas X
Insurance business investments	8	19	64	-	13	27	-
Share of retrocessionaires in insurance and investment contract liabilities	-	-	-	6	-	-	3
Total assets	**8**	**19**	**64**	**6**	**13**	**27**	**3**
Other liabilities	11	22	64	-	17	30	-
Total liabilities	**11**	**22**	**64**	**-**	**17**	**30**	**-**

SCOR's maximum exposure to losses from unconsolidated structured entities is the carrying amount of the assets (such carrying amount varies during the coverage period, in particular if a significant catastrophic event occurs) which cannot exceed the maximum residual cover of the risk transfer agreement. Exposure relates to credit risk which is very limited due to the use of low-risk collateral. Liabilities are settled by SCOR according to the risk transfer agreement.

Atlas IX – Mortality Risk Transfer Contract

On September 11, 2013, as part of its policy to diversify its capital protection tools, SCOR Global Life entered into a risk transfer contract with Atlas IX Capital Limited ("Atlas IX Series 2013-1"), providing the Group with protection against extreme mortality events in the US, such as pandemics, natural catastrophes and terrorist attacks. The risk transfer contract provides USD 180 million of extreme mortality protection, for a risk period extending from January 1, 2013 to December 31, 2018.

The risk transfer contract is based on a US population mortality index that has been weighted by age and gender in order to reflect SCOR Global Life's portfolio in the US.

According to the structure of the arrangement, a payment will be triggered if, at any time during the risk period, the observed index value exceeds the defined attachment point of 102%. At any index level between the attachment point and the exhaustion point of 104%, Atlas IX Capital Limited will pay to SCOR a pro-rata amount of the notional USD amounts.

Amounts are recorded in the balance sheet representing the derivative asset recognized at fair value through income and liabilities representing the value of interest payments.

Atlas IX – Catastrophe bond

In February 2015, SCOR sponsored a catastrophe bond, Atlas IX Series 2015-1, which provides the Group with a multi-year risk transfer capacity of USD 150 million for US Named Storm and US and Canada Earthquake events. This transaction replaced the US tranches of Atlas VI Series 2011-1. The issuer of the cat bond, Atlas IX Capital Limited, is an Irish private limited company, incorporated on August 2, 2013. The risk period for Atlas IX 2015-1 runs from February 11, 2015 to December 31, 2018. The instrument is accounted for as a derivative instrument.

On January 13, 2016, SCOR successfully sponsored a new catastrophe bond, Atlas IX Series 2016-1, which will provide the Group with multi-year risk transfer capacity of USD 300 million to protect itself against US Named Storm and US and Canada Earthquake events. The risk period for Atlas IX 2016-1 will run from January 13, 2016 to December 31, 2019.

Atlas X – Reinsurance Limited

On January 6, 2014, SCOR announced having successfully issued a fully collateralized sidecar, Atlas X Reinsurance Limited ("Atlas X"). It provides the Group with an additional three-year capacity of USD 55.5 million from a new panel of investors.

Atlas X is an Irish-domiciled special purpose reinsurance vehicle. Atlas X and SCOR Global P&C SE have entered into a quota share retrocession agreement, effective January 1, 2014, under which Atlas X reinsures a proportionate share of SCOR's diversified catastrophe portfolios in specific countries. This agreement is accounted for as a reinsurance contract.

NOTE 3. ACQUISITIONS AND DISPOSALS

Business combinations are accounted for using the purchase method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income.

A gain from bargain purchase is generated when the fair value of the net assets acquired by the Group exceeds the acquisition price and is recognized in the statement of income from the date of acquisition.

Provisions, contingent assets and contingent liabilities are assessed at the acquisition date for the entities acquired. Such positions are subject to revision while the initial accounting is not final. Any revision after the initial accounting is finalized, is recognized in the statement of income in accordance with IFRS 3 – Business Combinations.

The Group did not enter into any acquisition or disposal of consolidated subsidiaries in 2016, 2015 or 2014.

NOTE 4. SEGMENT INFORMATION

For management purposes, the Group is organized into three divisions (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which SCOR Global P&C and SCOR Global Life are considered reportable operating segments, and one corporate cost center: Group Functions.

SCOR Global Investments is the asset management division of the Group. Its role is complementary to the two reportable operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with their contract liabilities. SCOR Global Investments also manages third-party assets, however these activities are currently considered not material. Therefore SCOR Global Investments is not considered a separate reportable operating segment for the purposes of IFRS 8 – Operating segments.

The operating segment SCOR Global P&C is responsible for property and casualty insurance and reinsurance (also referred to as "Non-Life"), and the operating segment SCOR Global Life is responsible for life reinsurance (also referred to as "Life"). Each operating segment underwrites different types of risks. Responsibilities and reporting within the Group are established on the basis of this structure. No operating segments have been aggregated to form the SCOR Global P&C and SCOR Global Life reportable operating segments.

Management reviews the operating results of the SCOR Global P&C and SCOR Global Life segments individually for the purpose of assessing the operational performance of the business and to allocate resources. The amount of inter-segment transactions, primarily in relation to gross written premiums, is not significant. Hub shared service costs are allocated to the divisions using a headcount allocation key.

Group Functions is not an operating segment and does not generate revenues. Costs relating to Group Functions are not directly attributable to either the Non-Life or Life segments. Group Functions is the corporate cost center which includes the costs of departments fulfilling duties for the benefit of the whole Group, such as the costs for Group Internal Audit, Group Finance Departments (Group Tax, Group Accounting, Group Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Operation Departments (Group Legal, Group Communication, Group Human Resources, Information Technology) and Group Chief Risk Officer functions (Actuarial, Risk Management, Prudential Affairs, Internal Modeling, Embedded Value).

The following table sets forth the operating results for the Group's operating segments and its corporate cost center for the financial years ended December 31, 2016, 2015, and 2014.

	12/31/2016				
In EUR million	SCOR Global Life	SCOR Global P&C	Group Functions	Adjustments and eliminations	Total
Gross written premiums	8,187	5,639	-	-	13,826
Change in unearned premiums reserves	(15)	(86)	-	-	(101)
Gross earned premiums	**8,172**	**5,553**	**-**	**-**	**13,725**
Revenues associated with financial reinsurance contracts	8	-	-	-	8
Gross benefits and claims paid	(6,684)	(3,164)	-	-	(9,848)
Gross commission on earned premiums	(1,053)	(1,404)	-	-	(2,457)
GROSS TECHNICAL RESULT [(1)]	**443**	**985**	**-**	**-**	**1,428**
Ceded written premiums	(674)	(575)	-	-	(1,249)
Change in ceded unearned premiums reserves	(2)	(12)	-	-	(14)
Ceded earned premiums	**(676)**	**(587)**	**-**	**-**	**(1,263)**
Ceded claims	479	210	-	-	689
Ceded commissions	115	71	-	-	186
Net results of retrocession	**(82)**	**(306)**	**-**	**-**	**(388)**
NET TECHNICAL RESULT [(1)]	**361**	**679**	**-**	**-**	**1,040**
Other income and expense excl. revenues associated with financial reinsurance contracts	**(3)**	**(56)**	**-**	**-**	**(59)**
Investment revenues	123	251	-	-	374
Interests on deposits	165	17	-	-	182
Capital gains/(losses) on the sale of investments	70	144	-	-	214
Change in fair value of investments	1	5	-	-	6
Change in impairment and amortization of investments	(2)	(29)	-	-	(31)
Foreign exchange gains/(losses)	(4)	15	-	-	11
Investment income	**353**	**403**	**-**	**-**	**756**
Investment management expenses	(17)	(37)	(8)	-	(62)
Acquisition and administrative expenses	(233)	(226)	(23)	-	(482)
Other current operating expenses	(71)	(52)	(94)	-	(217)
CURRENT OPERATING RESULT	**390**	**711**	**(125)**	**-**	**976**
Other operating expenses	(4)	(36)	-	-	(40)
Other operating income	10	5	-	-	15
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**396**	**680**	**(125)**	**-**	**951**

(1) Technical results are the balance of income and expenses allocated to the insurance and reinsurance business.

	12/31/2015					12/31/2014				
	SCOR Global Life	SCOR Global P&C	Group Functions	Adjustments and eliminations	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Adjustments and eliminations	Total
	7,698	5,723	-	-	13,421	6,381	4,935	-	-	11,316
	21	(143)	-	-	(122)	(18)	(160)	-	-	(178)
	7,719	**5,580**	**-**	**-**	**13,299**	**6,363**	**4,775**	**-**	**-**	**11,138**
	8	-	-	-	8	4	-	-	-	4
	(6,364)	(3,135)	-	-	(9,499)	(5,047)	(2,788)	-	-	(7,835)
	(1,022)	(1,327)	-	-	(2,349)	(960)	(1,068)	-	-	(2,028)
	341	**1,118**	**-**	**-**	**1,459**	**360**	**919**	**-**	**-**	**1,279**
	(703)	(641)	-	-	(1,344)	(660)	(518)	-	-	(1,178)
	1	28	-	-	29	1	30	-	-	31
	(702)	**(613)**	**-**	**-**	**(1,315)**	**(659)**	**(488)**	**-**	**-**	**(1,147)**
	595	198	-	-	793	438	167	-	-	605
	111	75	-	-	186	108	49	-	-	157
	4	**(340)**	**-**	**-**	**(336)**	**(113)**	**(272)**	**-**	**-**	**(385)**
	345	**778**	**-**	**-**	**1,123**	**247**	**647**	**-**	**-**	**894**
	(2)	**(63)**	**-**	**-**	**(65)**	**(1)**	**(52)**	**-**	**-**	**(53)**
	130	275	-	-	405	110	224	-	-	334
	161	23	-	-	184	158	22	-	-	180
	34	136	-	-	170	32	103	-	-	135
	1	11	-	-	12	-	8	-	-	8
	(3)	(40)	-	-	(43)	(1)	(30)	-	-	(31)
	(1)	17	-	-	16	(7)	18	-	-	11
	322	**422**	**-**	**-**	**744**	**292**	**345**	**-**	**-**	**637**
	(14)	(32)	(6)	-	(52)	(9)	(25)	(6)	-	(40)
	(231)	(233)	(20)	-	(484)	(204)	(191)	(19)	-	(414)
	(51)	(40)	(98)	-	(189)	(34)	(37)	(82)	-	(153)
	369	**832**	**(124)**	**-**	**1,077**	**291**	**687**	**(107)**	**-**	**871**
	(9)	(25)	-	-	(34)	(15)	(56)	-	-	(71)
	4	1	-	-	5	9	17	-	-	26
	364	**808**	**(124)**	**-**	**1,048**	**285**	**648**	**(107)**	**-**	**826**

NOTE 4.1. GROSS WRITTEN PREMIUMS AND INSURANCE CONTRACT LIABILITIES BY GEOGRAPHIC REGION

The distribution of gross written premiums by geographic region for the Life segment, based on market responsibility, is as follows:

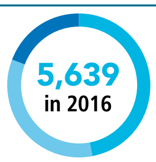
In EUR million			2016	2015	2014[(1)]
SCOR Global Life					
	33%	EMEA	2,677	2,515	2,261
	54%	Americas	4,429	4,130	3,323
	13%	Asia-Pacific	1,081	1,053	797
	TOTAL GROSS WRITTEN PREMIUMS		**8,187**	**7,698**	**6,381**

(1) *In 2015, SCOR Global Life's individual treaties have been reallocated based on a review of regional allocation. The gross written premiums for SCOR Global Life in EMEA, Americas and Asia Pacific previously reported in the 2014 Registration Document were EUR 2,103 million, EUR 3,498 million and EUR 780 million respectively for the year ended December 31, 2014.*

Contract liabilities and share of retrocessionaires in contract liabilities for the Life segment, allocated on the same basis as gross written premiums, are as follows:

	As at 12/31/2016		As at 12/31/2015	
In EUR million	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR GLOBAL LIFE				
EMEA	8,994	392	8,789	364
Americas	4,758	88	4,369	13
Asia-Pacific	716	55	586	60
TOTAL	**14,468**	**535**	**13,744**	**437**

The distribution of gross written premiums by geographic region for the Non-Life segment, based on the country in which the ceding company operates for treaty business and location of the insured for facultative business, is as follows:



In EUR million			2016	2015	2014
SCOR Global P&C					
	47%	EMEA	2,678	2,934	2,651
	34%	Americas	1,889	1,710	1,355
	19%	Asia-Pacific	1,072	1,079	929
	TOTAL GROSS WRITTEN PREMIUMS		**5,639**	**5,723**	**4,935**

For the Non-Life segment, contract liabilities, allocated on the same basis as gross written premiums, and share of retrocessionaires in contract liabilities, based on the location of the retrocessionaire, are as follows:

In EUR million	As at 12/31/2016		As at 12/31/2015	
	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR GLOBAL P&C				
EMEA	9,005	521	9,282	516
Americas	3,439	288	3,091	285
Asia-Pacific	1,803	18	1,722	20
TOTAL	**14,247**	**827**	**14,095**	**821**

NOTE 4.2. ASSETS AND LIABILITIES BY OPERATING SEGMENT

Key balance sheet captions by operating segment, as reviewed by management, are broken down as follows:

In EUR million	As at 12/31/2016			As at 12/31/2015		
	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Insurance business investments	13,037	15,100	28,137	13,121	14,555	27,676
Share of retrocessionaires in insurance and investment contract liabilities	535	827	1,362	437	821	1,258
Goodwill	49	739	788	49	739	788
Value of business acquired	1,612	-	1,612	1,600	-	1,600
Cash and cash equivalents (1)	682	1,006	1,688	861	765	1,626
TOTAL ASSETS	**20,906**	**22,387**	**43,293**	**20,339**	**21,266**	**41,605**
Contract liabilities	(14,468)	(14,247)	(28,715)	(13,744)	(14,095)	(27,839)

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 177 million on December 31, 2016 (EUR 81 million on December 31, 2015).

NOTE 4.3. ASSETS AND LIABILITIES BY GEOGRAPHIC REGION

Assets and liabilities by geographic region are based on the location of the entities and can be broken down as follows:

In EUR million	As at 12/31/2016				As at 12/31/2015			
	EMEA	Americas	Asia-Pacific	Total	EMEA	Americas	Asia-Pacific	Total
Insurance business investments	22,499	4,304	1,334	28,137	22,541	3,691	1,444	27,676
Share of retrocessionaires in insurance and investment contract liabilities	1,065	265	32	1,362	989	231	38	1,258
TOTAL ASSETS	**33,464**	**6,982**	**2,847**	**43,293**	**32,723**	**6,067**	**2,815**	**41,605**
Contract liabilities	(20,136)	(6,371)	(2,208)	(28,715)	(20,013)	(5,723)	(2,103)	(27,839)

NOTE 4.4. CASH FLOWS BY OPERATING SEGMENT

Cash flows, by segment, are presented as follows:

	For the year ended December 31								
	2016			2015			2014		
En EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Cash and cash equivalents at January 1	**861**	**765**	**1,626**	**655**	**205**	**860**	**885**	**629**	**1,514**
Net cash flows provided by/(used in) operations	250	1,104	1,354	227	568	795	286	608	894
Net cash flows provided by/(used in) investing activities	(259)	(109)	(368)	141	(674)	(533)	(233)	(1,164)	(1,397)
Net cash flows provided by/(used in) financing activities	(158)	(737)	(895)	(222)	639	417	(355)	120	(235)
Effect of changes in foreign exchange rates on cash and cash equivalents	(12)	(17)	(29)	60	27	87	72	12	84
Cash and cash equivalents at December 31 (1)	**682**	**1,006**	**1,688**	**861**	**765**	**1,626**	**655**	**205**	**860**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 177 million on December 31, 2016 (EUR 81 million on December 31, 2015).

NOTE 5. GOODWILL

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. It is initially measured at cost being the excess of the cost of the business combination over the acquisition-date fair value of the Group's share of the identifiable net assets of the acquired company and is included in intangible assets.

Goodwill arising on companies accounted for under the equity method is included within the carrying amount of those investments.

After initial recognition, goodwill is measured at cost less any accumulated impairment.

At least annually, goodwill is tested for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated by SCOR to the groups of cash generating units that are expected to benefit from the profitability and synergies of the business combination. As part of the impairment testing, SCOR assesses whether the recoverable amount of operating units is at least equal to the total carrying amount of operating units (including goodwill). If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable amount. Any impairment loss is recorded in income in the period in which it arises.

In EUR million	Goodwill
Gross value at December 31, 2014	**969**
Foreign exchange rate movements	-
Additions	-
Disposal	-
Change in scope of consolidation	-
Gross value at December 31, 2015	**969**
Foreign exchange rate movements	-
Additions	-
Disposal	-
Change in scope of consolidation	-
Gross value at December 31, 2016	**969**
Cumulative amortization and impairment at December 31, 2014	**(181)**
Foreign exchange rate movements	-
Amortization for the period	-
Impairment for the period	-
Shadow accounting	-
Cumulative amortization and impairment at December 31, 2015	**(181)**
Foreign exchange rate movements	-
Amortization for the period	-
Impairment for the period	-
Shadow accounting	-
Cumulative amortization and impairment at December 31, 2016	**(181)**
CARRYING VALUE AS AT DECEMBER 31, 2014	**788**
CARRYING VALUE AS AT DECEMBER 31, 2015	**788**
CARRYING VALUE AS AT DECEMBER 31, 2016	**788**

The carrying amount of goodwill allocated to SCOR Global P&C and SCOR Global Life is disclosed in Note 4 – Segment information.

SCOR groups its cash-generating units (CGUs) by operating segment, i.e. SCOR Global P&C and SCOR Global Life. This is consistent with the way SCOR manages and monitors its business and cash flow.

In order to estimate the fair value of SCOR Global P&C for the purpose of impairment testing, SCOR uses a discounted cash flow model comprised of an earnings model, which considers forecasted earnings and other financial ratios for the reportable segment over a five-year period. The first three years are based on the assumptions from the Vision in Action strategic plan and the last two years are extrapolated using a conservative approach based on past experience. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected expense ratios together with actuarial assumptions such as the coefficient of changes in ultimate net reserves together with assumptions as to the mean time to payment of existing reserves and future business. Future cash flows beyond this period are extrapolated using a growth rate of 5.5%. SCOR uses risk-free interest rates for each currency as well as the Group's estimated cost of capital of 6.46%, as derived from the Capital Asset Pricing Model (CAPM).

For SCOR Global Life, goodwill is tested for impairment with reference to the inputs and methodology that SCOR applies in calculating the embedded value of the segment. Market consistent embedded value (MCEV) is a measure of the consolidated value of shareholders' interests in the covered business. The MCEV represents the present value of shareholders' interests in the earnings distributable from assets allocated to the covered business after sufficient allowance for aggregated risks in the covered business. The allowance for risk is calibrated to match the market price where reliably observable. The MCEV consists of the shareholder net worth (market value basis of equity), and value of in-force covered business (VIF). The VIF comprises the present value of future profits, projected over the life of the portfolio and based on contractual cash flows. Key assumptions are morbidity, mortality and lapse experience. Mortality and morbidity are based on external tables, adjusted based on internal past experience. Lapses are also based on internal past experience. SCOR calculates and publishes a MCEV in line with the principles of the CFO Forum. The 2015 reference rates are those published by EIOPA for Solvency II, with the exception of some minor currencies.

Management believes that any reasonably possible change in the key assumptions on which SCOR Global P&C and SCOR Global Life recoverable amounts are based, would not cause their carrying amount to exceed their recoverable amount.

The annual goodwill impairment tests conducted for the SCOR Global P&C and SCOR Global Life segments show recoverable amounts in excess of the respective total carrying amounts for the years ended December 31, 2016, 2015 and 2014. Consequently, no goodwill impairment charges were recognized.

NOTE 6. VALUE OF BUSINESS ACQUIRED

VOBA relates to Life reinsurance portfolios acquired in a business combination. VOBA is capitalized as the present value of the stream of expected future cash flows for the assumed and the retroceded reinsurance business using estimates of expected profits from future technical results and future investment income, generated by the investments to cover the reinsurance reserves, less deductions for future portfolio administration expenses. The present value calculations of future profits reflect assumptions on mortality, morbidity, policyholder behavior, discount rates and margins for risk relevant at the date of acquisition.

VOBA is amortized over the lifetime of the underlying reinsurance portfolio based on schedules derived from the run-off patterns of expected profits calculated for future closing dates. Cash flow projections for the acquired portfolio and non-economic assumptions are assessed regularly and updated in the actuarial calculations. The review of cash flow projections recognizes changes in the portfolio from special events like withdrawals or recaptures of treaties. The subsequent measurement of VOBA is consistent with the measurement of the related underwriting reserves. VOBA amortization schedules are adjusted consistently. VOBA is subject to impairment testing performed via the liability adequacy test.

VOBA also includes the intangible asset related to the acquisition of the business portfolio of ReMark Group BV ("ReMark") to reflect the stream of expected future profits.

In EUR million	**Value of business acquired**
Gross value at December 31, 2014	**1,987**
Foreign exchange rate movements	197
Additions	-
Disposal	(87) (1)
Change in scope of consolidation	-
Gross value at December 31, 2015	**2,097**
Foreign exchange rate movements	16
Additions	-
Disposal	(69) (1)
Change in scope of consolidation	-
Gross value at December 31, 2016	**2,044**
Cumulative amortization and impairment at December 31, 2014	**(532)**
Foreign exchange rate movements	(26)
Amortization for the period	36 (1)
Impairment for the period	-
Shadow accounting	25
Cumulative amortization and impairment at December 31, 2015	**(497)**
Foreign exchange rate movements	(5)
Amortization for the period	33 (1)
Impairment for the period	-
Shadow accounting	37
Cumulative amortization and impairment at December 31, 2016	**(432)**
CARRYING VALUE AS AT DECEMBER 31, 2014	**1,455**
CARRYING VALUE AS AT DECEMBER 31, 2015	**1,600**
CARRYING VALUE AS AT DECEMBER 31, 2016	**1,612**

(1) Disposal and amortization of VOBA for the 2016 period include EUR 68 million (2015: EUR 80 million) resulting from the derecognition of VOBA due to fully amortized treaty terminations. Regular amortization related to business in force amounts to EUR 35 million for the year ended December 31, 2016 and EUR 44 million for the year ended December 31, 2015.

The IFRS 4 liability adequacy testing, which includes VOBA recoverability, showed no indicators of impairment for the years ended December 31, 2016, 2015 and 2014.

NOTE 7. INSURANCE BUSINESS INVESTMENTS

Financial assets

The Group classifies its financial assets in the following categories: available-for-sale, fair value through income, loans and receivables, derivative instruments and cash and cash equivalents. Currently no assets are classified as held-to-maturity. Sales and purchases of assets are recognized on the trade date. Once a financial asset has been recorded, it is measured according to its asset category, determined according to the methods set forth below. Financial assets are derecognized when the contractual rights to the cash flow of the financial asset expire or are transferred, and the Group has transferred substantially the risks and rewards incidental to the ownership of the financial asset.

Categories of financial assets

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative assets that are either classified as available for sale or not allocated to any another category. They are carried at fair value. Unrealized gains and losses are recorded directly in shareholders' equity. Changes in foreign exchange rates relating to non-monetary available-for-sale assets are recorded directly in shareholders' equity while those relating to monetary available-for-sale assets are recorded in income.

Interest on debt instruments is calculated in accordance with the effective interest rate method, which includes the amortization of any premiums or discounts and is recognized as investment income. Dividends on equity instruments are recognized as investment income on the ex-dividend date.

Upon the derecognition of an available-for-sale financial asset, the accumulated unrealized gains and losses included in shareholders' equity are transferred to realized capital gains/(losses) on investments, net of any amounts previously recorded in income.

Financial assets at fair value through income

The fair value through income category includes financial assets held for trading purposes and those designated at fair value through income upon initial recognition. Gains and losses from changes in the fair value of financial assets classified in this category are recognized in the statement of income in the period in which they occur.

Loans and receivables

The loans and receivables category includes funds held by ceding companies as collateral for underwriting commitments measured at cost. Non-derivative financial assets, where payment is fixed or determinable and which are not listed on an active market, are also included within this category and are recognized at amortized cost using the effective interest rate method. Loans and receivables include short-term deposits or investments with a maturity of more than three months but less than twelve months at the date of purchase or deposit. Loans and receivables include a provision for recoverability if deemed necessary.

NOTE 7.1. INSURANCE BUSINESS INVESTMENTS BY VALUATION METHOD

The Group's insurance business investments and cash by nature and level of valuation technique are presented below:

		As at 12/31/2016				
In EUR million		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**770**	**-**	**-**	**-**	**770**
Equity securities		790	171	564	-	55
Debt securities		15,763	14,548	1,214	-	1
Available-for-sale financial assets		**16,553**	**14,719**	**1,778**	**-**	**56**
Equity securities		812	278	534	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**812**	**278**	**534**	**-**	**-**
Loans and receivables		**9,815**	**593**	**-**	**-**	**9,222**
Derivative instruments		**187**	**-**	**96**	**91**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**28,137**	**15,590**	**2,408**	**91**	**10,048**
Cash and cash equivalents	**Note 11**	**1,688**	**1,688**	**-**	**-**	**-**
INVESTMENTS AND CASH		**29,825**	**17,278**	**2,408**	**91**	**10,048**
Percentage		**100%**	**58%**	**8%**	**-**	**34%**

		As at 12/31/2015				
In EUR million		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**838**	**-**	**-**	**-**	**838**
Equity securities		770	214	492	-	64
Debt securities		14,611	13,499	1,111	-	1
Available-for-sale financial assets		**15,381**	**13,713**	**1,603**	**-**	**65**
Equity securities		744	288	456	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**744**	**288**	**456**	**-**	**-**
Loans and receivables		**10,492**	**408**	**-**	**-**	**10,084**
Derivative instruments		**221**	**-**	**181**	**40**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**27,676**	**14,409**	**2,240**	**40**	**10,987**
Cash and cash equivalents	**Note 11**	**1,626**	**1,626**	**-**	**-**	**-**
INVESTMENTS AND CASH		**29,302**	**16,035**	**2,240**	**40**	**10,987**
Percentage		**100%**	**55%**	**8%**	**-**	**37%**

Mutual funds

Total insurance business investments and cash and cash equivalents include mutual funds that the Group manages and controls and which are also open to external investors. At December 31, 2016, the carrying amount of assets under management eliminated in "Other liabilities" for consolidation purposes was EUR 1,742 million (December 31, 2015: EUR 1,189 million). The amount of cash held on behalf of third parties as part of SCOR's asset management activity was EUR 177 million as at December 31, 2016 (December 31, 2015: EUR 81 million).

Available-for-sale investments measured at cost

Available-for-sale investments include EUR 56 million of investments which are measured at cost (December 31, 2015: EUR 65 million). These investments primarily include equity securities and funds which are not listed.

In 2016 and 2015 respectively, there were no material gains or losses realized on the disposal of available-for-sale investments which were previously carried at cost.

Impairment losses

Total impairment losses recognized in 2016 amounted to EUR 10 million (2015: EUR 21 million) of which EUR 8 million on the equity portfolio (2015: EUR 8 million) and EUR 2 million on the debt securities portfolio (2015: EUR 13 million).

NOTE 7.2. ACCOUNTING PRINCIPLES FOR VALUATION AND IMPAIRMENT OF FINANCIAL ASSETS

Valuation of financial assets

The fair value of financial instruments that are traded in an active financial market is determined by reference to quoted market bid prices, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations. As the Group is responsible for determining the fair value of its investments, regular analysis is performed to assess whether prices received from third parties are reasonable estimates of fair value. The Group’s analysis includes: (i) a review of price changes made in the investment management systems; (ii) a regular review of pricing deviations between dates exceeding predefined pricing thresholds per investment category; and (iii) a review and approval of valuation changes made on an exceptional basis. The Group may conclude that the prices received from third parties are not reflective of current market conditions. In those instances, SCOR may request additional pricing quotes or apply internally developed valuations. Similarly, the Group may value certain derivative investments using internal valuation techniques based on observable market data.

For unlisted equity instruments, fair value is determined according to commonly used valuation techniques.

The fair value of hedge funds managed by third parties is based on their net asset value (NAV) as issued by external asset managers. This NAV is regularly audited, at least annually.

The fair value of floating-rate and overnight deposits with credit institutions is their carrying amount.

If, as a result of a change in intention or ability or in the circumstance that a reliable measure of fair value is no longer available, it becomes appropriate to carry a financial instrument at cost or amortized cost, then the last reliable fair value available is taken as the new cost or amortized cost, as applicable.

Fair value hierarchy

The Group provides disclosures on the measurements of financial instruments held at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement. Assessing the significance of a particular input to the fair value measurement requires judgment, considering factors specific to the asset or liability. At each reporting date, the Group considers the classification relevancy of financial instruments that are measured at fair value. The valuation methodology of financial instruments is regularly monitored to identify potential reclassifications. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

  Included in this level are financial instruments for which quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker. Such instruments comprise listed equities, government, covered and agency bonds, as well as short-term investments. For investments in closed- or open-ended funds, fund shares and units and derivative financial instruments (including real estate, interest rate and mortality swaps, options etc.), fair value is determined by reference to published bid values.
- Level 2: models prepared by internal and external experts using observable market inputs.

  The Group has certain investments which are valued based on models prepared by internal and external experts using observable market inputs. These primarily comprise structured products, other than securities issued by government agencies for which the market is considered active, hybrid tier 1 and tier 2 corporate debt, private placements, inflation-linked government assimilated bonds, specific alternative investments and derivative instruments. For further details on the valuation of derivative instruments please see Note 7 – Insurance business investments (Derivative instruments).
- Level 3: valuation inputs for the asset or liability which are not based on observable market data (unobservable inputs).

  The value of these instruments is neither supported by prices observable on current market transactions in the same instrument nor is it based on available market data. If a fair value measurement uses inputs based significantly on unobservable inputs it is classified within level 3 of the fair value hierarchy. Level 3 instruments consist mainly of derivative instruments primarily relating to the Atlas catastrophe and mortality bonds. Further detail on the valuation of these derivative instruments is included below within the paragraphs on derivative instruments.

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence of impairment. The amount of impairment is recorded by asset category, as set forth below.

For available-for-sale equity securities which are listed on an active market, a line-by-line analysis is performed when there has been a decline in fair value as compared to the initial purchase price of more than 30%, or a consistent unrealized loss over a period of more than 12 months. The different factors considered in this analysis include the existence or inexistence of significant adverse changes in the technological, market, economic or legal environment in which the issuer operates. After consideration of these factors, if a security remains unimpaired, the Group ultimately considers objective evidence of impairment, as per IAS 39, by reference to three further key criteria being the existence or not of:

- a consistent decline of more than 30% for 12 consecutive months; or
- a magnitude of decline of more than 50%; or
- a duration of decline of more than 24 months.

For certain investments, in addition to the above impairment guidelines, SCOR takes into consideration other important factors such as:

- the fact that the asset is specifically excluded from any actively traded portfolio;
- its ability and intent to continue to hold the investment for a significantly longer period than a normal investment;
- its business relationship with the investee; and
- the estimated long-term embedded value of the investment.

For unlisted equity instruments, impairment is assessed using a similar approach to listed equities.

For securities not considered to be traded on an active and liquid market, especially investments in closed-end funds, SCOR performs a line-by-line analysis based on the expected lifecycle of these instruments and their business model. A security is considered impaired if:

- there is a magnitude of decline of more than 50%; or
- there is a duration of decline of more than 48 months without recovery in net asset value being observable; and
- the net asset value has not recovered to at least its initial purchase price after an additional 12-month period.

For debt securities, and loans and receivables, an objective indicator of impairment relates primarily to proven default credit risk. Different factors are considered to identify those debt securities potentially at risk of impairment, including significant financial difficulty or default in payments, to enable the Group to conclude whether there is objective evidence that the instrument or group of instruments is impaired.

For financial instruments where the fair value cannot be measured reliably and which are measured at cost, a regular analysis is completed to determine if this remains appropriate given the nature of the investment and factors such as amounts realized and the appearance or re-appearance of a market or reliable value. Impairment assessments are completed dependent on the underlying nature of the investment and the expected future cash flows.

If an available-for-sale financial asset is impaired and a decline in the fair value of this asset has been recognized in other comprehensive income, the cumulative loss is reclassified from equity to the statement of income. The cumulative loss is computed as the difference between the cost of the asset (net of any principal repayment and amortization) and its current fair value, less any impairment previously recognized in the statement of income.

A subsequent increase in value of an impaired available-for-sale equity instrument is not recognized in the statement of income. A subsequent increase in value of an impaired available-for-sale debt security is recorded through income as a reversal of impairment if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment losses were recognized.

NOTE 7.3. MOVEMENTS IN FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY

The following table shows the reconciliation between the opening and closing balances for assets categorized within level 3:

In EUR million	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Net book value at January 1, 2016	**-**	**-**	**-**	**40**	**40**
Change in FX	-	-	-	1	1
Income and expense recognized in statement of income	-	-	-	(35)[(1)]	(35)
Additions	-	-	-	85[(2)]	85
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
NET BOOK VALUE AT DECEMBER 31, 2016	**-**	**-**	**-**	**91**	**91**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2015-1, Atlas IX Series 2016-1 and Atlas IX Series 2013-1 (Extreme Mortality Risk Transfer Contract) derivatives recorded in other operating expenses.
(2) Additions to derivatives include the acquisition of Atlas IX Series 2016-1 for EUR 83 million.

In EUR million	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Net book value at January 1, 2015	**-**	**-**	**-**	**19**	**19**
Change in FX	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(15)[(1)]	(15)
Additions	-	-	-	36[(2)]	36
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
NET BOOK VALUE AT DECEMBER 31, 2015	**-**	**-**	**-**	**40**	**40**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2015-1 and Atlas IX Series 2013-1 (Extreme Mortality Risk Transfer Contract) derivatives recorded in other operating expenses.
(2) Acquisition of Atlas IX Series 2015-1.

There were no material transfers between level 1 and level 2 in 2016 and 2015, respectively. There were also no changes in the purpose of a financial asset that subsequently resulted in a different classification of that asset.

NOTE 7.4. REAL ESTATE INVESTMENTS

Investment properties

Real estate currently held by the Group is classified as investment property when it is held to earn rental income, or for capital appreciation or both. Properties are recognized at cost, net of accumulated depreciation and impairment losses. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30-80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10-15 years

Repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred. All costs directly associated with purchases or construction of property are capitalized. All subsequent value-enhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that the future economic benefits related to the item will flow to the Group.

Every five years, each investment property is subject to an in-depth analysis of its market value by an independent appraiser with recent experience in the location and category of the investment property assessed and approved by the domestic regulators (*Autorité de Contrôle Prudentiel et de Résolution* in France). Annually, the appraised market value is updated by the same independent appraiser according to changes in the local market and/or the property's rental and technical situation.

At the end of each reporting period, properties are assessed to determine whether there is any indication of impairment. One such indicator is that the building's market-value is below its carrying amount. If any such indicators is found, the Group assesses the recoverable amount of the building in question. The recoverable amount is the higher of the property's fair value less cost to sell and its value in use. The value in use is assessed using an internal discounted cash flow model based on current market assumptions and considers rental situation, completeness of construction and renovation work, as well as recent developments within the local real estate market. If the recoverable amount is greater than 20% below the carrying amount, the resulting impairment loss is recognized in the statement of income.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of current rental agreements.

The properties held by the Group and considered as investment property are owned either by wholly-owned subsidiaries of SCOR, or by MRM S.A. They consist of office buildings (wholly-owned subsidiaries and MRM S.A.), and retail buildings (MRM S.A.). The movements in real estate investments and finance leases are analyzed as follows:

In EUR million	Real estate investments	Finance leases	Total
Gross value at December 31, 2014	**960**	**-**	**960**
Foreign exchange rate movement	-	-	-
Addition	29	-	29
Disposal	(14)	-	(14)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2015	**975**	**-**	**975**
Foreign exchange rate movement	-	-	-
Addition	85	-	85
Disposal	(146)	-	(146)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2016	**914**	**-**	**914**
Cumulative depreciation and impairment at December 31, 2014	**(115)**	**-**	**(115)**
Depreciation for the period	(22)	-	(22)
Impairment for the period	-	-	-
Disposal	-	-	-
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2015	**(137)**	**-**	**(137)**
Depreciation for the period	(21)	-	(21)
Impairment for the period	-	-	-
Disposal	14	-	14
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2016	**(144)**	**-**	**(144)**
CARRYING VALUE AS AT DECEMBER 31, 2014	**845**	**-**	**845**
CARRYING VALUE AS AT DECEMBER 31, 2015	**838**	**-**	**838**
CARRYING VALUE AS AT DECEMBER 31, 2016	**770**	**-**	**770**

In EUR million	Real estate investments	Finance leases	Total
Fair value as at December 31, 2014	973	-	973
Fair value as at December 31, 2015	1,057	-	1,057
Fair value as at December 31, 2016	1,051	-	1,051

In 2015, increases in real estate investments related to renovation work on existing buildings for EUR 29 million. SCOR sold one building, resulting in a gain on sale of EUR 2.4 million.

In 2016, increases in real estate investments related to the acquisition of a new building, currently under construction, and renovation work on existing buildings for a total of EUR 85 million. SCOR sold four buildings, resulting in a gain on sale of EUR 69 million.

Real estate financing is presented in Note 13 – Financial liabilities.

Valuation techniques and unobservable inputs

The fair value of real estate investments is categorized within level 3. The valuation techniques and unobservable inputs were as follows as at December 31, 2016 and 2015:

Real estate	**Net book value carrying amount 12/31/2016** *(in EUR million)*	**Fair value 12/31/2016** *(excluding transfer taxes and in EUR million)*	**Valuation method**	**Average rent** *(per sqm per annum)*	**Average price** *(per sqm)*	**Average net cap rate** *(value including transfer taxes)*	**Rent range** *(per sqm per annum)*	**Net cap rate range** *(per sqm per annum)*	**Price range** *(per sqm)*
Offices portfolio	616	883	Market comparison and income capitalization(1)	356	5,651	6.20%	0 – 570	4.3% – 10%	470 – 13,000
Retail portfolio	154	168	Market comparison and income capitalization(1)	137	1,762	7.20%	15 – 800	4.75% – 12%	180 – 7,550

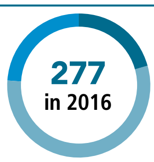
Real estate	**Net book value carrying amount 12/31/2015** *(in EUR million)*	**Fair value 12/31/2015** *(excluding transfer taxes and in EUR million)*	**Valuation method**	**Average rent** *(per sqm per annum)*	**Average price** *(per sqm)*	**Average net cap rate** *(value including transfer taxes)*	**Rent range** *(per sqm per annum)*	**Net cap rate range** *(per sqm per annum)*	**Price range** *(per sqm)*
Offices portfolio	685	898	Market comparison and income capitalization(1)	296	5,521	6.90%	0 – 650	5.2% – 9.8%	467 –13,887
Retail portfolio	153	159	Market comparison and income capitalization(1)	113	1,662	7.20%	0 – 804	4.85% – 10%	240 – 7,178

(1) Discounted cash flows (DCF) approach or transaction price (for real estate investments under purchase bids) may also be used for some real estate investments.

Property-related commitments received and granted

Rental income

As part of its real estate investment activities described above, SCOR leases its investment property. The leases generally conform to the local market conditions and have annual indexation clauses for the rental payments. The estimated minimum rental income is as follows:



In EUR million		**2016 Minimum rental income**	**2015 Minimum rental income**
21%	Less than one year	58	44
55%	From one to five years	154	119
24%	More than five years	65	24
TOTAL MINIMUM RENTAL INCOME		**277**	**187**

The rental income related to investment property was EUR 43 million in 2016 (2015: EUR 45 million) and the related direct operating expenses amounted to EUR 12 million (2015: EUR 11 million).

Property-related commitments

As part of its real estate investment activities the Group committed to purchasing several properties through contracts of sale before completion. As at December 31, 2016, SCOR has an off-balance sheet commitment of EUR 157 million.

NOTE 7.5. BREAKDOWN OF SECURITIES AVAILABLE FOR SALE AND AT FAIR VALUE THROUGH INCOME

The following table summarizes the debt and equity securities and unrealized gains/(losses) by class of securities classified as available for sale and at fair value through income:

	As at 12/31/2016		As at 12/31/2015	
In EUR million	Net book value	Net unrealized gains/(losses)	Net book value	Net unrealized gains/(losses)
Government bonds & similar				
France	314	(3)	200	2
Germany	190	2	255	1
Netherlands	18	-	79	1
United Kingdom	491	1	694	(2)
Other EU (1)	134	(3)	129	(4)
United States	1,594	(22)	2,167	(24)
Canada	440	19	427	26
Japan	73	-	139	-
China	534	(3)	20	-
Supranational	270	2	289	3
Other	800	(2)	702	5
Total government bonds & similar	**4,858**	**(9)**	**5,101**	**8**
Covered bonds & Agency MBS	**2,206**	**(16)**	**1,952**	**29**
Corporate bonds	**7,548**	**3**	**6,510**	**31**
Structured & securitized products	**1,151**	**8**	**1,048**	**(12)**
TOTAL DEBT SECURITIES	**15,763**	**(14)**	**14,611**	**56**
Equity securities	**1,602**	**146**	**1,514**	**90**
TOTAL AVAILABLE FOR SALE AND FAIR VALUE THROUGH INCOME	**17,365**	**132**	**16,125**	**146**

(1) During 2016 and 2015, SCOR had no exposure to the sovereign debt of Portugal, Ireland, Italy, Greece or Spain.

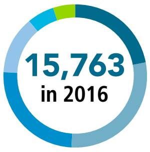
As at December 31, 2016, the net unrealized gain (loss) on debt securities comprised EUR 186 million in unrealized gains and EUR 200 million in unrealized losses (as at December 31, 2015: EUR 193 million in unrealized gains and EUR 137 million in unrealized losses).

The net unrealized gain (loss) on equity securities as at December 31, 2016 comprised EUR 174 million in unrealized gains and EUR 28 million in unrealized losses (as at December 31, 2015: EUR 116 million in unrealized gains and EUR 26 million in unrealized losses).

As at December 2016, revaluation reserves of EUR 134 million (as at December 2015: EUR 112 million) also include:

- tax effects on available for sale securities net unrealized gains and losses of EUR (32) million (2015: EUR (44) million) ;
- net of tax foreign exchange gains and losses of EUR 7 million (2015: EUR 7 million) ;
- net of tax shadow accounting impacts of EUR 32 million (2015: EUR (2) million) ;
- elimination of assets under management for external clients net unrealized gains and losses in other liabilities of EUR 1 million (2015: 13 EUR million) ;
- investments in associates net unrealized gains and losses of EUR 1 million (2015: EUR 2 million) ;
- net of tax unrealized gains and losses relating to funds withheld of EUR (7) million (2015: EUR (10) million).

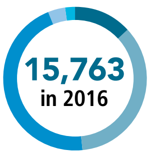
NOTE 7.6. DEBT SECURITIES CREDIT RATING STRUCTURE



In EUR million		As at 12/31/2016		As at 12/31/2015	
22%	AAA	3,546	22%	3,352	23%
29%	AA	4,590	29%	4,599	31%
25%	A	3,913	25%	3,387	23%
13%	BBB	2,067	13%	1,703	12%
6%	<BBB	927	6%	963	7%
5%	Not Rated	720	5%	607	4%
TOTAL DEBT SECURITIES		**15,763**	**100%**	**14,611**	**100%**

NOTE 7.7. DEBT SECURITIES MATURITY SCHEDULE

The table below presents the estimated maturity profiles of financial assets, for which the Group is expected to generate cash inflows to meet cash outflows on financial and reinsurance contract liabilities:



In EUR million		As at 12/31/2016		As at 12/31/2015	
13%	Less than one year	2,135	13%	1,936	13%
35%	One to five years	5,458	35%	6,237	43%
46%	Five to ten years	7,270	46%	5,831	40%
4%	Ten to twenty years	605	4%	444	3%
2%	More than twenty years	295	2%	163	1%
TOTAL		**15,763**	**100%**	**14,611**	**100%**

NOTE 7.8. LOANS AND RECEIVABLES

In EUR million	As at 12/31/2016	As at 12/31/2015
Funds held by ceding companies	8,356	8,524
Short term investments	686	1,412
Infrastructure and Real estate loans	716	495
Other loans maturing in more than one year	28	30
Deposits	29	31
TOTAL	**9,815**	**10,492**

Loans and receivables primarily include cash deposits made at the request of ceding companies as collateral for commitments (insurance contract liabilities), short-term investments and related accrued interest. Short-term investments include government bonds, certificates of deposit (CDs) and treasury bills (T-bills) maturing between three and 12 months from the date of purchase. CDs and T-bills maturing in more than 12 months from the date of purchase are included in "Other loans maturing in more than one year". A portion of the assets presented within loans and receivables is managed by SCOR Investment Partners (short-term government bonds, infrastructure and real estate loans, and the majority of loans secured against collateral).

As at December 31, 2016, the decrease in loans and receivables of EUR 677 million compared to year-end 2015 is mainly due to the decrease in short-term investments following their partial use for the redemption of subordinated notes in July and August 2016 (see Note 13 – Financial liabilities) and the impact of fluctuating exchange rates (mainly GBP).

Short-term investments include EUR 593 million that are carried at fair value at December 31, 2016 (EUR 408 million at December 31, and 2015). Other loans and receivables are carried at cost, which approximates their fair value at December 31, 2016 and 2015.

NOTE 7.9. DERIVATIVE INSTRUMENTS

Derivative instruments and hedging instruments

Derivative instruments are recorded and classified at fair value through income unless they are designated as hedging instruments.

All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

The accounting method varies according to whether or not the derivative instrument is designated as a hedging instrument, as described below in "Hedging instruments".

When the Group has not designated the derivative as a hedging instrument, gains and losses resulting from changes in the fair value of the instrument are recorded in the statement of income in the period in which they occur. The Group uses the following derivative instruments to reduce its exposure to various risks: interest rate swaps, foreign currency forward purchase and sale contracts, caps and floors, puts and calls and insurance-linked securities (ILS).

Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument which includes a non-derivative host contract, which causes part of the hybrid instrument's cash flow to vary in the same way as that of a freestanding derivative. The host contract can be a financial instrument or an insurance contract.

A material embedded derivative is separated from the host contract and is recognized as a derivative when:

- its economic features and risks are not closely linked to the economic features of the host contract;
- the embedded instrument has the same conditions as a separate derivative instrument; and
- the hybrid instrument is not measured at fair value through income.

Where an embedded derivative has been separated from its host contract, it is recognized in accordance with the guidance relating to the accounting for derivative financial instruments.

Where the embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the hybrid instrument is treated as an instrument held for trading. Gains and losses resulting from changes in the fair value of the hybrid instrument are recognized in the statement of income in the period during which they occur.

Hedging instruments

A hedging instrument is a designated derivative instrument or, in the case of a foreign currency hedge, a designated non-derivative asset or liability for which the fair value or cash flows offset changes in the fair value or cash flows of the hedged item.

The hedged item may be an asset, a liability, a firm commitment, a highly probable scheduled transaction or a net investment in a foreign operation exposing the Group to fluctuations in fair value or future cash flows, and which is designated as being hedged.

Hedge effectiveness is monitored periodically by comparing changes in the fair value or cash flows of the hedged item to the changes in the fair value or cash flows of the hedge instrument in order to determine the degree of effectiveness.

A derivative instrument designated as a fair value hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged. The derivative is remeasured at fair value and gains and losses are recognized in the statement of income.

A derivative instrument designated as a cash flow hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The effective portion of gains or losses on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognized in the statement of income. Amounts taken to other comprehensive income are transferred to the statement of income when the hedged transaction is reflected in the statement of income, such as when financial income or financial expenses related to the hedge are recognized or when the forecast sale or purchase occurs.

For hedges of net investments in a foreign operation, the portion of gains or losses on the hedging instrument considered as the effective portion of the hedge is recorded directly in shareholders' equity. Any ineffective portion of the hedge is recognized in the statement of income.

Derivative financial instruments include the following items:

	Derivative assets as at December 31,		Derivative liabilities as at December 31,		Fair value through income		Gains or losses recognized through other comprehensive income	
In EUR million	2016	2015	2016	2015	2016	2015	2016	2015
Atlas VI, IX 2015-1 & IX 2016-1	83	27	-	-	(29)	(11)	-	-
Atlas IX – extreme mortality risk transfer contract	8	13	-	-	(5)	(4)	-	-
Interest rate swaps	-	-	13	25	-	1	12	6
Cross currency swaps	61	157	-	-	(87)	112	(9)	29
Foreign currency forwards	35	23	77	64	45	(51)	(2)	(22)
Other	-	1	-	-	(1)	1	-	-
TOTAL	**187**	**221**	**90**	**89**	**(77)**	**48**	**1**	**13**

Catastrophe bonds

Atlas IX 2015 and 2016 catastrophe bond transactions (see Note 2 – Scope of consolidation, Information related to non-consolidated special purpose vehicles) are recorded as derivative assets recognized at fair value through income and as other liabilities representing the value of interest payments. Atlas IX catastrophe bonds are valued using an expected cumulative loss model that is based on a combination of market inputs, to the extent that trades in these instruments are active, and catastrophe modeling tools developed by third-party companies (AIR/RMS). These assets are disclosed as level 3 investments within insurance business investments (see Note 7.1 above).

The significant unobservable inputs used in the valuation model are:

Unobservable inputs	Atlas IX Series 2015-1	Atlas IX Series 2016-1
Expected loss US Named Storm based on AIR model	4.45%	5.10%
Expected loss US and Canadian Earthquake based on AIR model	3.25%	3.85%

A significant catastrophic event (US or Canadian Earthquake or a US Named Storm) covered by Atlas IX Series 2015-1 or Atlas IX Series 2016-1 and occurring during the coverage period of the respective bonds, would lead to an increase in the fair value of the derivative instrument.

Amounts recorded in the statement of income include transaction costs that are expensed at inception as other operating expense. Changes in fair value through income as presented above are recognized as other operating expenses or other operating income.

Mortality bonds

The Atlas IX mortality risk transfer contract transaction (see Note 2 – Scope of consolidation, Information related to non-consolidated special purpose vehicles) is recorded as a derivative asset recognized at fair value through income and a payable for the value of interest payments. SCOR values the derivative asset using a model that is based on indicative secondary market interest rate, considering both the probability of trigger and alternative investment opportunities to the extent that trades in these instruments are active.

The average indicative secondary market interest rate is calculated based on third-party sources, which provide regular overviews of the current indicative secondary market. The average indicative secondary market interest rate used as at December 31, 2016 was 2.41% (December 31, 2015: 2.66%).

Extreme mortality events in the US (such as pandemics, natural catastrophes and terrorist attacks) covered by the Atlas extreme mortality bond and occurring during the coverage period of this bond, would increase the fair value of the derivative instrument.

The asset is disclosed as a level 3 investment within insurance business investments (see Note 7.1 above).

Amounts recorded in the statement of income include transaction costs that are expensed at inception as other operating expenses. The changes in fair value through income as presented above are recognized as other operating expenses or other operating income.

Interest rate swaps

SCOR has entered into interest rates swaps to cover its exposure to financial liabilities with variable interest rates relating to real estate investments. The fair value of these swaps is obtained from the banking counterparty and is based on market inputs. As part of the usual analysis of accounts processes these third-party valuations are checked for reasonableness against internal models. The total notional amount relating to these swaps is EUR 266 million as at December 31, 2016 (December 31, 2015: EUR 320 million). Net interest paid under these swaps amounted to EUR 15 million in 2016 (2015: EUR 9 million).

Valuation and presentation

Cash-flow hedge accounting is applied when the hedging relationship is determined to be highly effective throughout the term of the hedge. Effectiveness testing is performed at the inception of the hedging relationship and at each reporting date throughout the term of the hedge relationship. Where hedge effectiveness is not attained, the hedging instrument (interest rate swap) is measured at fair value through income from the date the hedge relationship ceases to be effective. As at December 31, 2016, the fair value of the interest rate swaps was a liability of EUR 11 million (December 31, 2015: liability of EUR 23 million). The amount recognized in other comprehensive income in 2016 is EUR 12 million (2015: EUR 6 million). The amount recognized in the statement of income in 2016 is not material (2015: EUR 1 million).

Cross-currency swaps

In order to hedge the foreign exchange risk associated with certain debts issued in CHF (CHF 650 million issued in 2011, CHF 315 million issued in 2012, CHF 250 million issued in 2013, see Note 13 – Financial debt), SCOR entered into cross-currency swaps which exchange the principals and the coupons on the notes into EUR, and mature on August 2, 2016, June 8, 2018 and November 30, 2018 respectively.

On August 2, 2016, SCOR repaid the CHF 650 million perpetual debt issued in 2011 and the related cross-currency swap matured.

Valuation and presentation

Cash-flow hedge accounting is applied. The fair value of the swaps is obtained from the banking counterparty using market inputs. As part of the usual analysis of accounts processes these third-party valuations are checked for reasonableness against internal models. The total related notional amount is CHF 565 million as at December 31, 2016 (December 31, 2015: CHF 1,215 million). The fair value of the swaps is EUR 61 million as at December 31, 2016 (EUR 157 million as at December 31, 2015). No inefficiency was identified on these swaps during 2016.

Forward currency contracts

SCOR purchases and sells forward currency contracts to reduce its overall exposure to foreign exchange balances held in currencies other than the functional currencies of its subsidiaries. The contracts are recorded at their fair value from valuations provided by banking counterparties using market inputs.

Hedge of a net investment

At December 31, 2016 and 2015, one forward contract is designated as a hedge of a net investment (see Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves).

The outstanding contracts at December 31, 2016 and 2015, converted into EUR at the closing rates, were as follows:

	Forward sales		Forward purchases	
In EUR million	**Notional**	**Fair value**	**Notional**	**Fair value**
December 31, 2016	1,920	(39)	1,240	(3)
December 31, 2015	1,797	(41)	1,226	-

Other

Contingent capital facility

See Note 12 – Information on share capital, capital management, regulatory framework and shareholders' equity, for the details on the issuance of warrants to UBS in the context of the contingent capital facility program.

Amounts are recorded in the balance sheet as assets, recognized at fair value through income, and as other liabilities representing the amount of commission payable. In the absence of observable market inputs and parameters to reliably determine a fair value for these derivative instruments, the best measure of fair value is the expected cost of the instrument, corresponding to the total annual fees payable under the arrangement net of the warrants' subscription amounts received, amortized over the life of the instrument. These assets are disclosed as level 3 investments within insurance business investments (see Note 7.1 above).

The changes in fair value through income as presented above are recognized in investment income.

NOTE 8. ACCOUNTS RECEIVABLE FROM AND PAYABLE ON ASSUMED AND CEDED INSURANCE AND REINSURANCE TRANSACTIONS

A reinsurance asset is recognized to reflect the amount estimated to be recoverable under the reinsurance contracts in respect of the outstanding claims reported under reinsurance liabilities assumed. The amount recoverable from reinsurers is initially valued on the same basis as the underlying claims provision except in the case of non-proportional retrocession whether by risk or by event, where it is SCOR's policy to only recognize recoveries, including IBNR recoveries upon confirmation of the occurrence of a loss booked which triggers the retrocession contract.

The amount recoverable is reduced in the form of a bad debt provision when there is an event arising that provides objective evidence that the Group may not receive all amounts due under the contract and the event has a reliably measurable impact on the expected amount that will be recovered from the reinsurer.

Premiums payable in respect of reinsurance ceded are recognized in the period in which the reinsurance contract is entered into and includes estimates where the amounts are not determined at the reporting date. Retroceded premiums are expensed over the term of the reinsurance contract in the same manner as assumed business.

SCOR contracts with Atlas vehicles which meet the criteria of risk transfer according to IFRS 4 are accounted for as reinsurance ceded.

	2016			2015		
In EUR million	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Gross receivables from ceding companies	359	455	814	293 (1)	387	680
Provision for bad debts	(2)	(8)	(10)	(2)	(8)	(10)
Estimated premiums receivable from cedents, net of commission	2,956	2,414	5,370	2,323 (1)	2,310	4,633
Accounts receivable from assumed insurance and reinsurance transactions	**3,313**	**2,861**	**6,174**	**2,614**	**2,689**	**5,303**
Amount due from reinsurers	44	63	107	15	65	80
Provision for bad debts	-	(4)	(4)	-	(5)	(5)
Accounts receivable from ceded reinsurance transactions	**44**	**59**	**103**	**15**	**60**	**75**
Amounts payable on assumed insurance and reinsurance transactions	**(533)**	**(259)**	**(792)**	**(302)**	**(182)**	**(484)**
Liabilities for cash deposits from retrocessionaires	(370)	(334)	(704)	(360)	(331)	(691)
Amount due to reinsurers	(21)	(83)	(104)	(27)	(65)	(92)
Estimated premiums payable to retrocessionaires, net of commission	(250)	(248)	(498)	(180)	(232)	(412)
Accounts payable on ceded reinsurance transactions	**(641)**	**(665)**	**(1,306)**	**(567)**	**(628)**	**(1,195)**

(1) In 2016, Management revised the allocation of unassigned cash receipts for settlements not yet recorded. The amounts previously reported for 2015 were gross receivables from ceding companies of EUR 1 million and estimated premiums receivable from cedents, net of commission of EUR 2,615 million.

Accounts receivable from and payable to cedents and retrocessionaires are mostly due in less than one year. A complete aging of financial assets is included in Section 3.5.2 – Counterparty default risks.

NOTE 9. MISCELLANEOUS ASSETS

Assets	As at December 31	
In EUR million	2016	2015
Other intangible assets	175	162
Tangible assets	621	593
Others	296	211
Miscellaneous assets	**1,092**	**966**

NOTE 9.1. OTHER INTANGIBLE ASSETS

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition intangible assets are carried at cost less any accumulated amortization and impairment losses.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with finite useful lives are amortized over the expected useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of future economic benefits are accounted for prospectively by changing the amortization period or method as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assumption remains appropriate. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Other intangible assets consist primarily of customer-related intangible assets arising from Non-Life business combinations and purchased software or development expenditure related to software.

The Group amortizes its other intangible assets with a finite life using the straight-line method over a one to ten year period.

In EUR million	**Other**
Gross value at December 31, 2014	**260**
Foreign exchange rate movements	9
Additions	36
Disposal	(29) (1)
Change in scope of consolidation	-
Gross value at December 31, 2015	**276**
Foreign exchange rate movements	(6)
Additions	31
Disposal	-
Change in scope of consolidation	-
Gross value at December 31, 2016	**301**
Cumulative amortization and impairment at December 31, 2014	**(118)**
Foreign exchange rate movements	(5)
Amortization for the period	5 (1)
Impairment for the period	4
Cumulative amortization and impairment at December 31, 2015	**(114)**
Foreign exchange rate movements	5
Amortization for the period	(17)
Impairment for the period	-
Cumulative amortization and impairment at December 31, 2016	**(126)**
CARRYING VALUE AS AT DECEMBER 31, 2014	**142**
CARRYING VALUE AS AT DECEMBER 31, 2015	**162**
CARRYING VALUE AS AT DECEMBER 31, 2016	**175**

(1) Disposals and amortization of 2015 mainly include the scrapping of fully amortized software (EUR 19 million).

The other intangible assets include all the intangible assets except goodwill and VOBA.

Other intangible assets with finite useful lives at December 31, 2016 amounted EUR 152 million, compared with EUR 137 million at December 31, 2015.

The increase during the year ended December 31, 2016 of EUR 31 million mainly comprises the capitalization of software development costs relating to the Group's accounting system, technical accounting system and internal model.

The Group conducted its annual assessment of the amortization periods and amortization methods of these finite useful life intangible assets and concluded that both the amortization periods and existing amortization methodology are appropriate.

The amortization expense recognized against other intangible assets with finite useful lives was EUR 17 million, EUR 14 million, and EUR 7 million, for the years ended December 31, 2016, 2015, and 2014 respectively.

Other intangible assets also include indefinite useful life intangible assets associated with Lloyd's syndicate participations acquired through the Converium business combination. The Lloyd's intangible assets of EUR 9 million as at December 31, 2016 (compared to EUR 11 million as at December 31, 2015 – due to the weakening of the British pound) are deemed to have an indefinite useful life due to the ability to realize cash for these contractual rights through the Lloyd's auction process. Other intangible assets with an indefinite useful life amounted to EUR 14 million as at December 31, 2016 compared with EUR 14 million as at December 31, 2015.

Intangible assets with an indefinite useful life are tested for impairment at least annually. The prices of the Lloyd's syndicate participations from the Lloyd's auction process are key inputs in the impairment tests conducted, which demonstrated that there are no indicators of impairment.

NOTE 9.2. TANGIBLE ASSETS AND RELATED COMMITMENTS

Owner-occupied property is classified as tangible assets. Some buildings may be partially occupied by entities of the Group. Properties are recognized at cost, net of accumulated depreciation and impairment losses. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30-80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10-15 years

Repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred. All costs directly associated with purchases or construction of property are capitalized. All subsequent value-enhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that the future economic benefits related to the item will flow to the Group.

Owner-occupied property is assessed for impairment whenever there is an indication that it may be impaired. It is considered a corporate asset, which does not generate cash inflows independently. Hence, the assessment is made at the level of the cash generating units (CGU) or groups of CGUs to which the property belongs. Should impairment indicators exist, the Group determines the recoverable amount of the CGU or group of CGUs to which the property belongs and compares it to its carrying amount.

Tangible assets

Tangible assets as at December 31, 2016 amounted to EUR 621 million compared to EUR 593 million as at December 31, 2015 and primarily relate to operating property, office furniture and equipment, and building fixtures and fittings.

In EUR million	**Tangible Assets**
Gross value at December 31, 2014	**645**
Foreign exchange rate movement	17
Addition	59
Reclassification	-
Disposal	(5)
Change in scope of consolidation	-
Other	-
Gross value at December 31, 2015	**716**
Foreign exchange rate movement	(14)
Addition	63
Reclassification	-
Disposal	(2)
Change in scope of consolidation	-
Other	-
Gross value at December 31, 2016	**763**
Cumulative depreciation and impairment at December 31, 2014	**(103)**
Depreciation for the period	(24)
Impairment for the period	-
Reclassification	-
Disposal	4
Cumulative depreciation and impairment at December 31, 2015	**(123)**
Depreciation for the period	(21)
Impairment for the period	-
Reclassification	-
Disposal	2
Cumulative depreciation and impairment at December 31, 2016	**(142)**
CARRYING VALUE AS AT DECEMBER 31, 2014	**542**
CARRYING VALUE AS AT DECEMBER 31, 2015	**593**
CARRYING VALUE AS AT DECEMBER 31, 2016	**621**

The increase in tangible assets in 2016 is mainly related to the continuation of the construction of the Singapore office, to the acquisition of a new office in Paris and to improvements to other properties for a total of EUR 63 million. These increases were partially offset by the disposal of fully amortized assets (furniture and office equipment).

The increase in tangible assets in 2015 mainly related to the acquisition, in June 2015, of the Asia House building, located in London. The total purchase price amounted to EUR 32 million (GBP 24 million), including directly attributable costs. Other increases correspond to the ongoing construction of the Singapore office in which SCOR purchased four additional units and to leasehold improvements in other properties. These increases were partially offset by the disposal of fully amortized assets (furniture and office equipment).

Property-related commitments received and granted

Operating lease contracts

Payments for operating leases relate primarily to rental payments for offices and business premises of the Group. They include extension options as well as restrictions regarding subleases. In the period under review, lease payments of EUR 25 million (2015: EUR 24 million; 2014: EUR 21 million) were recognized as an expense, net of sublease payments of EUR 1 million (2014: EUR 3 million; 2013: EUR 2 million). The main lease contracts are for the US and Zurich offices. The minimum payments are as follows:

In EUR million		2016 Minimum payments	2015 Minimum payments
11%	Less than one year	24	23
45%	From one to five years	98	97
44%	More than five years	94	34
TOTAL MINIMUM LEASE PAYMENTS		**215**	**154**

Property-related commitments and guarantees

In October 2013, SCOR entered into an agreement to acquire two floors in a building still under construction in Singapore and has since purchased eight additional units located on two floors. The total estimated acquisition price, including fees, is SGD 87 million as at December 31, 2016 (SGD 86 million as at December 31, 2015). As at December 31, 2016, SGD 78 million (EUR 54 million) were recognized in the balance sheet (SGD 45 million (EUR 31 million) as at December 31, 2015). As at December 31, 2016, SCOR did not have the right to use the building, which is contingent on completion of construction and fitting, expected to take place before June 2017.

SCOR purchased in November 2016 a contract of sale before completion to acquire a building in front of the Paris head office for a total cost of EUR 28 million. The total cost of the land and the finished portion of the building (EUR 26 million, including acquisition costs) have been recognized in the balance sheet as at December 31, 2016. The building delivery is planned for 2017.

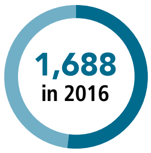
NOTE 10. DEFERRED ACQUISITION COSTS

In reinsurance, the costs directly associated with the acquisition of new contracts, mainly comprising commissions, are recorded as assets on the balance sheet, to the extent that the contracts are profitable. They are amortized on the basis of the residual term of the contracts in Non-Life, and on the basis of the expected recognition of future margins for Life contracts.

	2016			2015			2014		
In EUR million	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Carrying amount at January 1	**740**	**536**	**1,276**	**646**	**441**	**1,087**	**529**	**379**	**908**
Capitalization of new contracts over the period/ Change over the year	160	553	713	153	526	679	196	415	611
Change in scope of consolidation and contract portfolio exchanges	-	-	-	-	-	-	-	-	-
Amortization for the year	(94)	(522)	(616)	(113)	(466)	(579)	(88)	(379)	(467)
Impairment losses during the year	-	-	-	-	-	-	-	-	-
Changes in foreign exchange rates	9	(16)	(7)	39	35	74	24	26	50
Other changes (including change in shadow accounting)	10	-	10	15	-	15	(15)	-	(15)
Carrying amount at December 31	**825**	**551**	**1,376**	**740**	**536**	**1,276**	**646**	**441**	**1,087**

NOTE 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, net bank balances and short-term deposits or investments with a maturity less than three months at the date of purchase or deposit. Money market funds are also classified as cash and cash equivalents, though only to the extent that the fund assets qualify as cash equivalents, or there are strict fund management policies and limits that allow the funds to qualify as cash equivalents.

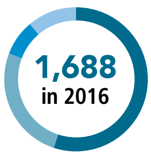


In EUR million		2016	2015
52%	Cash on hand	872	765
48%	Short-term deposits and investments	816	861
CASH AND CASH EQUIVALENTS [1]		**1,688**	**1,626**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 177 million on December 31, 2016 (EUR 81 million on December 31, 2016).

The Group's liquidity, defined as cash, cash equivalents, bank overdrafts and short-term government bonds with maturities above three months and below twelve months, which is well diversified across a limited number of banks, amounts to EUR 2,282 million as at December 31, 2016 (December 31, 2015: EUR 2,034 million).

The table below shows the split by currencies of the Group's cash and cash equivalents balance.



In EUR million		2016	2015
55%	EUR	930	565
26%	USD	435	739
8%	CHF	142	125
11%	Others	181	197
TOTAL		**1,688**	**1,626**

NOTE 11.1. NET CASH FLOWS FROM OPERATIONS

The following table reconciles consolidated net income to net cash flows provided by/(used in) operations as presented in the statement of cash flows:

In EUR million	2016	2015	2014
Consolidated Group net income	**603**	**642**	**512**
Realized gains and losses on investment disposals	(138)	(274)	(181)
Change in accumulated amortization and other provisions	36	126	108
Changes in deferred acquisition costs	(94)	(89)	(120)
Net increase in contract liabilities	1,023	608	533
Change in fair value of financial instruments recognized at fair value through income	118	(97)	33
Other non-cash items included in operating results	(688)	103	(101)
Net cash flows provided by/(used in) operations, excluding changes in working capital	**860**	**1,019**	**784**
Change in accounts receivable and payable	426 [1]	(265)	212
Cash flows from other assets and liabilities	66	38	3
Change in taxes receivables and payables	2	3	(105)
Net cash flows provided by/(used in) operations	**1,354**	**795**	**894**

(1) In 2016, includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.

Dividend and interest cash receipts relating to investments held during the year were EUR 24 million (2015: EUR 20 million and 2014: EUR 14 million) and EUR 494 million (2015: EUR 495 million and 2014: EUR 360 million).

Tax cash outflows during the year was EUR 127 million (2015: outflow of EUR 190 million and 2014: outflow of EUR 275 million). 2014 outflows included exceptional tax payments of EUR 144 million resulting mainly from an expected one-time payment in respect of the Generali U.S. acquisition.

NOTE 12. INFORMATION ON SHARE CAPITAL, CAPITAL MANAGEMENT, REGULATORY FRAMEWORK AND CONSOLIDATED RESERVES

A breakdown of the movements in the various reserves is provided in Section 4.5 – Consolidated statement of changes in shareholders' equity.

Share capital

Ordinary shares are classified in shareholders' equity when there is no contractual obligation to transfer cash or other financial assets to the holders.

Share issue costs

External costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds of the issue in the line "Additional paid-in capital".

Treasury shares

Treasury shares and any directly related costs are recorded as a deduction from shareholders' equity. When treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity net of any directly related costs and tax effects. Accordingly, there is no related income, gain or loss recognized in the statement of income.

Share-based payments

The caption "Share-based payments" is used to offset the cost of services received in exchange for the granting of shares or stock options to Group employees. As the instruments granted are subordinated to the fulfillment of a vesting period by the employee, the increase in equity is firstly recognized at the grant date in the line "Share-based payments". Once the shares are fully vested, they are recognized as ordinary shares under "Share capital" and "Additional paid-in capital".

Dividends

Dividends declared on ordinary shares are recognized as a liability when such dividends have been approved by shareholders at the relevant Annual General Meeting.

NOTE 12.1. SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company at December 31, 2016 was 192,534,569 shares with a par value of EUR 7.8769723 each compared with authorized share capital of 192,653,095 shares with a par value of EUR 7.8769723 at the end of 2015 and with authorized share capital of 192,691,479 shares with a par value of EUR 7.8769723 at the end of 2014.

Issued shares

The number of ordinary shares which were issued and fully paid in circulation as at December 31, 2016, 2015 and 2014 was as follows:

	2016	2015	2014
As at January 1	**192,653,095**	**192,691,479**	**192,757,911**
Share capital decrease – decision of the board	(672,638)	(1,260,227)	(777,454)
Share capital increase – exercise of stock option – during the year	554,112	1,221,843	711,022
As at December 31	**192,534,569**	**192,653,095**	**192,691,479**
Nominal price per share in EUR	7.8769723	7.8769723	7.8769723
Share capital in EUR	**1,516,589,467**	**1,517,523,093**	**1,517,825,443**

In 2014, the movements were due to the following operations:

- the Board of Directors' meeting held on March 4, 2014 decided to reduce the Group's share capital by cancellation of 777,454 treasury shares for EUR 13 million (EUR 6 million in share capital and EUR 7 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 12 million (EUR 6 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 711,022 new shares throughout the year.

In 2015, the movements were due to the following operations:

- the Board of Directors' meeting held on April 30, 2015 decided to reduce the Group's share capital by cancellation of 1,260,227 treasury shares for EUR 24 million (EUR 10 million in share capital and EUR 14 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 21 million (EUR 10 million in share capital and EUR 11 million in additional paid-in capital). This resulted in the creation of 1,221,843 new shares throughout the year.

In 2016, the movements are due to the following operations:

- the Board of Directors' meeting held on April 27, 2016 decided to reduce the Group's share capital by cancellation of 672,638 treasury shares for EUR 16 million (EUR 5 million in share capital and EUR 11 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 10 million (EUR 4 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 554,112 new shares throughout the year.

The shares issued in 2016, 2015 and 2014 were issued at a par value of EUR 7.8769723 per share.

Treasury shares

The number of shares held as treasury shares by the Group and or its subsidiaries at December 31, 2016 amounted to 7,203,282 shares compared to 6,661,000 shares at the end of 2015. These treasury shares are not entitled to dividends.

Information related to dividend distribution

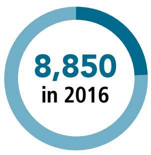
SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 30, 2015 resolved to distribute, for the 2014 financial year, a dividend of one euro and forty cents (EUR 1.40) per share, being an aggregate amount of dividend paid of EUR 260 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was May 5, 2015 and the dividend was paid on May 7, 2015.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016 resolved to distribute, for the 2015 financial year, a dividend of one euro and fifty cents (EUR 1.50) per share, being an aggregate amount of dividend paid of EUR 278 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was April 28, 2016 and the dividend was paid on May 2, 2016.

The resolution to be presented to the Annual Shareholders' Meeting called to approve, during the first half of 2017, the financial statements for the financial year 2016, sets out the distribution of a dividend of EUR 1.65 per share for the financial year 2016.

NOTE 12.2. CAPITAL MANAGEMENT: OBJECTIVES AND APPROACH

The primary source of capital used by the Group is shareholders' equity and subordinated debt. The leverage ratio as at December 31, 2016 is 24.4%. For a description of the leverage ratio, see Section 1.3.6 – Financial position, liquidity and capital resources.

In EUR million			As at 12/31/2016 Book value	As at 12/31/2015 Book value
		Subordinated debts	2,256	2,613
	24,4%	Accrued interest on subordinated debts	(39)	(39)
		Swaps on subordinated debts	(61)	(157)
	75,6%	Shareholders' equity at book value	6,694	6,363
	CAPITALIZATION AND INDEBTEDNESS		**8,850**	**8,780**

The Group's capital management policy is to optimize the utilization of its shareholders' equity and debt in order to maximize the short-term and long-term profitability for shareholders while at the same time providing its customers with an adequate level of security as measured by internal capital allocation models, rating agencies and national regulators. The realization of the capital management policy objectives is ensured through an integrated supervision of regulatory constraints at Group level, an annual strategic and financial planning process and regular updates of forecasts. The capital management process is ultimately subject to approval by the Board of Directors after a formal presentation to its Audit Committee. The Group's Board of Directors and Executive Committee regularly review the Group's risk profile to ensure that its risk appetite remains aligned with the Group's strategy.

The Groups' capital management objectives are to:

- match the profile of its assets and liabilities, taking into account the risks inherent to the business;

- maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholder value;
- ensure a high degree of capital fungibility;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- allocate capital efficiently and support the development of business by ensuring returns on capital employed meet the requirements of regulators and shareholders; and
- manage exposure to exchange rate fluctuations.

The objective of the Group's overall capital management process is the setting of target risk adjusted rates of return for divisions, which are aligned with performance objectives and promote the creation of shareholder value.

In this regard, and in line with its Group's strategic plan "Vision in Action" for the period from mid-2016 to mid-2019, the Group aims to achieve the following two specific targets:

- a ROE ≥ 800 basis points above the five-year risk-free rate over the cycle(1);
- a solvency ratio(2) in the optimal 185% and 220% range.

SCOR believes that its working capital is sufficient to meet the requirements of its consolidated companies. The Group reconciles its strategic objectives with the protection of its capital through its "capital shield" policy, which articulates the Group's risk appetite. This policy is based on an economic approach and aims to protect the Group against potential shock losses, some of which are not immediately recognized from a pure accounting view. The policy builds on the following four concepts:

Traditional retrocession

Retrocession used by the Group includes a wide range of protections including Proportional and Non-Proportional covers. The Group selects the level of its retrocession to third parties once a year to ensure that its retained risk profile is in line with its specific risk tolerance limits, to help the Group achieve its return on capital and solvency objectives.

Capital market solution

SCOR uses catastrophe bonds, mortality bonds and side-cars to protect the Group against catastrophic and extreme mortality events.

Solvency scale

SCOR's solvency is actively monitored and managed through a solvency scale coupled with a clear escalation process. The solvency scale includes an optimal solvency range targeted by the Group as a solvency ratio between 185% and 220%, as well as the management responses which could be carried out to steer the solvency position back to the optimal range if need be.

This optimal range enables the Group to absorb a significant amount of the volatility inherent to the reinsurance business, thereby limiting the frequency of turning to the market to maintain the Group's available capital above the SCR.

Contingent capital facility

On December 20, 2013, SCOR had arranged a EUR 200 million contingent capital facility line with UBS and issued 12,695,233 warrants in favor of UBS. Under this arrangement, the protection was triggered in case of extreme life events, as well as natural catastrophe events included within the last facilities. Each warrant committed UBS to subscribe to two new SCOR shares (maximum amount of EUR 200 million available per tranche of EUR 100 million each, including issuance premium) when the aggregated amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer/reinsurer) or (ii) the ultimate net claims amount recorded by SCOR group life segment (in its capacity as an insurer/reinsurer) reached certain contractual thresholds between January 1, 2014 and December 31, 2016. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's share price had fallen below EUR 10 an individual tranche of EUR 100 million would have been drawn down out of the EUR 200 million facility.

UBS is committed to subscribing to the new shares but does not intend to become a long-term shareholder of SCOR and will resell the shares by way of private placements and/or sales on the open market. In this respect SCOR and UBS have entered into a profit sharing arrangement whereby 50% of the gain, if any, will be retroceded to SCOR. If the resale of the new shares occurs immediately upon exercise through an off-market transaction, the profit share ratio owed to SCOR will be paid in the form of SCOR shares in order to limit the dilutive impact of the transaction for SCOR's shareholders.

Tranches not triggered would have no impact on the dilutive earning per share, as related increase in capital did not take place.

This contingent capital facility, which ended on December 31, 2016, was replaced since January 1, 2017, by a new contingent capital arrangement which increases SCOR's protection from EUR 200 million to EUR 300 million.

(1) Based on a 5-year rolling average of 5-year risk-free rates.
(2) Ratio of Available Capital over SCR (Solvency Capital Requirements) according to the internal model.

Therefore, on December 14, 2016, SCOR arranged a contingent capital facility with BNP Paribas taking the form of a contingent equity line, providing the group with EUR 300 million coverage in case of extreme natural catastrophes or life events impacting mortality. Under this new arrangement, SCOR issued 9,599,022 warrants in favor of BNP Paribas; each warrant giving BNP Paribas the right to subscribe to two new SCOR shares. BNP Paribas has undertaken to exercise accordingly the number of warrants necessary for the subscription of up to EUR 300 million (issuing premium included) of new shares, without exceeding 10% of SCOR's share capital, when the aggregate amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer/reinsurer) between January 1, 2017 and December 31, 2019 or (ii) the ultimate net claims amount recorded by SCOR group Life segment (in its capacity as an insurer/reinsurer) over two consecutive semesters over the period from July 1, 2016 and December 31, 2019 reaches certain contractual thresholds as reviewed by SCOR's Statutory Auditors. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10 an individual tranche of EUR 150 million will be drawn down out of the EUR 300 million facility.

Following previous arrangements, BNP Paribas is committed to subscribing to the new shares but does not intend to become a long-term shareholder of SCOR and will resell the shares by way of private placements and/or sales on the open market. In this respect, SCOR and BNP Paribas have entered into a profit sharing arrangement whereby 75% of the gain, if any, will be retroceded to SCOR. If the resale of the new shares occurs immediately upon exercise through an off-market transaction, the profit share owed to SCOR will be paid in the form of SCOR shares in order to limit the dilutive impact of the transaction for SCOR's shareholders.

In the absence of any extreme triggering event, no shares would be issued under the facility and this facility would therefore remain without any dilutive impact for the shareholders.

NOTE 12.3. REGULATORY FRAMEWORK

Regulators are primarily interested in protecting the interests of policyholders. They ensure that the Group maintains an adequate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The Group is subject to regulatory requirements in each of the jurisdictions in which it conducts business, particularly in France, Ireland, Switzerland, the UK, the US, Canada, Singapore, Hong Kong, Australia and China. Local authorities have broad supervisory and administrative powers over many aspects of the insurance and reinsurance industries.

Such regulations not only prescribe approval and monitoring of activities, but also impose obligations related to maintaining a certain level of capital (e.g. capital adequacy) to cover the risk of default and insolvency on the part of the reinsurance companies and insurance companies and meet unforeseen liabilities.

The Group actively monitors the regulatory capital requirements of each of its operating subsidiaries within this capital management framework and aims to achieve full compliance in respect of all regulatory and solvency requirements in the countries in which it operates.

Failure of an operating company to meet the local regulatory capital requirements of the jurisdiction in which it operates could lead to regulatory supervision or administration of the activities of the operating company.

It should be noted that regulatory filings in the majority of countries in which the Group operates are not prepared on an IFRS basis.

NOTE 13. FINANCIAL LIABILITIES

Interest on the Group's debt is included within financing expenses.

Subordinated debt and debt securities

These items comprise various subordinated debts or unsubordinated bonds issued by the Group. These borrowings are classified as financial liabilities, in accordance with IAS 32 – Financial Instruments: Presentation.

At initial recognition, all borrowings are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Real estate financing

This caption includes debt relating to the acquisition of real estate. At initial recognition, real estate financing is recorded at fair value less directly attributable transaction costs. After initial recognition, it is measured at amortized cost using the effective interest rate method.

Other financial liabilities

At initial recognition, other financial liabilities are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

The following table sets out an overview of the debt issued by the Group:

		As at 12/31/2016		As at 12/31/2015	
In EUR million	Maturity	Net book value	Fair value	Net book value	Fair value
Subordinated debt					
EUR 350 million	Perpetual	-	-	264	270
CHF 650 million	Perpetual	-	-	613	625
CHF 315 million	Perpetual	299	314	298	317
CHF 250 million	Perpetual	231	247	230	247
CHF 125 million	Perpetual	115	123	115	123
EUR 250 million	Perpetual	249	257	249	253
EUR 250 million	06/05/2047	252	254	252	252
EUR 600 million	06/08/2046	602	605	592	578
EUR 500 million	05/27/2048	508	521	-	-
Total subordinated debt (1)		**2,256**	**2,321**	**2,613**	**2,665**
Investments properties financing		266	266	354	354
Own-use properties financing		225	225	180	180
Total real estate financing (2)		**491**	**491**	**534**	**534**
Other financial debt (2)		**11**	**11**	**8**	**8**
TOTAL FINANCIAL DEBT		**2,758**	**2,823**	**3,155**	**3,207**

(1) Includes EUR 39 million in accrued interest at December 31, 2016 (December 31, 2015: EUR 39 million).
(2) These debts are not publicly traded. Therefore the carrying amounts are reflective of their fair value.

NOTE 13.1. SUBORDINATED DEBT

SCOR's subordinated debt is classified under financial liabilities as under the terms and conditions of the issuance contracts, SCOR does not have an unconditional right to avoid delivering cash to settle contractual obligations and based on projected cash flows the instruments do not have an equity component.

EUR 350 million perpetual deeply subordinated debt

In 2006, SCOR issued a perpetual super-subordinated debt security (Tier 1 type) in an aggregate principal amount of EUR 350 million to finance the acquisition of Revios Rückversicherung AG. The issue, comprising last-rank subordinated bearer certificates with a face value of EUR 50,000 each bearing interest at an initial rate of 6.154% per annum then a floating rate indexed on the 3-month EURIBOR plus a margin of 2.90%, payable quarterly.

The debt includes a clause for mandatory settlement in cash if regulatory authorities or applicable legislation modify their ability to cover the solvency margin or equivalent. If this clause becomes applicable, the issuer must pay interest in cash even if no dividend has been paid, or proceed with the redemption of the notes in cash. Accordingly, the entire issue is considered as a financial liability.

During 2009, the Group provided liquidity to both its perpetual deeply subordinated debt security (Tier 1 type) (TSSDI EUR 350 million) and its EUR 100 million subordinated debt issuance (call date July 2010) resulting in acquisition of own debt of EUR 99 million at an average price of 46.5%. The purchase of this debt at a discount gave rise to a consolidated pre-tax income of EUR 53.4 million.

On July 28, 2016, SCOR redeemed the remaining balance of the EUR 350 million subordinated note of EUR 257 million.

CHF 650 million perpetual subordinated debt

In 2011, SCOR issued CHF 400 million in perpetual subordinated notes, redeemable by SCOR each quarter on each interest payment date from August 2, 2016. The coupon has been set at 5.375% (until August 2, 2016) and 3-month CHF LIBOR plus a margin of 3.7359% thereafter.

SCOR has entered into a cross-currency swap which exchanges the principal of the first tranche for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 6.98% and matures on August 2, 2016. See Note 7 – Insurance business investments (Derivatives instruments).

On May 11, 2011, SCOR reopened its existing CHF perpetual subordinated notes placement by issuing an additional amount of CHF 225 million. The placement was increased to CHF 250 million at the settlement date of June 3, 2011, given the market appetite. The notes are fungible with those issued on February 2, 2011. The conditions and the accounting treatment are similar to the first placement.

SCOR has entered into a cross-currency swap which exchanges the principal of the second tranche for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 6.925% and matures on August 2, 2016. See Note 7 – Insurance business investments (Derivatives instruments).

On August 2, 2016, SCOR redeemed the CHF 650 million perpetual subordinated debt (EUR 599 million).

CHF 315 million perpetual subordinated debt

On October 8, 2012, SCOR issued CHF 250 million in perpetual subordinated notes, redeemable by SCOR each quarter on each interest payment date from June 8, 2018. The strong market demand observed prompted the Group to extend its placements from CHF 250 million to a total of CHF 315 million on September 24, 2012. The coupon has been set at 5.25% (until June 8, 2018) and 3-month CHF Libor plus a margin of 4.8167% thereafter.

SCOR has entered into a cross-currency swap which exchanges CHF 250 million of the principal for EUR and exchanges the CHF coupon on the notes for EUR 6.2855% and matures on June 8, 2018. SCOR has entered into a second cross-currency swap which exchanges CHF 65 million of the principal for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 6.2350% and matures on June 8, 2018. See Note 7 – Insurance business investments (Derivatives instruments).

CHF 250 million perpetual subordinated debt

On September 30, 2013, SCOR issued CHF 250 million in perpetual subordinated notes, redeemable by SCOR each quarter on each interest payment date from November 30, 2018. The coupon has been set at 5.00% until November 30, 2018 and 3-month CHF Libor plus a margin of 4.0992% thereafter.

SCOR has entered into a cross-currency swap which exchanges CHF 250 million of the principal for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 5.8975% and matures on November 30, 2018. See Note 7 – Insurance business investments (Derivatives instruments).

CHF 125 million perpetual subordinated debt

On October 20, 2014, SCOR issued CHF 125 million in perpetual subordinated notes, redeemable by SCOR on each interest payment date from October 20, 2020. The coupon has been set at 3.375% (until October 20, 2020), and resets every 6 years at the prevailing 6-year CHF mid-swap rate + 3.0275%.

EUR 250 million perpetual subordinated debt

On October 1, 2014, SCOR issued EUR 250 million in perpetual subordinated notes, redeemable by SCOR on each interest payment date from October 1, 2025. The coupon has been set at 3.875% (until October 1, 2025), and resets every 11 years at the prevailing 11-year EUR mid-swap rate + 2.7%.

EUR 250 million dated subordinated debt

On June 5, 2015, SCOR issued in EUR 250 million dated subordinated notes on the Luxembourg Euro market, redeemable by SCOR at each interest payment date, from June 5, 2027. The coupon has been set at 3.25% (until June 5, 2027, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.20% (until June 5, 2047, final redemption date).

EUR 600 million dated subordinated debt

On December 7, 2015, SCOR issued EUR 600 million in dated subordinated notes on the Euro market, redeemable by SCOR at each interest payment date, from June 8, 2026. The coupon has been set to 3% (until June 8, 2026, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.25% (until June 8, 2046, final redemption date).

EUR 500 million dated subordinated debt

On May 27, 2016, SCOR issued EUR 500 million in dated subordinated notes on the Euro market, redeemable by SCOR at each interest payment date, from May 27, 2028. The coupon has been set to 3.625% (until May 27, 2028, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.90% (until May 27, 2048, final redemption date).

Early repayment clauses

Some provisions in the terms and conditions of notes allow for early redemption under certain conditions other than the liquidation of the issuer (e.g. tax, accounting and regulatory reasons). However, these early redemption cases are (i) always at the option of the issuer and no reimbursement can be imposed on the issuer by the noteholders; and (ii) always subject to prior approval by the relevant supervisory authority.

NOTE 13.2. REAL ESTATE FINANCING

Real estate financing relates to the acquisition of investment property through bank loans of EUR 491 million (EUR 534 million as at December 31, 2015), including real estate financing related to MRM S.A. property for EUR 75 million (EUR 112 million as at December 31, 2015). The main real estate financing amounts to EUR 161 million and is used to finance the Group's head office in Paris, avenue Kléber. It bears floating-rate interest indexed to the 3-month Euribor rate plus 1.35% and matures in June 2018. SCOR entered into three interest rate swaps which cover its exposure to the variable interest rates whereas SCOR pays a fixed rate of 2.97% and receives interest at 3-month Euribor. The interest rate swaps have been accounted for as cash flow hedges (for further details, see Note 7 – Insurance business investments – Derivative instruments). The other real estate financing bears fixed-rate interest or interest indexed to 3-month Euribor covered by interest rate swaps and redeemable between 2017 and 2026. They are used to finance other property owned by the Group.

Certain real estate financing contracts contain accelerated repayment clauses and other debt covenants. Such covenants define certain ratios to comply with, among which loan to value (LTV) ratios, defined as the relation between the carrying amount of the financing and the market value of the real estate being financed, interest coverage rates (ICR), representing the percentage at which interest expenses are covered by rental income, and debt service coverage ratios (DSCR), representing the percentage at which debt amortization and interest expenses are covered by rental income. Under existing financing contracts LTV ratios vary between 55% and 70% and ICR/DSCR between 130% and 400%. As at December 31, 2016, the Group is in compliance with the LTV and ICR/DSCR covenants with respect to its banking partners.

In 2016, the sales of investment properties have generated the reimbursement of the related real estate financing for a total of EUR 80 million. The purchases of two own-use properties have been financed by two additional debts for a total of EUR 49 million.

NOTE 13.3. OTHER FINANCIAL LIABILITIES

Other financial liabilities relate mainly to deposits and guarantees.

NOTE 13.4. FINANCING EXPENSES

In EUR million	2016	2015	2014
Interest on subordinated debt	(37)	(7)	(3)
Interest on perpetual subordinated debt	(67)	(89)	(82)
Finance lease	-	-	-
Real estate financing	(23)	(18)	(18)
Other financial costs [1]	(58)	(61)	(42)
TOTAL	**(185)**	**(175)**	**(145)**

(1) The amounts presented in other financial liabilities include certain letter of credit charges, custodian and overdraft fees, amortization of issuance fees and other bank charges (commissions, etc.), as well as gains on debt repurchase of EUR 0 million in 2016 (EUR 0 million in 2015 and EUR 0,5 million in 2014).

NOTE 13.5. MATURITY

The maturity profile of financial debt is included in Section 3.6.4 – Financial debt.

NOTE 14. EMPLOYEE BENEFITS AND OTHER PROVISIONS

Provisions are recognized when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the Group expects the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reliably estimated.

The following table summarizes the amounts included in contingency reserves:

In EUR million	Reserves for post employment benefits	Other reserves	Total
At January 1, 2015	**149**	**148**	**297**
Acquisition of a subsidiary	-	-	-
Current year provision	15	2	17
Used reserves	(13)	(32)	(45)
Reversal of unused reserves	-	-	-
Foreign exchange rate movements	7	17	24
Adjusted discount rate	7	-	7
At December 31, 2015	**165**	**135**	**300**
Acquisition of a subsidiary	-	-	-
Current year provision	13	3	16
Used reserves	(19)	(9)	(28)
Reversal of unused reserves	-	(63)	(63)
Foreign exchange rate movements	(1)	(1)	(2)
Adjusted discount rate	39	-	39
AT DECEMBER 31, 2016	**197**	**65**	**262**

NOTE 14.1. PROVISIONS FOR EMPLOYEE BENEFITS

The post-employment benefits granted by the Group vary based on legal obligations and local requirements. Group employees are entitled to short-term benefits, recognized as an expense for the period by the different entities of the Group (paid leave, sick leave and profit sharing), and long-term benefits and post-employment benefits classified as defined benefit or defined contribution plans (pension).

Pension liabilities

The Group provides retirement benefits to its employees, in accordance with the laws and practices of each country. The main plans are in France, Switzerland, the US and Germany. Group employees in certain countries receive additional pension payments, paid as an annuity or in capital upon retirement. The benefits granted to Group employees are either in the form of defined contribution or defined benefit plans. Plan assets are generally held separately from the Group's assets.

For defined contribution plans the employer pays fixed contributions to an external organization, with no legal or constructive obligation to pay further contributions. As a result, only contributions paid or due for the financial year are charged to the Group's statement of income as administrative expenses. The payments made by the Group are expensed during the period in which the expense was incurred.

Defined benefit plans are those where a sum is paid to the employee upon retirement, which is dependent upon one or several factors such as age, years of service and salary. Defined benefit obligations and contributions are calculated annually by independent qualified actuaries using the projected unit credit method, taking into consideration actuarial assumptions, salary increase, retirement age, mortality, turnover and discount rates. Assumptions defined are based on the macroeconomic environment of each country in which the Group operates. Modifications to actuarial assumptions or differences between these assumptions and actual amounts give rise to actuarial differences which are recorded in other comprehensive income during the period in which they occur, in accordance with Group accounting principles. The obligation recognized on the balance sheet represents the present value of the defined benefit obligation at the reporting date, less the market value of any plan assets, where appropriate, both adjusted for actuarial gains and losses and unrecognized past service cost.

In assessing the Group's liability for these plans, the Group uses external actuarial valuations which involve critical judgments and estimates of mortality rates, rates of employee turnover, disability, early retirement, discount rates, future salary increases and future pension increases. These assumptions may differ from actual results due to changing economic conditions, higher or lower departure rates or longer or shorter life spans of participants. These differences may result in variability of pension income or expenses recorded in future years. Actuarial gains and losses arising from experience adjustments and the effects of changes in actuarial assumptions are reflected in shareholders' equity.

Changes in past service costs resulting from the adoption or modification of a defined benefit plan are fully and immediately recorded as income or expense. If a defined benefit plan is not wholly funded, provisions are recognized.

Other long-term benefits

In some countries, the Group rewards employees for length of service by granting them a lump sum after certain periods of service. The primary country providing this benefit is France. For such benefits in France, the present value of the obligation is calculated annually by an independent actuary using the projected unit credit method and is recognized on the balance sheet.

Pension liabilities

These benefits amounted to EUR 197 million and EUR 165 million at December 31, 2016 and 2015 respectively, and include post-employment benefits related to pension plans of EUR 195 million (2015: EUR 163 million) and provisions for other long-term benefits of EUR 2 million (2015: EUR 2 million).

Defined contribution plans

Defined contribution plans include plans whereby an employer makes periodic contributions to an external plan which manages all administrative and financial aspects. These external plans relieve the employer of all future obligations and manage the payment to employees of all amounts which are due (e.g. National insurance pension scheme, complementary pension schemes (AGIRC/ARRCO in France), defined contribution retirement plans).

The amounts paid under defined contribution plans were EUR 32 million, EUR 29 million, and EUR 20 million for the years ended December 31, 2016, 2015, and 2014 respectively.

Defined benefit plans

An employer's obligation under a defined benefit plan is to provide the agreed amount of benefits to current and future beneficiaries.

Split of the obligation by geographical area

The defined benefit pension plans and other long-term benefits relate mainly to Switzerland, North America, France and Germany. These locations represent 44%, 24%, 15% and 12% respectively, as at December 31, 2016, (40%, 28%, 16% and 11%, respectively, as at December 31, 2015), of the Group's obligation under defined benefit plans.

These plans are mostly pre-financed via payments to external organizations which are separate legal entities.

Actuarial assumptions

	US	Canada	Switzerland	UK	Euro zone
Assumptions as at December 31, 2016					
Discount rate	4.32%	3.75%	0.62%	2.70%	1.38%
Salary increase	-	-	1.50%	3.60%	2.50%
Assumptions as at December 31, 2015					
Discount rate	4.51%	4.15%	0.90%	3.90%	2.21%
Salary increase	-	-	1.50%	3.50%	2.50%
Assumptions as at December 31, 2014					
Discount rate	4.21%	3.80%	1.35%	4.00%	2.06%
Salary increase	-	-	1.70%	3.40%	2.50%

Discount rates are defined with reference to high quality long-term corporate bonds with maturities consistent with the duration of the obligations evaluated. Management considers "AAA", "AA" and "A" rated bonds to be high quality.

An increase in the discount rate of 0.25% would result in a decrease in the estimated defined benefit obligation of approximately EUR 18 million (2015: EUR 14 million) with the offsetting impact recorded in other comprehensive income.

A decrease in the discount rate of 0.25% would result in an increase in the estimated defined benefit obligation of approximately EUR 16 million (2015: EUR 12 million) with the offsetting impact recorded in other comprehensive income.

The average duration of plans by geographical area is disclosed in the table below:

	Euro Zone	Switzerland	US	UK	Canada	Global
Duration as at December 31, 2016	11 years	19 years	12 years	28 years	9 years	16 years
Duration as at December 31, 2015	9 years	19 years	13 years	30 years	9 years	15 years

Defined benefits pension cost

	2016				2015				2014			
In EUR million	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America
Service cost, net of plan amendments	10	4	6	-	11	5	6	-	(3)	1	(1)	(3)
Interest cost on obligation	9	3	1	5	10	3	2	5	10	3	3	4
Interest income on plan assets	(5)	(1)	(1)	(3)	(6)	(1)	(2)	(3)	(7)	(1)	(3)	(3)
Amortization of actuarial gains and losses through profit and loss for other long term benefits	-	-	-	-	-	-	-	-	1	1	-	-
Administration expenses recognized in pension expense	1	-	-	1	-	-	-	-	-	-	-	-
Settlement	(2)	-	-	(2)	-	-	-	-	-	-	-	-
Total pension cost	13	6	6	1	15	7	6	2	1	4	(1)	(2)

The actual returns on plan assets were EUR 5 million for the year ended December 31, 2016 (2015: EUR 6 million and 2014: EUR 13 million).

Balance sheet amounts

In EUR million	As at 12/31/2016	As at 12/31/2015	As at 12/31/2014
Defined benefit obligation	435	408	358
Plan assets	238	243	209
Deficit	197	165	149
Asset ceiling limitation	-	-	-

The following table reconciles movements in the balance sheet amounts for the years ended December 31, 2016, 2015 and 2014:

In EUR million	Total 2016	Europe	Switzerland	North America
RECONCILIATION OF DEFINED BENEFIT OBLIGATION				
Obligation as at January 1	**408**	**130**	**165**	**113**
Service cost	10	4	6	-
Interest cost on obligation	9	3	1	5
Employee contributions	4	-	4	-
Plan amendment (1)	-	-	-	-
Acquisition/divestiture	-	-	-	-
Settlement (2)	(13)	-	-	(13)
Benefit payments	(19)	(12)	(2)	(5)
Actuarial (gains)/losses due to change in assumptions (3)	28	15	10	3
Experience (gains)/losses	10	3	5	2
Effect of foreign exchange	(2)	(3)	-	1
Obligation as at December 31	**435**	**140**	**189**	**106**
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS				
Fair value of assets as at January 1	**243**	**29**	**137**	**77**
Interest income on plan assets	5	1	1	3
Employer contributions	19	12	6	1
Employee contributions	4	-	4	-
Acquisition/divestiture	-	-	-	-
Settlement (2)	(11)	-	-	(11)
Benefit payments	(19)	(12)	(2)	(5)
Asset gains/(losses) due to experience	(1)	1	2	(4)
Administration expenses paid	(1)	-	-	(1)
Effect of foreign exchange	(1)	(3)	-	2
Fair value of assets as at December 31	**238**	**28**	**148**	**62**
NET DEFINED BENEFIT OBLIGATION AS AT DECEMBER 31 – DEFICIT	**197**	**112**	**41**	**44**
Asset ceiling limitation	-	-	-	-
Accrued/(prepaid)	**197**	**112**	**41**	**44**
Analysis of funded status				
Funded or partially funded obligation as at December 31	371	90	181	100
Fair value of plan assets as at December 31	238	28	148	62
Funded status as at December 31 – deficit	**133**	**62**	**33**	**38**
Unfunded obligation as at December 31	64	50	8	6
TOTAL FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**197**	**112**	**41**	**44**

(1) In 2014, plan amendments to the defined benefit plan in Switzerland (reduction in the conversion rate, increase in the normal retirement age from 62 to 64 years and 1% increase in retirement contributions), the US (plans frozen or terminated) and France (termination of congés de fin de carrière on January 1, 2017 and termination of médailles du travail as at July 14, 2019. In addition, implementation of a temporary scheme called compte senior during the second quarter of 2014).

(2) During the year, the US plans beneficiaries had the opportunity to decide to settle their benefit by perceiving a lump sum instead of annuities. The election period ended on December 31, 2016.

(3) Actuarial (gains)/losses due to changes in assumptions include for 2016 actuarial (gains)/losses due to changes in financial assumptions for EUR 35 million (EUR 4 million in 2015) and actuarial (gains)/losses due to change in demographic assumptions for EUR (7) million (EUR 5 million in 2015).

Total 2015	Europe	Switzerland	North America	Total 2014	Europe	Switzerland	North America
358	**128**	**130**	**100**	**296**	**102**	**115**	**79**
11	5	6	-	11	5	5	1
10	3	2	5	10	3	3	4
3	-	3	-	3	-	3	-
-	-	-	-	(14)	(4)	(6)	(4)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(10)	(6)	-	(4)	(10)	(2)	(4)	(4)
1	(7)	12	(4)	50	20	13	17
6	6	(2)	2	1	1	-	-
29	1	14	14	11	3	1	7
408	**130**	**165**	**113**	**358**	**128**	**130**	**100**
209	**27**	**111**	**71**	**179**	**25**	**97**	**57**
6	1	2	3	7	1	3	3
13	6	6	1	15	3	5	7
3	-	3	-	3	-	3	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(10)	(6)	-	(4)	(10)	(2)	(4)	(4)
-	-	3	(3)	7	(1)	5	3
-	-	-	-	-	-	-	-
22	1	12	9	8	1	2	5
243	**29**	**137**	**77**	**209**	**27**	**111**	**71**
165	**101**	**28**	**36**	**149**	**101**	**19**	**29**
-	-	-	-	-	-	-	-
165	**101**	**28**	**36**	**149**	**101**	**19**	**29**
354	89	158	107	303	84	124	95
243	29	137	77	209	27	111	71
111	**60**	**21**	**30**	**94**	**57**	**13**	**24**
54	41	7	6	55	44	6	5
165	**101**	**28**	**36**	**149**	**101**	**19**	**29**

The following table summarizes the movements in accrued (prepaid) balances recorded in the consolidated balance sheet as at December 31, 2016, 2015 and 2014:

In EUR million	Total 2016	Europe	Switzerland	North America	Total 2015	Europe	Switzerland	North America	Total 2014	Europe	Switzerland	North America
Accrued/(Prepaid) as at January 1	**165**	**101**	**28**	**36**	**149**	**101**	**19**	**29**	**118**	**78**	**18**	**22**
Total pension cost	13	6	6	1	15	7	6	2	1	4	(1)	(2)
Benefits paid by employer	-	-	-	-	-	-	-	-	-	-	-	-
Employer contribution	(19)	(12)	(6)	(1)	(13)	(6)	(6)	(1)	(15)	(3)	(5)	(7)
Acquisitions/ divestitures	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (gains)/ losses immediately recognized in other comprehensive income (OCI)	39	17	13	9	7	(1)	7	1	43	21	8	14
Effect of foreign exchange	(1)	-	-	(1)	7	-	2	5	2	1	(1)	2
Accrued/(Prepaid) as at December 31	**197**	**112**	**41**	**44**	**165**	**101**	**28**	**36**	**149**	**101**	**19**	**29**

Plan assets

The following table includes the allocation of plan assets as at December 31, 2016 and 2015:

In EUR million	Total	Europe	Switzerland	North America
2016				
Equities	76	44%	26%	42%
Debt securities	118	12%	58%	46%
Property	24	-	16%	-
Insurance contracts	12	44%	-	-
Other	8	-	-	12%
TOTAL	**238**	**100%**	**100%**	**100%**
2015				
Equities	85	42%	26%	49%
Debt securities	116	14%	58%	45%
Property	22	-	16%	-
Insurance contracts	12	41%	-	-
Other	8	4%	-	7%
TOTAL	**243**	**100%**	**100%**	**100%**

In EUR million	Total	Europe	Switzerland	North America
2016				
Equities	76	12	38	26
Debt securities	118	3	86	29
Property	24	-	24	-
Insurance contracts	12	12	-	-
Other	8	-	-	8
TOTAL	**238**	**27**	**148**	**63**
2015				
Equities	85	12	36	36
Debt securities	116	4	77	34
Property	22	-	22	-
Insurance contracts	12	12	-	-
Other	8	1	1	6
TOTAL	**243**	**29**	**137**	**77**

As at December 31, 2016, employer contributions for the year ahead were expected to amount to EUR 13 million (2015: EUR 20 million).

NOTE 14.2. OTHER PROVISIONS

At December 31, 2016, other provisions comprised EUR 64 million in provisions mainly covering contingent liabilities related to the Generali U.S. acquisition in 2013 (2015: EUR 121 million). In 2016, a contingent liability has been reversed as it was no longer deemed relevant. The other provisions also included provisions related to litigations for EUR 11 million (2015: EUR 9 million).

NOTE 15. NET CONTRACT LIABILITIES

Reinsurance reserves

The Group maintains reserves to cover its estimated liability for future claims and benefit payments resulting from reinsurance treaties known and incurred but not reported (IBNR). Reserves are reviewed by management during the year, using new information as soon as it is available, and are adjusted if necessary. Management considers many factors when establishing reserves, including:

- information from ceding companies;
- historical developments, such as reserve patterns, claims payments, number of claims to be paid and product mix;
- internal methods to analyze the Group's experience;
- most recent legal interpretations concerning coverage and commitments;
- economic conditions;
- biometric developments such as mortality, morbidity and longevity; and
- socio-economic factors such as policyholder behavior.

Reinsurance reserves are presented gross excluding the share retroceded to SCOR's reinsurers and measured on the level of individual reinsurance contracts or homogeneous segments of contracts. Retroceded reserves are estimated using the same methods and assumptions and are presented as assets.

Non-Life business

In determining the amount of its reserves, the Group uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect the volume of business underwritten, reinsurance treaty terms and conditions, and diversity in claims processing that may potentially affect the Group's commitment over time.

However, it is difficult to accurately value the amount of reserves required, especially in view of changes in the legal environment, including civil liability law, which may impact the development of the reserves. While this process is complicated and subjective for the ceding companies, the inherent uncertainties in these estimates are even greater for the reinsurer, primarily because of the longer time period between the date of an occurrence and the request for payment of the claim to the reinsurer, the diversity of contract development schemes, whether treaty or facultative, dependence on the ceding companies for information regarding claims, and differing reserve practices among ceding companies. In addition, trends that have affected development of liabilities in the past may not necessarily occur or affect liability development to the same degree in the future. Thus, actual losses and policy benefits may deviate, perhaps significantly, from estimates of reserves reflected in the Group's consolidated financial statements.

Claim reserves for losses and claims settlement expenses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and reserves for IBNR claims, and are calculated on the basis of their ultimate cost, undiscounted, except for workers' compensation claims which are discounted in the US.

Life business

In the Life business, treaty linked liabilities include mathematical reserves, unearned premium reserves and claim reserves.

Mathematical reserves are calculated underwriting reserves relating to expected claims and benefit payments to ceding companies in Life reinsurance. Mathematical reserves are generally calculated as the present value of projected future payments to cedents less the present value of projected future premiums still payable. The calculation includes assumptions relating to expected future mortality, morbidity, longevity, disability, lapses, interest rates and expenses. The mathematical reserves are established on initial recognition of a contract on the basis of best estimate assumptions and allow for an adequate safety margin for the risks of change, error and random fluctuation.

Claim reserves for losses and claims settlement expenses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and reserves for IBNR claims.

Unearned premium reserves (Non-Life and Life business)

Unearned premium reserves are related to written premiums receivable but allocated to future risk periods.

Retrocessionaires' share (Non-Life and Life business)

The share of retrocessionaires in insurance and investment liabilities is calculated according to the contractual conditions on the basis of gross reserves. Allowances are established for estimated credit risks.

Contracts not meeting risk transfer criteria

Reserves for investment or financial reinsurance contract liabilities are recognized for reinsurance contracts that do not meet the risk transfer criteria described in IFRS 4.

Liability adequacy test

Assets and liabilities relating to reinsurance contracts are subject each year to a liability adequacy test under IFRS 4.

For the Non-Life segment, the test is performed in the event the ultimate underwriting combined ratio is in excess of 100% of the unearned premium reserve, net of deferred acquisition costs. The liability adequacy test is performed at the level of the actuarial segment and then aggregated at the entity level.

The liability adequacy test for the Life segment compares the carrying amount of the reserves less deferred acquisition costs and value of business acquired with the fair value of the liabilities from the reinsurance portfolio recognized. Fair value is calculated as the present value of the projected future cash flows using current actuarial assumptions and inputs. In case of deficiency, SCOR would impair deferred acquisition costs and value of business acquired and increase reserves. The liability adequacy test is performed at the level of portfolios that are managed together and are subject to broadly similar risks.

Embedded derivatives

Derivatives embedded in reinsurance contracts that meet the definition of an insurance contract and are closely linked with the features and risks of the reinsurance host contract are not separated and are measured in accordance with the reinsurance host contract.

Derivatives embedded in reinsurance contracts that do not meet the definition of an insurance contract are separated, measured at fair value in accordance with IAS 39, with changes in their fair value recognized in income.

In EUR million	As at 12/31/2016			As at 12/31/2015		
	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Gross contract liabilities						
Gross claim reserves	5,844	11,784	17,628	4,896	11,750	16,646
Mathematical reserves	8,524	-	8,524	8,763	-	8,763
Unearned premium reserves	100	2,261	2,361	85	2,239	2,324
Total gross insurance contract liabilities	**14,468**	**14,045**	**28,513**	**13,744**	**13,989**	**27,733**
Reserves for financial contracts	-	202	202	-	106	106
Total gross contract liabilities	**14,468**	**14,247**	**28,715**	**13,744**	**14,095**	**27,839**
Reinsurance recoverable						
Ceded claims reserves & claims expense reserves	(466)	(660)	(1,126)	(346)	(634)	(980)
Ceded mathematical reserves	(68)	-	(68)	(88)	-	(88)
Ceded unearned premium reserves	(1)	(167)	(168)	(3)	(187)	(190)
Ceded contract liabilities	**(535)**	**(827)**	**(1,362)**	**(437)**	**(821)**	**(1,258)**
NET CONTRACT LIABILITIES	**13,932**	**13,421**	**27,353**	**13,307**	**13,274**	**26,581**

Contract liabilities are subject to the use of estimates. Payments linked to these reserves are not usually fixed, neither by amount nor by due date. Liquidity information related to contract liabilities is included in Section 3.6 – Liquidity risks.

An aging analysis of reinsurance assets is also included in Section 3.5.2 – Counterparty default risks.

NOTE 15.1. SCOR GLOBAL P&C

The table below shows the movement in the net reserves for unpaid losses and loss expenses of SCOR Global P&C.

The table begins by showing the reported year-end gross and net reserves, including IBNR, recorded at the exchange rates applicable at each corresponding reporting date.

The "Cumulative redundancy/deficiency" line represents the cumulative change in estimates since the initial reserve was recorded. It is equal to the latest incurred claim amount less the initial reserve. The amounts in this line in the loss development tables are not a precise indication of the adequacy of the initial reserves that appear on the first and third lines of the table. Trends and conditions that have affected development of liabilities in the past may not be indicative of future developments. Accordingly, it may not be appropriate to extrapolate future redundancies or deficiencies based on these tables.

The next section of the table shows the portion of the initial year-end net reserves that was paid (claims paid) as at the end of the subsequent calendar year. Claims paid are converted to euros at the average foreign exchange rates of the period during which the payments are made and are not revalued at the initial foreign exchange rates at which the reserves were established. Additionally, payments include losses covered by unearned premium reserves.

The net incurred losses section is the sum of the paid claims and the change in claims reserves and IBNR at the average foreign exchange rate of the period.

A significant portion of SCOR Global P&C's reserves relates to liabilities payable in currencies other than the Euro. The fluctuations in the Euro compared to those currencies are included in the data in the table below.

The following tables present the consolidated ten-year loss development of Non-Life operations on an IFRS basis and a three-year reconciliation of opening and closing reserve balances on an IFRS basis. The IFRS loss development data is presented on a calendar year basis, and the reserve reconciliation data represents our allocation of incurred and paid losses and loss adjustment expenses between current and prior years on a calendar year basis.

In EUR million	2006	2007 (1)	2008 (1)	2009 (1)
Gross claims reserves & estimates – end of year (2)	5,791	9,325	9,127	9,156
Ceded claims reserves & estimates – end of year (2)	490	598	467	473
Net claims reserves & estimates – end of year	5,301	8,727	8,660	8,683
Net paid losses (3)(4)				
1 year later	1,026	1,766	1,992	2,069
2 years later	1,626	2,931	3,263	3,239
3 years later	2,155	3,870	4,107	4,107
4 years later	2,805	4,414	4,649	4,682
5 years later	3,205	4,841	5,112	5,156
6 years later	3,501	5,226	5,518	5,522
7 years later	3,779	5,567	5,806	5,816
8 years later	4,042	5,822	6,069	-
9 years later	4,253	6,054	-	-
10 years later	4,458	-	-	-
Net incurred losses (3)				
1 year later	5,701	9,480	9,491	9,622
2 years later	5,765	9,482	9,490	9,385
3 years later	5,784	9,381	9,248	9,098
4 years later	5,630	9,172	9,028	8,828
5 years later	5,427	8,980	8,801	8,758
6 years later	5,229	8,762	8,750	8,630
7 years later	5,021	8,719	8,639	8,400
8 years later	4,995	8,619	8,462	-
9 years later	4,923	8,491	-	-
10 years later	4,857	-	-	-
Cumulative redundancy/(deficiency)	444	236	198	283
Gross cumulative inception to date incurred losses as at December 31, 2016 (2)	5,275	9,176	9,028	8,844
Ceded cumulative inception to date incurred losses as at December 31, 2016 (2)	418	685	566	444
Net cumulative inception to date incurred losses as at December 31, 2016 (2)	4,857	8,491	8,462	8,400
Unearned premium reserve (UPR)				
Gross UPR – end of year	575	1,108	1,099	1,135
Ceded UPR – end of year	18	39	40	40
Net UPR – end of year	557	1,069	1,059	1,095
Deferred acquisition costs (DAC)				
Gross DAC – end of year	108	230	227	238
Ceded DAC – end of year	-	2	1	-
Net DAC – end of year	108	228	226	238

(1) The table includes reserves for Converium for years from 2007 onwards only. Figures for 2007 reflect the completion of the initial accounting of the business combination with Converium.
(2) At period end exchange rates.
(3) At average exchange rates.
(4) Includes net cumulative payments for all underwriting years as at each reporting date.

2010(1)	2011(1)	2012(1)	2013(1)	2014(1)	2015(1)	2016(1)
9,696	10,602	10,857	10,691	11,088	11,750	11,784
412	765	690	629	619	634	660
9,284	9,837	10,167	10,062	10,469	11,116	11,124
2,080	2,407	2,369	2,530	2,791	2,619	-
3,576	3,858	3,899	4,220	4,401	-	-
4,637	4,925	5,093	5,341	-	-	-
5,294	5,592	5,680	-	-	-	-
5,835	6,045	-	-	-	-	-
6,207	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,584	10,809	11,094	10,953	11,483	12,108	-
10,412	10,647	10,937	10,680	11,172	-	-
10,132	10,471	10,680	10,311	-	-	-
10,049	10,259	10,368	-	-	-	-
9,903	9,977	-	-	-	-	-
9,643	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(359)	(140)	(201)	(249)	(703)	(992)	-
10,092	10,860	11,151	11,005	11,898	12,837	-
449	883	783	694	726	729	-
9,643	9,977	10,368	10,311	11,172	12,108	-
1,384	1,516	1,683	1,663	1,938	2,239	2,261
51	84	93	101	142	187	167
1,333	1,432	1,590	1,562	1,796	2,052	2,094
278	325	359	379	441	536	551
1	5	7	8	10	14	13
277	320	352	371	431	522	538

The table below presents a reconciliation of the opening and closing liability for claims reserves and claims expenses of SCOR Global P&C for the years ended December 31, 2016 and 2015:

In EUR million	2016	2015
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT JANUARY 1	**11,750**	**11,088**
Ceded claims reserves and claims estimates as at January 1	**(634)**	**(619)**
Net claims reserves and claims estimates as at January 1	**11,116**	**10,469**
Revaluation of opening balance at current year end exchange rates	(248)	546
Net claims reserves and claims estimates as at January 1 – revalued	**10,868**	**11,015**
Net claims incurred relating to the current calendar year	1,960	1,923
Net claims incurred for prior calendar years	994	1,014
Total net claims incurred	**2,954**	**2,937**
Net claims payments for the current calendar year	(80)	(47)
Net claims payments for prior calendar years	(2,619)	(2,791)
Total net claims payments	**(2,699)**	**(2,838)**
Reclassifications	-	-
Effect of other foreign exchange rate movements	1	2
Net claim reserves and claims estimates as at December 31	**11,124**	**11,116**
Ceded claims reserves and claims estimates as at December 31	**(660)**	**(634)**
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT DECEMBER 31	**11,784**	**11,750**

SCOR was notified after the year-end close that a man made claim (EUR 23 million) initially reported in 2012 is now likely to trigger a Facultative Casualty policy. This information does not affect the amounts recognized in the financial statements as the IBNR included in the year end claims reserves cover this development.

Analysis of asbestos & environmental IBNR reserves and claims paid

	For the year ended December 31			
	Asbestos		Environment	
	2016	2015	2016	2015
Gross reserves, including IBNR reserves *(in EUR million)*	88	96	16	15
% of Non-Life gross reserves	0.6%	0.7%	0.1%	0.1%
Claims paid *(in EUR million)*	22	15	2	4
Net % of Group Non-Life claims paid	0.8%	0.5%	0.1%	0.1%
Actual number of claims notified under non-proportional and facultative treaties *(in EUR million)*	10,727	10,661	8,468	8,447
Average cost per claim *(in EUR)* (1)	21,750	20,984	4,756	4,565

(1) Does not include claims which result in no ultimate cost and claims notified only for precautionary reasons for which the amount is not evaluated.

NOTE 15.2. SCOR GLOBAL LIFE

The change in Life mathematical reserves for the years ended December 31, 2016 and 2015 was as follows:

In EUR million	2016	2015
Gross mathematical reserves as at January 1	**8,763**	**8,165**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	(215)	188
Impact of foreign exchange movements	(24)	410
Gross mathematical reserves as at December 31	**8,524**	**8,763**
Reinsurance Recoverable	**-**	**-**
Ceded mathematical reserves as at January 1	**(88)**	**(52)**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	18	(58)
Impact of foreign exchange movements	2	22
Ceded mathematical reserves as at December 31	**(68)**	**(88)**
NET MATHEMATICAL RESERVES AS AT JANUARY 1	**8,675**	**8,113**
NET MATHEMATICAL RESERVES AS AT DECEMBER 31	**8,456**	**8,675**

Liability adequacy test

The liability adequacy test conducted at each closing date did not detect any deficiencies for either the Non-Life or Life segment.

Rating: Share of retrocessionaires in contract liabilities

An analysis of the share of retrocessionaires in the Group's contract liabilities by rating of the retrocessionaires and collateral from retrocessionaires in favor of SCOR at December 31, 2016 and 2015 is as follows:

In EUR million	AAA	AA	A	BBB	< BBB	Not rated	Total as at 12/31/2016
Share of retrocessionaires contract liabilities	**-**	**304**	**908**	**32**	**1**	**117**	**1,362**
Securities pledged	-	-	16	6	-	403	425
Deposits received	-	59	550	28	-	54	691
Letters of credit	-	70	73	-	-	16	159
Total collateral from retrocessionaires in favor of SCOR	**-**	**129**	**639**	**34**	**-**	**473**	**1,275**
Share of retrocessionaires contract liabilities net of collateral(1)	**-**	**175**	**269**	**(2)**	**1**	**(356)** (2)	**87**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.

(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge assets for the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR recorded in the balance sheet is lower.

In EUR million	AAA	AA	A	BBB	< BBB	Not rated	Total as at 12/31/2015
Share of retrocessionaires contract liabilities	**-**	**339**	**818**	**33**	**1**	**67**	**1,258**
Securities pledged	-	-	34	6	-	458	498
Deposits received	-	72	517	33	-	53	675
Letters of credit	-	70	73	-	-	15	158
Total collateral from retrocessionaires in favor of SCOR	**-**	**142**	**624**	**39**	**-**	**526**	**1,331**
Share of retrocessionaires contract liabilities net of collateral (1)	**-**	**197**	**194**	**(6)**	**1**	**(459) (2)**	**(73)**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.

(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge assets for the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR recorded in the balance sheet is lower.

NOTE 16. STOCK OPTIONS AND SHARE ALLOCATIONS

The Group offers stock option plans to certain of its employees. The fair value of the services received in exchange for the granting of options is recognized as an expense. The total amount that is recognized over the vesting period is established by reference to the fair value of options granted, excluding conditions of attribution that are not linked to market conditions (return on equity (ROE), for example). These conditions are taken into account when determining the probable number of options which will vest for the beneficiaries. At each reporting date, the Group reviews the estimated number of options which will vest. Any impact is then recorded in the statement of income with the offsetting entry in shareholders' equity over the remaining vesting period.

The Group also grants shares to certain of its employees. These grants are recorded in expenses over the vesting period with the offset recorded as an increase in shareholders' equity.

The dilutive effect of outstanding options is reflected in the calculation of diluted earnings per share.

The Group has established various free share allocation and stock option plans in favor of some of its employees and Corporate Executive Officers (the plans are equity settled only). The terms of these plans are defined, and approved or agreed by its Board of Directors at the grant date.

The total expense for 2016 relating to share-based payments is EUR 28 million (2015: EUR 45 million), with EUR 1 million (2015: EUR 2 million) relating to stock options granted under the 2012 to 2016 plans (2015: 2012 to 2015) and EUR 27 million (2015: EUR 43 million) relating to free shares allocated under the 2011 to 2016 plans (2015: 2011 to 2015).

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2016.

NOTE 16.1. STOCK OPTION PLANS

The Group grants its employees and Corporate Executive Officers stock purchase or subscription option plans under the following terms:

Plan	Date of award by the Board	Options exercisable on	Date of expiration of plan	Exercise price *(in EUR)*	New shares issued subject to option plans
2006	09/14/2006	09/15/2010	09/14/2016	18.30	795,771
2006	12/14/2006	12/15/2010	12/14/2016	21.73	394,500
2007	09/13/2007	09/14/2011	09/14/2017	17.58	1,417,000
2008	05/22/2008	05/23/2012	05/23/2018	15.63	279,000
2008	09/10/2008	09/11/2012	09/10/2018	15.63	1,199,000
2009	03/23/2009	03/24/2013	03/24/2019	14.92	1,403,500
2009	11/25/2009	11/26/2013	11/26/2019	17.12	88,500
2010	03/18/2010	03/19/2014	03/19/2020	18.40	1,378,000
2010	10/12/2010	10/13/2014	10/13/2020	17.79	37,710
2011	03/22/2011	03/23/2015	03/23/2021	19.71	701,500
2011	09/01/2011	09/02/2015	09/02/2021	15.71	308,500
2012	03/23/2012	03/24/2016	03/24/2022	20.17	938,000
2013	03/21/2013	03/22/2017	03/22/2023	22.25	716,000
2013	10/02/2013	10/03/2017	10/03/2023	24.65	170,000
2013	11/21/2013	11/22/2017	11/22/2023	25.82	25,000
2014	03/20/2014	03/21/2018	03/21/2024	25.06	694,875
2014	12/01/2014	12/02/2018	12/02/2024	24.41	9,000
2015	03/20/2015	03/21/2019	03/21/2025	29.98	666,881
2015	12/18/2015	12/19/2019	12/19/2025	35.987	45,250
2016	03/10/2016	03/11/2020	03/11/2026	31.58	629,118
2016	12/01/2016	12/02/2020	12/02/2026	29.57	750

The stock options can be exercised after four years regardless of whether the employee is still actively employed by the Group.

The terms and conditions of the stock option plans of March 10, 2016 and December 1, 2016, which are similar to those previously granted by SCOR, provide that the options allocated to Partners can be exercised at the earliest four years after the grant date, if the presence condition is met in addition to the satisfaction of certain performance conditions, which are based on the strict observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE (in 2016 and 2017 for the March 10, 2016 plan and in 2016, 2017 and 2018 for the December 1, 2016 plan).

The table below presents the changes and the current stock option plans at the end of the year along with the average corresponding exercise price:

	2016		2015	
	Number of options	Average exercise price *(in EUR per share)*	Number of options	Average exercise price *(in EUR per share)*
Outstanding options at January 1	6,498,126	20.57	7,234,382	19.07
Options granted during the period	629,868	31.58	712,131	30.36
Options exercised during the period	554,112	18.65	1,221,843	17.10
Options expired during the period	16,589	18.82	1,566	15.90
Options forfeited during the period	140,507	16.83	224,978	22.24
Outstanding options at December 31	**6,416,786**	**21.70**	**6,498,126**	**20.57**
Exercisable at December 31	**3,687,162**	**17.71**	**3,505,120**	**17.33**

The average weighted remaining life of the options for 2016 and 2015 was 5.04 and 5.35 years respectively.

The fair value of options is estimated by using the Black & Scholes method which takes into account the terms and conditions under which the options were granted. The following table lists the characteristics used at the end of 2016, 2015 and 2014:

	December 1, 2016 Plan	March 10, 2016 Plan	December 18, 2015 Plan	March 20, 2015 Plan	December 1, 2014 Plan	March 20, 2014 Plan
Fair value at grant date *(in EUR)*	2.61	1.98	1.94	1.94	1.40	1.80
Exercise price *(in EUR)*	29.57	31.58	35.99	29.98	24.41	25.06
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Historical volatility (1)	24.59%	22.32%	21.13%	18.84%	18.34%	21.29%
Dividend	4.79%	4.79%	4.67%	4.83%	5.03%	5.03%
Risk-free interest rate	(0.086)%	(0.099)%	0.112%	0.070%	0.292%	1.004%

(1) The historical volatility used to determine the fair value of stock options is based on the historical volatility over periods corresponding to the expected average maturity of the options granted, which is partially adjusted to eliminate extreme deviations and to better reflect long-term trends.

NOTE 16.2. FREE SHARE ALLOCATION PLANS

The Group also allocates free shares to its employees under the following terms:

Date of grant	Date of vesting	Number of shares originally granted	Estimated price on grant date
09/01/2011 (LTIP)	09/02/2017	415,500	EUR 16.68
09/01/2011 (LTIP)	09/02/2019	297,500	EUR 16.68
03/19/2012	03/20/2014	464,600	EUR 20.49
03/19/2012	03/20/2016	1,226,340	EUR 20.49
07/26/2012 (LTIP)	07/27/2018	57,500	EUR 19.27
07/26/2012 (LTIP)	07/27/2020	51,000	EUR 19.27
10/30/2012	10/31/2014	74,400	EUR 20.33
10/30/2012	10/31/2016	24,000	EUR 20.33
03/05/2013	03/06/2015	528,800	EUR 22.22
03/05/2013	03/06/2017	878,450	EUR 22.22
03/05/2013 (LTIP)	03/06/2019	85,500	EUR 22.22
03/05/2013 (LTIP)	03/06/2021	232,500	EUR 22.22
10/02/2013	10/03/2017	304,300	EUR 24.66
11/05/2013	11/06/2015	61,200	EUR 25.64
11/05/2013	11/06/2017	13,500	EUR 25.64
12/18/2013	12/19/2016	9,500	EUR 25.14
12/18/2013	12/19/2018	28,000	EUR 25.14
03/04/2014	03/05/2016	641,335	EUR 24.70
03/04/2014	03/05/2018	1,263,695	EUR 24.70
03/04/2014 (LTIP)	03/05/2020	31,500	EUR 24.70
03/04/2014 (LTIP)	03/05/2022	88,500	EUR 24.70
07/30/2014	07/31/2016	3,490	EUR 24.24
11/05/2014	11/06/2016	7,500	EUR 24.48
11/05/2014	11/06/2018	27,500	EUR 24.48
12/01/2014	12/02/2017	7,000	EUR 25.18
12/01/2014	12/02/2019	21,000	EUR 25.18
03/04/2015	03/05/2017	365,000	EUR 29.36
03/04/2015 (LTIP)	03/05/2021	40,000	EUR 29.36
12/18/2015	12/19/2018	1,511,663	EUR 34.59
12/18/2015 (LTIP)	12/19/2021	106,432	EUR 34.59
02/23/2016	02/24/2019	1,667,588	EUR 31.82
02/23/2016 (LTIP)	02/24/2022	257,732	EUR 31.82
12/01/2016	12/02/2019	34,064	EUR 29.92

The terms and conditions of the performance share plans of February 23, 2016 and December 1, 2016, provide that after the vesting period of three years for all beneficiaries, the final vesting of these shares will be subject to the condition of presence of three years and to the satisfaction of performance conditions.

The terms and conditions of the performance share "LTIP" plan of February 23, 2016, provide that after the vesting period of six years for all beneficiaries, the final vesting of these shares will be subject to the condition of presence of six years and to the satisfaction of performance conditions.

NOTE 16.3. PERFORMANCE CONDITIONS

All grants under the performance share plans of February 23, 2016 and December 1, 2016 (except LTIP), to the Chairman and Chief Executive Officer, to the members of the Executive Committee, to the Executive Global Partners and to the Senior Global Partners and half of the allocation to the other beneficiaries (below Senior Global Partners), are subject to performance conditions which are based on the strict observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE in 2016, 2017 and 2018.

All shares granted under the "LTIP" plans of February 23, 2016 and are subject to performance conditions which are based on the strict observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE between 2016 and 2021.

The fair value of the free shares corresponds to the market value adjusted for dividends and non-transferability costs, estimated using a forward acquisition/disposal method. The following table lists the characteristics used at the end of 2016, 2015 and 2014:

		12/01/2016 Plan	02/23/2016 Plan	02/23/2016 Plan (LTIP)	12/18/2015 Plan	12/18/2015 Plan (LTIP)	03/04/2015 Plan
Fair value at grant date *(in EUR)*	French residents	25.91	27.56	23.87	30.07	26.14	22.45
	Non-French residents	25.91	27.56	-	30.07	26.14	24.90
Vesting period	French residents	3 years	3 years	6 years	3 years	6 years	2 years
	Non-French residents	3 years	3 years	-	3 years	6 years	2 years
Dividend		4.79%	4.79%	4.79%	4.67%	4.67%	4.83%
Risk-free interest rate		(0.399)%	(0.349)%	(0.003)%	(0.174)%	0.28%	0.059%

		03/04/2015 Plan (LTIP)	12/01/2014 Plan	11/05/2014 Plan	07/30/2014 Plan	03/04/2014 Plan	03/04/2014 Plan (LTIP)
Fair value at grant date *(in EUR)*	French residents	-	20.12	20.67	20.47	20.85	9.94
	Non-French residents	18.09	18.05	18.56	20.47	18.71	8.25
Vesting period	French residents	-	3 years	2 years	2 years	2 years	6 years
	Non-French residents	6 years	5 years	4 years	2 years	4 years	8 years
Dividend		4.83%	5.03%	5.03%	5.03%	5.03%	5.03%
Risk-free interest rate		0.461%	0.292%	0.189%	0.332%	0.655%	1.220%

NOTE 17. INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax expense is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period in countries where the Group's subsidiaries and branches operate and generate taxable income. Management periodically evaluates positions taken to prepare tax returns. Assessing the outcome of uncertain tax positions requires judgments to be made regarding the result of negotiations with, and enquiries from, tax authorities in a number of jurisdictions. Provisions for tax contingencies require management to make judgments and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax law and the likelihood of a settlement. Tax benefits are recognized to the extent that it is probable that they can be sustained. In arriving at this position, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation.

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

The main temporary differences arise from tax losses carried forward and the revaluation of certain financial assets and liabilities including derivative contracts, certain insurance contract liabilities, provisions for pensions and other post-retirement benefits. In addition, temporary differences arise on acquisitions due to the difference between the fair values of the net assets acquired and their tax base. Deferred tax liabilities are recognized on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not recognized in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortization is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable income or loss at the time of the transaction.

Deferred tax assets are recognized on net operating losses carried forward to the extent that it is probable that future taxable income will be available against which they can be offset. Management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. SCOR uses a discounted cash flow model comprising an earnings model, which considers forecasted earnings, and other financial ratios of legal entities based on Board-approved business plans, which incorporate key drivers of the underwriting result. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected general expense ratios, together with actuarial assumptions. To the extent that net operating losses carried forward cannot be utilized or expire, deferred income tax expenses may be recorded in the future.

Taxes relating to items recorded directly in shareholders' equity are recorded directly in equity and not in the statement of income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets and liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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

NOTE 17.1. INCOME TAX EXPENSE

The main components of corporate income taxes for the years ended December 31, 2016, 2015 and 2014 are presented below:

In EUR million	2016	2015	2014
AMOUNTS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME			
Current tax – current year	(150)	(199)	(164)
Current tax – prior years	20	7	(6)
Deferred taxes due to temporary differences	99	34	(15)
Deferred taxes from tax losses carried-forward	(73)	(69)	20
Changes in deferred taxes due to changes in tax rates or tax law	(62)	-	(1)
CORPORATE INCOME TAX (EXPENSE)/BENEFIT REPORTED IN STATEMENT OF INCOME	**(166)**	**(227)**	**(166)**
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN EQUITY	**5**	**13**	**(31)**

NOTE 17.2. RECONCILIATION OF EXPECTED TO ACTUAL CORPORATE INCOME TAX EXPENSE

A reconciliation of the income tax expense, obtained by applying the French tax rate of 34.43% for 2016 and 38.00% for 2015 and 2014 to income (loss) before corporate income taxes and excluding share in results of associates, to the actual corporate income tax expense recorded in the consolidated statement of income is presented in the table below. The effective tax rate in 2016 is 21.7% (2015: 26.0% and 2014: 24.4% [1]).

The main reconciling items are due to the difference between the local corporate income tax rate of each taxable entity and the Group tax rate, permanent differences reported by each entity, reduced rates and specific items.

In EUR million	2016	2015	2014
Income before corporate income tax (excluding share in results of associates)	**766**	**873**	**680**
Theoretical corporate income tax at 34.43% (for 2016) and 38.00% (for 2015 and 2014)	(264)	(332)	(259)
Reconciling items to actual corporate income tax (expense)/benefit			
Differences between French and local corporate income tax rates	84	114	106
Tax-exempt income	5	10	26
Non-deductible expenses	(22)	(26)	(28)
Write-down and reversal of previous write-down of deferred tax assets	-	-	(1)
Change in tax risk provision	59	4	(17)
Non creditable/refundable withholding tax	(1)	-	(1)
Change in corporate income tax rates	(62)	-	(1)
Share-based payments	1	5	2
Corporate income taxes prior year	7	(6)	1
Others	27	3	6
ACTUAL CORPORATE INCOME TAX (EXPENSE)/BENEFIT	**(166)**	**(227)**	**(166)**

For the years 2014 and 2015 the temporary increase of the exceptional contribution on income tax (contribution exceptionnelle sur l'impôt sur les sociétés) led the effective French corporate income tax rate to 38.00%. From 2016 onwards exceptional contribution has expired and the effective French corporate income tax rate is 34.43% again.

The French Finance bill for 2017 has amended the corporate income tax rate which will be reduced to 28% starting 2018 for the first EUR 0.5 million fraction of taxable income and from 2020 irrespective of the amount of the taxable income. The impact of this amendment, calculated based on the available realization forecasts of the French fiscal group deferred taxes, amounts to EUR 57 million and relates to most of the deferred tax asset (mainly the losses carryforward) and liability categories.

The difference between French and local tax rates reflects the geographical tax rate mix of the Group.

(1) The effective tax rate calculation method has been adjusted to exclude the share in results of associates from the income before tax. The effective tax rate previously reported in the 2014 Registration Document was 24.5%.

Income tax risk provisions have been reviewed and adjusted as part of the regular tax risk provisioning process.

Corporate income taxes from prior years are mainly due to the finalization of corporate income tax returns.

The standard tax rates for the primary locations in which the Group has operations are as follows:

	2016	2015	2014
France	34.43%	38.00%	38.00%
Switzerland	21.15%	21.15%	21.15%
Germany	32.45%	32.45%	32.45%
Ireland	12.50%	12.50%	12.50%
United Kingdom	20.00%	20.25%	21.50%
United States	35.00%	35.00%	35.00%
Singapore	17.00%	17.00%	17.00%

NOTE 17.3. CORPORATE INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

	2016			2015			2014		
In EUR million	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount
Remeasurements of post-employment benefits	(38)	8	(30)	(7)	2	(5)	(43)	7	(36)
Items that will not be reclassified subsequently to profit and loss	**(38)**	**8**	**(30)**	**(7)**	**2**	**(5)**	**(43)**	**7**	**(36)**
Effects of changes in foreign exchange rates	75	(4)	71	316	8	324	361	7	368
Revaluation of available-for-sale assets	(25)	12	(13)	(112)	23	(89)	236	(56)	180
Shadow accounting	47	(12)	35	34	(8)	26	(36)	9	(27)
Net gains/(losses) on cash flow hedges	3	1	4	35	(12)	23	(8)	2	(6)
Other changes	17	-	17	3	-	3	3	-	3
Items that will be reclassified subsequently to profit income	**117**	**(3)**	**114**	**276**	**11**	**287**	**556**	**(38)**	**518**
TOTAL	**79**	**5**	**84**	**269**	**13**	**282**	**513**	**(31)**	**482**

NOTE 17.4. DEFERRED TAX

Deferred tax assets and liabilities and the related expense or benefit as at and for the years ended December 31, 2016[1], 2015 and 2014 were generated by the following items:

	Balance sheet as at December 31			Deferred tax benefit/(expense) for the period [1]		
In EUR million	2016	2015	2014	2016	2015	2014
Deferred tax liabilities						
Deferred acquisition costs	(63)	(78)	(102)	(25)	(22)	(14)
Unrealized revaluations and temporary differences on investments	(48)	(94)	(170)	48	22	16
Equalization reserves	(27)	(111)	(118)	67	8	(9)
Value of business acquired	(288)	(285)	(274)	5	19	25
Financial instruments	(41)	(32)	(36)	4	(9)	(7)
Claims reserves	(219)	(153)	(124)	(24)	(12)	(43)
Other temporary differences	(55)	(4)	(103)	59	70	(2)
Elimination of internal capital gains	-	-	-	-	-	-
TOTAL DEFERRED TAX LIABILITIES	**(741)**	**(757)**	**(927)**	**134**	**76**	**(34)**
Deferred tax assets						
Unrealized revaluations and temporary differences on investments	67	22	51	(43)	(11)	25
Retirement scheme	50	20	28	(2)	1	1
Net operating losses for carry forward	505	631	671	(126)	(69)	20
Financial instruments	28	22	40	(12)	7	9
Claims reserves	252	188	180	6	(12)	14
Shadow accounting	(9)	2	10	2	-	-
Other temporary differences	177	300	384	5	(27)	(31)
Elimination of internal capital gains	-	-	-	-	-	-
TOTAL DEFERRED TAX ASSETS	**1,070**	**1,185**	**1,364**	**(170)**	**(111)**	**38**

(1) The impact of tax rate changes is included in the analysis of deferred tax expense or benefit by type of temporary difference.

In accordance with IFRS deferred tax netting rules, the amount of deferred tax liabilities and deferred tax assets stated in the balance sheet are as follows:

Balance sheet amounts as at December 31 *In EUR million*	2016	2015	2014
Deferred tax liabilities	(354)	(366)	(388)
Deferred tax assets	683	794	825
Net deferred tax assets (liabilities)	**329**	**428**	**437**

(1) The Group reviewed the analysis of deferred taxes by type of temporary difference in 2016 in a prospective manner. Previous years data is presented as in the 2015 and 2014 Reference documents.

NOTE 17.5. EXPIRATION OF TAX LOSSES AVAILABLE FOR CARRYFORWARD

As at December 31, 2016, the operating tax losses available for carryforward expire as follows:

In EUR million	Available tax loss carryforwards	Tax loss carryforwards for which no DTA is recognized	At 12/31/2016 Deferred tax assets recognized	At 12/31/2015 Deferred tax assets recognized
2016	-	-	-	-
2017	5	-	2	3
2018	11	-	4	4
2019	2	-	-	-
2020	70	-	18	-
Thereafter	419	(7)	139	171
Indefinite	1,255	(65)	342	453
TOTAL	**1,762**	**(72)**	**505**	**631**

The recognition of deferred tax assets on tax loss carryforwards is assessed based on the availability of sufficient future taxable income and local tax rules, e.g. unlimited carry forward in France and 20-year carryforward period in the United States. Under French Tax Law on tax loss carryforwards, the utilization of tax losses is capped at EUR 1 million plus 50% of the remaining current year's taxable result.

Taxable income is forecast based on the main assumptions described in the accounting principles of this note. SCOR expects to utilize all recognized tax loss carryforwards before expiration.

Operating losses which have not been recognized as deferred tax assets relate primarily to the French Tax Group.

NOTE 18. INVESTMENT INCOME

The tables below show the analysis by type of investment income and split by category of financial assets:

NOTE 18.1. ANALYSIS BY TYPE

In EUR million	2016	2015	2014
Interest income on investments	345	368	275
Dividends	24	20	14
Rental income from real estate	43	45	48
Other income (including cash and cash equivalents)	(24)	(13)	12
Other investments expenses	(15)	(15)	(15)
Investment revenues	**374**	**405**	**334**
Interest income on funds withheld and contract deposit	194	196	193
Interest expense on funds withheld and contract deposit	(12)	(12)	(13)
Interest on deposits	**182**	**184**	**180**
Realized gains and losses on investments	**214**	**170**	**135**
Change in fair value of investments	**6**	**12**	**8**
Investment impairment	(10)	(21)	(3)
Real estate amortization	(21)	(22)	(28)
Change in investment impairment and amortization	**(31)**	**(43)**	**(31)**
Currency gains (losses)	**11**	**16**	**11**
INVESTMENT INCOME	**756**	**744**	**637**

NOTE 18.2. ANALYSIS BY CATEGORY OF FINANCIAL ASSET

In EUR million	2016	2015	2014
Real estate investments	90	25	35
Available for sale investments	405	608	446
Investments at fair value through income	9	33	7
Loans and receivables	205	229	192
Derivative instruments	(46)	64	(28)
Other (including cash and cash equivalents), net of other investment expenses	93	(215)	(15)
INVESTMENT INCOME	**756**	**744**	**637**

NOTE 19. NET RETROCESSION RESULT

The table below shows the net retrocession result for the years ended December 31, 2016, 2015 and 2014:

	2016			2015			2014		
In EUR million	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Ceded written premiums	(674)	(575)	(1,249)	(703)	(641)	(1,344)	(660)	(518)	(1,178)
Change in ceded unearned premium reserves	(2)	(12)	(14)	1	28	29	1	30	31
Ceded earned premiums	**(676)**	**(587)**	**(1,263)**	**(702)**	**(613)**	**(1,315)**	**(659)**	**(488)**	**(1,147)**
Ceded claims	479	210	689	595	198	793	438	167	605
Ceded commissions	115	71	186	111	75	186	108	49	157
Net retrocession result	**(82)**	**(306)**	**(388)**	**4**	**(340)**	**(336)**	**(113)**	**(272)**	**(385)**

The decrease of the net results of retrocession of SCOR Global Life is due to inforce optimization actions as well as claims and lapse experience which had impacted the 2015 result.

NOTE 20. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Allocation of expenses by function

In accordance with IAS 1 – Presentation of Financial Statements, the Group has opted to present expenses by function in the statement of income. The costs are allocated to four categories (acquisition and administrative expenses, claims settlement expenses, investment management expenses and other current operating expenses) based on allocation keys which are determined by management's judgment.

Other operating and administrative expenses include expenses incurred by the Group, excluding gross commissions, as follows:

In EUR million		2016	2015	2014
59%	Staff costs	483	470	390
3%	Taxes other than income taxes	22	12	9
38%	Other costs	310	294	251
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**815**	**776**	**650**

These expenses are further allocated into categories by function as follows:

In EUR million		2016	2015	2014
59%	Acquisition and administrative expenses	482	484	414
7%	Investment management expenses	62	52	40
7%	Claims settlement expenses	54	51	42
27%	Other current operating expenses	217	189	153
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**815**	**776**	**650**

The Group audit fees for services rendered during the year are subject to a quarterly review and approval by the Audit Committee. All such audit fees presented in the table below have been approved in full by the Audit Committee.

Amount (excluding taxes) *In EUR thousands*	**Ernst&Young**				**Mazars**				**Total**			
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Audit (1)	**4,824**	**4,603**	**89%**	**78%**	**3,535**	**3,362**	**95%**	**93%**	**8,359**	**7,965**	**91%**	**84%**
SCOR SE	886	860	17%	15%	820	831	22%	23%	1,706	1,691	19%	18%
Fully consolidated subsidiaries	3,938	3,743	72%	63%	2,715	2,531	73%	70%	6,653	6,274	72%	66%
Other audit related (2)	**443**	**960**	**8%**	**16%**	**183**	**238**	**5%**	**7%**	**626**	**1,198**	**7%**	**12%**
SCOR SE	154	156	3%	3%	183	124	5%	4%	337	280	4%	2%
Fully consolidated subsidiaries	289	804	5%	13%	-	114	-	3%	289	918	3%	10%
Other (3)	**186**	**353**	**3%**	**6%**	**11**	**6**	**-**	**-**	**197**	**359**	**2%**	**4%**
Legal, tax, social security	186	335	3%	6%	11	6	-	-	197	341	2%	4%
Other	-	18	-	-	-	-	-	-	-	18	-	-
TOTAL	**5,453**	**5,916**	**100%**	**100%**	**3,729**	**3,606**	**100%**	**100%**	**9,182**	**9,522**	**100%**	**100%**

(1) Statutory audit and certification of local and consolidated financial statements.
(2) Other specific audit assignments related to the statutory audit engagement. Additional audit fees incurred were due mainly to review of actuarial disclosures, review of CSR report as well as mandatory procedures in conjunction with securities issued during the year.
(3) Other services, provided by the Auditors to the fully consolidated companies and due diligence.

NOTE 21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding over the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

For the calculation of diluted earnings per share, the weighted average number of outstanding shares is adjusted to take into account the potential conversion of all stock options and share allocation plans.

Potential or contingent share issues are considered as dilutive when their conversion into shares would decrease net earnings per share.

Basic and diluted earnings per share are calculated as follows for the years ended December 31, 2016, 2015 and 2014 respectively:

	At 12/31/2016			At 12/31/2015			At 12/31/2014		
In EUR million	Net income (numerator)	Shares (denominator)(1) *(in thousands)*	Net income per share *(in EUR)*	Net income (numerator)	Shares (denominator)(1) *(in thousands)*	Net income per share *(in EUR)*	Net income (numerator)	Shares (denominator)(1) *(in thousands)*	Net income per share *(in EUR)*
Net income – Group share	603	-	-	642	-	-	512	-	-
Basic earnings per share									
Net income attributable to ordinary shareholders	603	185,022	3.26	642	185,668	3.46	512	186,070	2.75
Diluted earnings per share									
Dilutive effects	-	-	-	-	-	-	-	-	-
Stock options and share-based compensation (2)	-	3,253	-	-	4,485	-	-	2,496	-
Net income attributable to ordinary shareholders and estimated conversions	**603**	**188,275**	**3.20**	**642**	**190,153**	**3.38**	**512**	**188,566**	**2.72**

(1) Average number of shares during the period.
(2) Calculated assuming all options are exercised where the average SCOR share price for the year exceeds the option exercise price.

The exercise of stock options has consistently led to treasury shares being cancelled as decided by the Shareholders' Meeting of the Company in order to avoid any dilutive effect of such exercise upon the share capital.

NOTE 22. RELATED PARTY TRANSACTIONS

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

The Group's related parties include:

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

There is no shareholder meeting the criteria of a related party according to IAS 24 for the years ended December 31, 2016, 2015 and 2014.

The Group has several business relationships with related parties. Transactions with such parties are carried out in the ordinary course of business and on substantially the same terms and conditions – including interest rates and collateral – as those prevailing at the same time for comparable transactions with third parties.

SCOR SE is the ultimate parent of the Group.

Transactions with associates for the financial years ended December 31, 2016, 2015 and 2014 were carried out on an arm's length basis and their volume is not material.

Transactions with key management personnel

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

The total gross compensation of key management personnel, allocated or paid, which includes short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payments, for the years ended December 31, 2016, 2015, and 2014 is outlined below:

In EUR	2016	2015	2014
Fixed cash compensation	5,974,813	5,856,849	4,857,600
Variable cash compensation	5,862,695	5,205,759	4,140,922
Profit sharing	24,872	16,036	19,910
Premiums/allowances	160,971	161,962	96,936
Share-based payments (1)	17,464,750	14,365,100	9,563,450
Termination benefits	-	-	-
Retirement benefits (2)	-	-	-
Directors' fees	55,000	63,000	44,000
TOTAL COMPENSATION AND BENEFITS	**29,543,101**	**25,668,706**	**18,722,818**

(1) It should be noted that the figures stated above do not represent paid compensation but correspond to actuarial estimates in line with AFEP-MEDEF corporate governance code for the allocation of free shares and subscription options during the reference period. The value is calculated according to the same assumptions as those used for the Group accounts (IFRS 2).

(2) The total commitment of the Group for defined benefit retirement plans in France, Germany, the US and Switzerland for Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 53 million as at December 31, 2016 (EUR 49 million as at December 31, 2015 and EUR 47 million as at December 31, 2014), i.e. 12% of the total commitment of the Group for pension plans of EUR 435 million.

Each member of the Executive Committee benefits from the use of a vehicle for business purposes. The Chairman and Chief Executive Officer has a company car (with a shared driver).

NOTE 23. COMMITMENTS RECEIVED AND GRANTED

Rights and obligations, not recognized on the balance sheet, but which could modify the amount or the composition of the patrimony of the Group are disclosed as commitments.

The general reinsurance environment requires that underwriting liabilities be collateralized, either directly through the reinsurance treaty with the ceding company, or indirectly through the requirements of local regulators of the countries where SCOR's entities operate. These collateral arrangements can take the form of cash deposits to ceding companies, which are booked on the balance sheet, of pledged assets which generate a commitment granted and are disclosed in the table below, or of letters of credit in which a financial institution provides the ceding company with a guarantee against the default of SCOR. Reciprocally, SCOR receives collaterals from its retrocessionaires which are booked as commitments received to the exception of deposits which are recognized on the balance sheet.

In addition to assets pledged on the reinsurance business, SCOR's assets may be restricted when they are used as collateral to obtain letters of credit from banks or as securities for real estate debts or pensions liabilities. Those restricted assets are reported as pledged assets in the commitment disclosures.

A commitment received is recognized for potential sources of liquidity such as unused lines of credit, unused loans capacity or unused letters credit purchased to financial institutions but not provided to ceding companies.

Irrevocable purchase and disposal commitments of assets, as well as investment or lending commitments are disclosed in this note as commitments.

In EUR million	As at 12/31/2016	As at 12/31/2015
Commitments received		
Unused lines of credit and letters of credit	416	413
Letters of credit – retrocessionaires	159	158
Pledged assets	755	817
Endorsements, sureties	2	4
Other commitments received	-	3
TOTAL COMMITMENTS RECEIVED	**1,332**	**1,395**
Commitments given		
Pledged assets	4,540	4,342
Endorsements, sureties	8	-
Investment commitments	60	65
Other commitments given	6	146
TOTAL COMMITMENTS GIVEN	**4,614**	**4,553**

Pledged assets granted and received

SCOR has pledged financial assets to ceding companies, regulators, financial institutions and pension plans for a total amount of EUR 4,540 million (EUR 4,342 million in 2015).

In addition, SCOR pledges assets to the benefit of its consolidated subsidiaries as collateral for its internal retrocessions. As at December 2016, the amount of assets pledged internally is EUR 2,338 million (EUR 2,256 million as at December 2015).

The total carrying amount of financial assets pledged to the benefit of SCOR as collateral is EUR 755 million (EUR 817 million in 2015). These amounts include securities pledged by retrocessionaires for a total amount of EUR 425 million (2015: EUR 498 million) detailed in Note 15 – Net contract liabilities. The remaining amount relates to pledged assets received on assumed reinsurance.

Letters of credit (1)

As security for the Group's technical liabilities, various financial institutions have furnished sureties for our company in the form of letters of credit. The total amount, not included in the table above, as at the balance sheet date was EUR 1,503 million (EUR 1,638 million in 2015). In accordance with the terms of these letter of credit facilities, the Group must meet certain minimum requirements relating to net worth. The Group currently meets all such requirements.

As at December 31, 2016, SCOR has an outstanding letter of credit capacity of EUR 410 million (EUR 413 million in 2015), recognized as a commitment received banks. This outstanding capacity can be used to provide collateral on the forthcoming underwritten business.

Letters of credits received from external retrocessionaires are recognized as a commitment received for EUR 159 million (EUR 158 million in 2015) and are detailed in Note 15 – Net contract liabilities.

Investment commitments (2)

SCOR is committed to realize loans and to invest in various investment funds for a total amount of EUR 60 million (EUR 65 million in 2015). Those amounts do not include the commitments taken by SCOR on behalf of third parties as part of its asset management activity.

SCOR also owns a call option on the remaining shares of a non-core business entity currently consolidated under the equity method, which it may exercise between March and September 2017. SCOR would obtain control over this entity upon exercising this option.

Real estate commitments

Minimum payments under operating lease commitments, estimated minimum rental income amounts received by SCOR as part of its real estate investment activities and commitments to purchase or dispose real estate properties are not included in the table above but are disclosed within Note 9 – Miscellaneous assets and Note 7 – Insurance business investments.

Contingent liabilities

Contingent liabilities are disclosed in Note 14 – Employee benefit and other provisions, paragraph 2 "Other provisions".

(1) Accounting principles for letters of credit have been changed in 2016. SCOR now considers that the commitments related to the letters of credit given to ceding companies are born by the financial institutions to which SCOR has purchased the letters of credit. The amount disclosed in the commitment table of the 2015 Registration Document was EUR 1,638 million. The unused portion of the letters of credit purchased to financial institutions is now considered as a commitment received by SCOR for a total amount of EUR 410 million as at December 31, 2016 (EUR 413 million as at December 31, 2015).
(2) Accounting principles for investment commitments have been changed in 2016. Investment commitments are now considered as commitments given for a total amount of EUR 60 million as at December 31, 2016 (EUR 65 million as at December 31, 2015).

NOTE 24. INSURANCE AND FINANCIAL RISKS

All of the following paragraphs form an integral part of the Group consolidated financial statements. They are disclosed in Section 3 – Risk factors and risk management mechanisms.

NOTE 24.1. INSURANCE RISK

Please see Section 3.3 – Underwriting risk related to the P&C and Life reinsurance businesses.

NOTE 24.2. MARKET RISK

Please see Section 3.4 – Market risk.

NOTE 24.3. CREDIT RISK

Please see Section 3.5 – Credit risk.

NOTE 24.4. LIQUIDITY RISK

Please see Section 3.6 – Liquidity risk.

NOTE 25. LITIGATION

Comisión Nacional de la Competencia

On November 12, 2009, and following an administrative sanctioning procedure, the Spanish competition authority (Comisión Nacional de la Competencia, or the "CNC") sanctioned SCOR Global P&C SE Ibérica Sucursal, a branch of SCOR Global P&C, and a number of other insurance and reinsurance companies for an alleged infringement of Article 1 of Law 15/2007, of July 3, 2007, on Competition (the "Competition Act" which prohibits agreements and concerted practices that may have as an object or effect the restriction of competition in the market). The infraction would have consisted in an agreement to set the minimum price and other commercial conditions applied to customers in the market for decennial insurance for constructions in Spain. Pursuant to such decision, SCOR was sentenced to pay a fine of EUR 18.6 million. Other insurers and reinsurers were also fined in relation to the same matter.

On December 21, 2009 SCOR filed an appeal to the sanctioning decision before the Administrative Chamber of the National Audience (Audiencia Nacional, or the "AN").

On December 28, 2012, the AN issued its judgment on the appeal, annulling the decision of the CNC. The AN accepted SCOR's grounds and declared that the company had not infringed the Competition Act. Consequently, the economic sanction imposed on SCOR by the CNC was annulled. The State Attorney (Abogado del Estado) representing the CNC has appealed the AN judgment to the Supreme Court (Tribunal Supremo) in January 2013. The Supreme Court has accepted the State attorney's appeal on October 10, 2013.

On June 2, 2015, SCOR received the decision from the Spanish Supreme Court on the State Attorney's appeal. In its decision, the Supreme Court confirmed that SCOR and Asefa, together with certain other market participants, were part of an antitrust violation. However, the Supreme Court canceled the fine imposed by the Agency and requested it to be recalculated. On July 2, 2015, SCOR filed an action for annulment of the Supreme Court decision. On September 15, 2015, this action was dismissed by the Supreme Court. On November 3, 2015, SCOR filed an appeal against the Supreme Court's decision in front of the Spanish Constitutional Court. This action was dismissed on February 26, 2016. In March 2016, the CNMC (Comisión Nacional de los Mercados y la Competencia; former CNC) has commenced the reevaluation procedure of SCOR's fine imposed in 2009. SCOR and its subsidiaries are involved in legal and arbitration proceedings from time to time in the ordinary course of their business.

Litigation gives rise to an accrual when it meets the recognition requirements of a provision under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. See Note 14 – Employee benefits and other provisions for details of accruals booked. In certain instances, in accordance with IAS 37.92, some required information, in particular the amount of accruals, is not disclosed as they could seriously prejudice the position of SCOR in a dispute with other parties.

NOTE 26. SUBSEQUENT EVENTS

Subsequent events relate to relevant and material events that occur between the reporting date and the date when the financial statements are approved for issue by the Board of Directors. Such events lead to:

- an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the reporting date, and if relevant and material;
- additional disclosure if they relate to conditions which did not exist at the reporting date, and if relevant and material.

None.

4.7. INFORMATION ON HOLDINGS

The holdings held directly by SCOR SE are detailed in the following sections:

- Section 1.2.3 – Organizational structure of SCOR;
- Appendix C – 5 – Notes to the corporate financial statements, Note 2 – Investments – Subsidiaries and affiliates.

As at December 31, 2016, SCOR SE held indirectly shares or units in the companies representing at least 10% of the consolidated net assets or generating at least 10% of the consolidated net income or loss. These holdings are listed below:

	Registered office	Type of business	% Capital
SCOR Switzerland AG	General Guisan – Quai 26 – 8022 Zurich – Switzerland	Reinsurance	100%
SCOR Global Life Reinsurance Ireland dac	4th Floor, Whitaker Court – Whitaker Square – Sir John Rogerson's Quay – Dublin 2 – D02 W529 – Ireland	Reinsurance	100%

4.8. STATUTORY AUDITORS

4.8.1. PRINCIPAL AUDITORS

Name	Date of first appointment	End of current appointment
MAZARS Represented by Jean-Claude Pauly and Guillaume Wadoux Tour Exaltis – 61, rue Henri Regnault 92075 Paris-La Défense Cedex, France CRCC de Versailles	06/22/1990	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 12/31/2019
ERNST & YOUNG Audit Represented by Guillaume Fontaine Tour First – 1, Place des saisons 92037 Paris-La Défense Cedex, France CRCC of Versailles	05/13/1996	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 12/31/2019

4.8.2. ALTERNATIVE AUDITORS

Name	Date of first appointment	End of current appointment
Lionel Gotlib Tour Exaltis – 61, rue Henri Regnault 92075 La Défense Cedex CRCC of Versailles	05/06/2014	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 12/31/2019
Pierre Planchon Tour First – 1, Place des saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	05/06/2014	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 12/31/2019

4.8.3. RESIGNATION OR NON-RENEWAL OF AUDITORS

Not applicable.

4.8.4. FEES PAID BY THE GROUP TO THE AUDITORS

See Section 4.6 – Notes to the consolidated financial statements, Note 20 – Other operating and administrative expenses for a breakdown of audit fees.

4.9. AUDITING OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The date of the most recently audited financial information is December 31, 2016.

In application of EC Commission Regulation No. 809/2004, the following information is included by reference in this Registration Document:

- The report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2015 published on pages 232 to 233 of the Registration Document filed with the AMF on March 4, 2015 under Number D.16-0108 (and from pages 220 to 221 of the free translation into English of such Registration Document, such translation being available on SCOR's website www.scor.com).
- The report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2014 published on pages 289 to 290 of the Registration Document filed with the AMF on March 20, 2015 under Number D.15-0181 (and from pages 279 to 280 of the free translation into English of such Registration Document, such translation being available on SCOR's website www.scor.com).

  The report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2016 is reproduced below.

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of SCOR SE;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 7 to the consolidated financial statements describes the principles and methods used to estimate the valuation and impairment of investments and derivative instruments.

We have examined the valuation methods and the depreciation policies of these financial instruments on the one hand, and have, on the other hand, reviewed and tested the control processes implemented by management relating to the assessment of impairment. We have verified the appropriateness of the information provided in the notes to the consolidated financial statements.

- Notes 5, 6 and 9 to the consolidated financial statements describe the principles and methods used to assess the valuation of goodwill, the value of business acquired attached to the Life reinsurance portfolios and the value of other intangible assets. These notes describe the amortization methods used as well as the methods used to carry out the related annual impairment tests.

  We have examined the approaches used in the amortization policies and in the impairment tests, the cash flow forecasts and the consistency of the assumptions used in this framework and we have verified that the information described in Notes 5, 6 and 9 to the consolidated financial statements is appropriate.
- Note 17 to the consolidated financial statements describes the principles and methods used to perform the valuation of deferred tax assets as well as the deferred tax assets impairment test.

  We have examined the approaches used in this impairment test, the forecasted future taxable income and the assumptions made. We have verified that the information described in Note 17 to the consolidated financial statements is appropriate.
- As stated in Notes 1 – "Basis of preparation – Accounting principles and methods specific to reinsurance activities", 7, 8, 10 and 15 to the consolidated financial statements, the technical accounts specific to reinsurance are estimated on the basis of reinsurance commitments or on statistical and actuarial bases, particularly in the case of accounts received from cedents recognized as assumed and ceded receivables, assumed and ceded technical reserves, and deferred acquisition costs. The methods used to calculate these estimates are described in the notes to the consolidated financial statements.

  Our work consisted in assessing the data and assumptions on which the estimates are based, with regard to the experience of your company, its regulatory and economic environment, as well as the overall consistency of these assumptions.

We have checked that appropriate information is given in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements, reminded that it is not our responsibility to conclude on the fair presentation and consistency with the consolidated financial statements of the solvency related information extracted from the Report provided for in article L. 356-23 of the French Insurance Code (*Code des assurances*).

Paris-La Défense, February 21, 2017

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG Audit
Jean-Claude Pauly	Guillaume Wadoux	Guillaume Fontaine

Other information audited by the Statutory Auditors

The Registration Document as a whole is the subject of a completion letter sent by the Statutory Auditors to SCOR.

The Report of the Chairman of the Board of Directors on the conditions for the preparation and organization of the work of the Board of Directors and on the internal control procedures in accordance with Article L. 225-37 of the French Commercial Code featured in Appendix A, is the subject of a report by the SCOR Statutory Auditors, which is also included in Appendix A.

The related party agreements executed in 2016 or continued during 2016, as defined by Articles L. 225-38 et seq of the French Commercial Code are the subject of a specific report by the Statutory Auditors in Section 2.3.3.

SCOR SE's corporate accounts for the financial years ended December 31, 2016, 2015 and 2014, included respectively in Appendix C of this Registration Document, in Appendix C of the Registration Document filed with the AMF on March 4, 2016 under the number D.16-0108 and in Appendix A of the Registration Document filed with the AMF on March 20, 2015 under the number D.15-0181, were the subject of reports by the Statutory Auditors, featured respectively in Appendix C of this Registration Document, in Appendix C of the Registration Document filed with the AMF on March 4, 2016 under the number D.16-0108 and in Appendix A of the Registration Document filed with the AMF on March 20, 2015 under the number D.15-0181.

Notes 1, 2 and 3 in Appendix D of this Registration Document relate to the social and environmental impacts of SCOR's business and the Group's societal commitments. The information published in this section has been reviewed by one of the Statutory Auditors whose report is presented in Appendix D.

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ADDITIONAL INFORMATION

5.1. CHARTER AND BYLAWS

5.1.1. CORPORATE PURPOSE OF THE ISSUER (ARTICLE 3 OF THE BYLAWS)

As set forth in Article 3 of the bylaws (statuts), the corporate purpose includes the following:

- insurance, reinsurance, cession or retrocession of business of any nature in all classes and in all countries, the assumption in any form of reinsurance contracts or liabilities of any French or foreign company, organization, entity or association, and creation, acquisition, rental, lease, installation and operation of any undertaking related to these activities;
- the construction, lease, operation or purchase of any and all properties;
- the acquisition and management of all securities and other equity rights by any means including but not limited to subscription, transfer or acquisition of shares, bonds, corporate rights, partnerships and other equity rights;
- acquisition of equity investments or interests in any industrial, commercial, agricultural, financial, movable property or real estate companies, the formation of any company, participation in any capital increases, mergers, demergers and spin-offs;
- administration, management and control of any company or other undertaking, direct or indirect participation in all transactions carried out by such companies or undertakings by any means including, but not limited, to participation in any company or equity investment;
- implementation and management of centralized cash resource management within the Group and the provision of services, to any Group company concerned, relating to the management and operations of centralized cash resources, and;
- generally all such industrial, commercial and financial transactions, or transactions involving movable property and real estate, as may pertain directly or indirectly to the above stated corporate purpose or as may be related to or facilitate the implementation or pursuit thereof.

5.1.2. SUMMARY OF THE BYLAWS AND INTERNAL REGULATIONS OF THE COMPANY CONCERNING THE MEMBERS OF ITS ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

For further details, see Section 2.1 – Corporate officers, executives and employees.

Directors

Related party agreements

French corporate law and the Company's bylaws provide for prior approval and verification of agreements, entered into directly or indirectly, between the Company and one of its directors, Chief Executive Officer, Chief Operating Officer, any of its shareholders holding more than 10% of the registered capital or of the voting rights or, if a legal entity, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code and, or any entity in which any of these persons is at the same time an owner, partner with unlimited liability, manager, director, member of the Supervisory Board or an executive officer, unless pursuant to the provisions set forth under Article L. 225-39 of the Commercial Code: (i) the agreement is entered into in the ordinary course of business and under normal terms and conditions; and/or (ii) those agreements reached between two companies, one of which holds, directly or indirectly, all of the other's capital, where applicable, minus the minimum number of shares required to fulfil the requirements of Article 1832 of the Civil Code or Articles L. 225-1 and L. 226-1 of the Commercial Code,. Article L. 225-38 of the French Commercial Code, as amended by Order No. 2014-863 of July 31, 2014, now also provides that the prior approval of the Board of Directors must be justified by the interest for the Company of the agreement, in particular by specifying the financial conditions related thereto.

The interested party must inform the Board of Directors as soon as it is aware of the existence of the related party agreement, and a majority of the non-related directors must approve the agreement for it to be valid.

If a related party agreement is pre-approved by the majority of the non-related directors, the Chairman must then report the authorized agreement to the Statutory Auditors within one month following the date it is signed. The Auditors must then prepare a special report on the agreement to be submitted to the shareholders at their next Shareholders' Meeting, during which the shareholders would consider the agreement for ratification (any interested shareholders would be excluded from voting). If the agreement is not ratified by the shareholders, it will not be rendered invalid, except in the case of fraud, but the shareholders may in turn hold the Board of Directors or interested Company representative liable for any damages suffered as a result thereof.

Any related party agreement reached without the prior consent of a majority of the non-related directors can be voided by a court, if we incur a loss as a result. In addition, an interested related party may be held liable on this basis.

Directors' compensation

Pursuant to Article 13 of the Company's bylaws, the directors receive attendance fees, the maximum aggregate amount of which, determined by the shareholders acting at an annual Ordinary Shareholders' Meeting, remains in effect until a new decision is made.

Board of Directors' borrowing powers

Under Article L. 225-43 of the French Commercial Code, the directors, other than legal entities, Chief Executive Officer and Chief Operating Officers may not borrow money or obtain a guarantee from the Company. Any such loan or guarantee would be void and may not be relied upon by third parties.

Directors' age limits

Under Article 10 of the Company's bylaws, directors may hold office until the age of 77. A director reaching the age of 77 while in office must retire at the expiration of the term of his or her office, as determined at the Shareholders' Meeting.

5.1.3. RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EXISTING SHARES

Voting rights (Articles 8 and 19 of the bylaws)

As of the date of this Registration Document, the voting rights attached to shares are proportionate to the share of capital they represent. During a period of two years from the reverse stock-split of the Company's shares implemented on January 3, 2007, all old shares carried one vote and all new shares carried ten votes, so that the number of votes attached to the shares remains proportionate to the share of capital they represent.

Remaining old shares were cancelled on January 3, 2009 and since then, subject to applicable laws, all Company shares carry one voting right.

At all Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she holds or represents without any limitations other than those which may result from legal requirements and the stipulations above. The difference between the distribution of share capital and the distribution of voting rights arises from the existence of treasury shares with no voting rights.

Following an amendment to the Company bylaws approved by the Shareholders' Meeting on April 30, 2015, no double voting rights, as referred to in the provisions of Article L. 225-123 of the French Commercial Code, introduced by Act No. 2014-384 of March 29, 2014, may be attributed to or benefit, in any manner whatsoever, any Company shares.

Where the shares are held by a beneficial owner, the voting rights attached to those shares belong to the beneficial owner at Ordinary Shareholders' Meetings, and to the bare owner at Extraordinary Shareholders' Meetings.

Failure to comply with legal and statutory obligations concerning thresholds may be sanctioned by the removal of voting rights for those shares or rights in excess of the undeclared fraction.

Statutory distribution of earnings (Article 20 of the bylaws)

After approval of the financial statements and recognition of the existence of distributable funds in the form of earnings for the financial year less prior losses plus, if applicable, any profit carried forward, the Shareholders' Meeting shall distribute them as follows:

- sums to be transferred to reserves pursuant to legal requirements;
- all or part of the profit available for distribution may be transferred by the Shareholders' Meeting to any discretionary, ordinary or extraordinary reserves or carried forward, as deemed appropriate;
- any remaining balance shall be distributed among all shares in proportion to their unredeemed paid-up value, it being stipulated that for a period of two years starting from the reverse split operation on the Company's shares pursuant to the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 16, 2006, shares which have been subject to the reverse split shall be entitled to an amount ten times greater than the amount to which shares which have not been subject to the reverse split shall be entitled.

The Shareholders' Meeting may distribute all or part of the discretionary reserves in the form of a full or partial dividend or as a special dividend. In this case, the resolution shall expressly indicate the sums to be deducted from each line item of reserves.

Each share entitles its holder to a share (in direct proportion to the number and par value of the existing shares) in the corporate assets, profits or liquidating dividend.

The Company's bylaws also stipulate that profits available for distribution can be allocated to one or more optional or statutory reserves or distributed as dividends, as determined by the Shareholders' Meeting.

Dividends may also be distributed from optional or statutory reserves, subject to approval by the shareholders and certain limitations, either as an addition to an annual dividend distribution or as a special dividend.

The payment of dividends is decided by the Shareholders' Meeting at which the annual accounts are approved following the recommendation of the Board of Directors. If there are distributable profits (as shown on the interim balance sheet audited by the Statutory Auditors), the Board of Directors has the authority, subject to applicable French law and regulations, without prior shareholder approval, to distribute interim dividends.

Dividends are distributable to shareholders in proportion to their respective holdings of ordinary shares. Dividends are payable to holders of ordinary shares outstanding on the date of the Shareholders' Meeting approving the distribution of dividends or, in the case of interim dividends, on the date of the meeting of the Board of Directors approving the distribution of interim dividends. The actual dividend payment date and the terms of payment are determined by the Shareholders' Meeting approving the declaration of the dividends or by the Board of Directors in case of distribution of interim dividends. The payment of the dividends must occur within nine months of the end of the financial year. Dividends not claimed within five years of the date of payment revert to the French government. According to the bylaws, shareholders may decide in an Ordinary Shareholders' Meeting to give each shareholder the option of receiving all or part of a dividend or interim dividend in the form of ordinary shares. The determination of the portion, if any, of the annual dividend that each shareholder will have the option to receive in ordinary shares is also made at the Ordinary Shareholders' Meeting following a recommendation by the Board of Directors.

Dividends paid to non-residents are "in principle" subject to withholding tax.

Liquidating dividend (Article 22 of the bylaws)

If the Company is liquidated, its assets remaining after payment of its debts, liquidation expenses and all of its remaining obligations will be distributed in full first to repay the nominal value of the ordinary shares, then the surplus, if any, will be distributed pro rata among the holders of ordinary shares in proportion to the nominal value of their shareholdings and subject to any special rights granted to holders of preferred shares, if any.

Redemption of shares

Under French law, the Board of Directors is entitled to redeem a set number of shares as authorized by the Extraordinary Shareholders' Meeting for the purpose of a capital reduction not motivated by losses. In the case of such an authorization, the shares redeemed must be cancelled within one month after the end of the offer to purchase such shares from shareholders.

The Company may also acquire its own shares without having to cancel them:

- redemption with the aim of allocating them to employees or Company officers (Article L. 225-208 of the French Commercial Code);
- redemption as part of a share buyback program (Article L. 225-209 of the French Commercial Code).

Liability for further capital calls

Shareholders are liable for corporate liabilities only up to their contributions.

Share buy-back or conversion clause

The bylaws do not contain any share buy-back or conversion clauses.

Pre-emptive subscription rights for securities of the same class

Under current French regulations, and in particular Article L. 225-132 of the French Commercial Code, any cash capital increase gives shareholders a pre-emptive right to subscribe to new shares proportionate to the amount of shares owned.

The Shareholders' Meeting which decides or authorizes a capital increase may, under Article L. 225-135 of the French Commercial Code, eliminate the pre-emptive subscription right for the entire capital increase or for one or more tranches of said increase and may or may not allow a priority subscription period for shareholders. When the issue is carried out through a public offering or through an offer referred to in Article L. 411-2, II of the French Monetary and Financial Code without pre-emptive subscription rights, the issue price must be set according to Article L. 225-136 of the French Commercial Code.

In addition, the Shareholders' Meeting which decides on a capital increase may reserve it for named persons or categories of persons corresponding to specific characteristics, in application of Article L. 225-138 of the French Commercial Code.

The Shareholders' Meeting may also reserve it for shareholders of another company that is the target of a public exchange offer initiated by the Company pursuant to Article L. 225-148 of the French Commercial Code or for certain persons in the context of contributions in kind in application of Article L. 225-147 of the French Commercial Code.

Jointly owned shares

Subject to legal provisions concerning shareholders' voting rights in General Meetings and their right to information, shares are not divisible with regard to the Company. This means that joint co-owners must be represented by one of said co-owners or by a single agent, appointed by the Court in the event of a dispute.

5.1.4. ACTIONS REQUIRED TO MODIFY SHAREHOLDERS' RIGHTS

Shareholders' rights are set forth in the Company bylaws. Under Article L. 225-96 Paragraph 1 of the French Commercial Code, amendments to the bylaws must be approved by the Extraordinary Shareholders' Meeting by a two-thirds majority of the shareholders present or represented.

Attendance and voting at Shareholders' Meetings

Under French law, there are two types of Shareholders' Meetings: ordinary and extraordinary.

Ordinary Shareholders' Meetings are required for matters such as the election, replacement and removal of directors, the appointment of Statutory Auditors, the approval of the annual report prepared by the Board of Directors and of the annual accounts and the distribution of dividends. The Board of Directors is required to convene an annual Ordinary Shareholders' Meeting, which must be held within six months of the end of the financial year. This period may be extended by an order of the President of the competent French Commercial Court. The Company's financial year begins on the first day of January of each calendar year and ends on the last day of December of that year.

Extraordinary Shareholders' Meetings are required for approval of matters such as amendments to the Company's bylaws, changes to shareholders' rights, approval of mergers, increases or decreases in share capital, the creation of a new class of shares and authorization to issue securities giving access to capital, by conversion, exchange or otherwise. In particular, shareholder approval will be required for any merger in which the Company is not the surviving entity or in which it is the surviving entity but which would involve issuing a portion of our share capital to shareholders of the acquired entity.

Special Meetings of Shareholders of a certain class of shares (such as shares with double voting rights or preferred shares) are required for any changes to the rights associated with said class of shares. The resolution of the Shareholders' Meeting affecting these rights is effective only after approval by the relevant Special Meeting.

Other Ordinary or Extraordinary Meetings may be convened at any time during the year. Shareholders' Meetings may be convened by the Board of Directors or, if the Board of Directors fails to call such a meeting, by the Statutory Auditors, liquidators in bankruptcy cases, shareholders owning the majority of the ordinary shares or voting rights after having launched a public takeover bid or by an agent appointed by a court.

The court may be requested to appoint an agent either by shareholder(s) holding at least 5% of the share capital, or a duly authorized association of shareholders holding their ordinary shares in registered form for at least two years and jointly owning a certain percentage of voting rights (computed on the basis of a formula related to capitalization which on the basis of the Company's outstanding share capital as at December 31, 2016, would represent approximately 1% of voting rights) or by any interested party, including the Works' Council in urgent situations.

The notice calling such meetings must include the agenda for the meeting called.

At least 15 days before the date set for any Shareholders' Meeting on first call, and at least ten days before any second call, notice of the meeting must be sent by mail to holders of ordinary shares who have held said ordinary shares in registered form for at least one month prior to the notice date.

Such notice can be given by e-mail to holders of ordinary shares in registered form who have accepted in writing this method of convocation.

For all other holders of ordinary shares notice of the meeting is given via publication in a journal authorized to publish legal announcements in the country in which the Company is registered and in the *Bulletin des annonces légales obligatoires* (BALO) with prior notice given to the AMF.

At least 35 days prior to the date set for any Ordinary or Extraordinary Shareholders' Meeting, a preliminary written notice containing, among other things, the agenda and a draft of the resolutions to be considered, must also be published in the BALO.

The AMF also recommends publishing the preliminary written notice in a French national newspaper.

One or several shareholder(s), holding a certain percentage of SCOR's voting rights (computed on the basis of a formula related to capitalization which, on the basis of outstanding share capital as at December 31, 2016, would represent approximately 0.5% of voting rights), the Works' Council or a duly authorized association of shareholders holding ordinary shares in registered form for at least two years and holding together a certain percentage of the voting rights (calculated on the basis of a formula relating to capitalization which on the basis of the outstanding share capital as at December 31, 2016, would represent approximately 1% of SCOR SE's voting rights) may, within 10 days of such publication, propose resolutions to be submitted for approval by the shareholders at the meeting.

Attendance and exercise of voting rights at Ordinary Shareholders' Meetings and Extraordinary Shareholders' Meetings are subject to certain conditions. In accordance with French law and Company bylaws, the right to participate in Shareholders' Meetings is subject to registration of shares in the shareholder's name or in the name of the approved intermediary acting on his or her behalf, by T-0 (Paris time) on the second trading day prior to the Shareholders' Meeting, either in the nominative share registers held on the Company's behalf by the Company's agent or in the bearer share accounts held by an authorized intermediary.

The registration of shares in the bearer share accounts held by the authorized financial intermediary shall be demonstrated by a certificate issued by the latter, which must be attached to the remote voting form, to the proxy voting form, or to the request for an entry card completed in the shareholder's name or on behalf of the shareholder represented by an authorized intermediary.

A certificate shall also be issued to any shareholder wishing to take part in person in the Shareholders' Meeting and who has not received his or her entry card by T-0 (Paris time) on the second trading day preceding the Shareholders' Meeting.

Each ordinary share confers on the shareholder one voting right. There is no provision in the bylaws for double or multiple voting rights for the Company's shareholders. Under French company law, ordinary shares held by entities controlled directly or indirectly by the Company are not entitled to any voting rights.

Proxies may be granted by a shareholder or, under certain conditions, by his/her intermediary, to his or her spouse, another shareholder, or by sending a proxy in blank to the Company without appointing a representative. In the latter case, the Chairman of the Shareholders' Meeting will vote the ordinary shares covered by blank proxies in favor of all resolutions proposed or approved by the Board of Directors and against all others.

Voting by correspondence is also allowed under French company law. Forms for voting by mail or proxy must be addressed to the Company, either by regular mail or, pursuant to a decision of the Board of Directors, in electronic format. Mail voting forms must be sent to the Company within the period prior to the meeting as established by the Board of Directors. This period may not exceed three days before the meeting date. Proxy forms must be received by the Company no later than 3 p.m. (Paris time) on the day prior to the meeting.

The Board of Directors can also decide to allow the shareholders to participate in and vote at any Shareholders' Meeting by videoconference or by any means of telecommunication that allows them to be identified and in compliance with the conditions set by applicable regulations.

The presence in person (including those voting by correspondence) or by shareholder proxy holding not less than one-fifth (in the case of an Ordinary Shareholders' Meeting or an Extraordinary Shareholders' Meeting where an increase in our share capital is proposed through incorporation of reserves, profits or share premium) or one-fourth (in the case of any other Extraordinary Shareholders' Meeting) of ordinary shares with voting rights is necessary for a quorum. If a quorum is not reached at a meeting, then the meeting is adjourned. On a second call, there is no quorum requirement in the case of an Ordinary Shareholders' Meeting or an Extraordinary Shareholders' Meeting where an increase in the Company's share capital is proposed through incorporation of reserves, profits or share premium and the presence in person (including those voting by correspondence) or by shareholder proxy holding not less than one-fifth of the ordinary shares with voting rights is necessary for a quorum in the case of any other Extraordinary Shareholders' Meeting.

At an Ordinary Shareholders' Meeting, a simple majority of the votes cast is required to pass a resolution. At an Extraordinary Shareholders' Meeting, a two-thirds majority of the votes cast is required, except for Extraordinary Shareholders' Meetings where an increase in share capital is proposed through incorporation of reserves, profits or share premiums, in which case, a simple majority is sufficient.

However, a unanimous vote is required to increase shareholders' liability.

The Shareholders' Meeting's decisions are taken by a majority (either a simple majority for Ordinary Shareholders' Meetings or a two-thirds majority for Extraordinary Shareholders' Meetings) of the votes validly cast. Abstentions by those present in person or by correspondence or represented by proxy is not deemed as a vote against the resolution submitted to a vote.

The rights of a shareholder of a particular class of the Company's capital stock, including ordinary shares, can be amended only after a Special Meeting of all shareholders of said class has taken place and the proposal to amend such rights has been approved by a two-thirds majority of shares of voters present (including those voting by correspondence) or represented by proxy. The ordinary shares constitute the only class of capital stock.

In addition to rights to certain information regarding SCOR SE, any shareholder may, between the convening of the meeting and the date of the meeting, submit to the Board of Directors written questions relating to the agenda for the meeting. The Board of Directors must respond to such questions during the meetings, subject to confidentiality concerns.

5.1.5. CONDITIONS FOR CALLING ANNUAL GENERAL MEETINGS AND EXTRAORDINARY SHAREHOLDERS' MEETINGS (ARTICLES 8 AND 19 OF THE BYLAWS)

Shareholders' Meetings shall be called and conducted in accordance with French law. They shall consist of all shareholders, regardless of the number of shares held.

Meetings are held at corporate head offices, or elsewhere as indicated in the meeting notice.

All shareholders may attend the meetings, in person or through an agent, with proof of identity and share ownership, either in the form of registration in his/her name or a certificate from an authorized intermediary designated as account holder.

Subject to the terms and conditions set forth by the legal and regulatory provisions in force, shareholders may send their proxy voting forms or remote voting forms concerning any Shareholders' Meeting either in paper format or, if approved by the Board of Directors, by an electronic means of communication. For instructions issued by shareholders via electronic means including proxy instructions or for electronic remote voting forms, the capture and electronic signature of the shareholder may be carried out directly, if applicable, on the dedicated website set up by the Company, by any reliable identification process that safeguards the link between the signature and the form as determined by the Board of Directors and in accordance with the conditions defined by the legal and regulatory provisions in force.

The deadline for the return of remote voting forms and proxies shall be determined by the Board of Directors. The deadline cannot be less than one day before the date of the Shareholders' Meeting. However, if authorized by the Board of Directors, electronic remote voting forms and instructions given by electronic means involving a proxy or a power of attorney may validly be received by the Company up until 3 p.m. (Paris time) on the eve of the Shareholders' Meeting.

The Company's Board of Directors may also determine that shareholders may participate in and vote at any Shareholders' Meeting by videoconference or by any other mode of telecommunication permitting the identification and effective participation of the shareholders, under the conditions set forth by the legal and regulatory provisions in force.

5.1.6. PROVISIONS THAT COULD DELAY, DEFER OR PREVENT A CHANGE IN CONTROL OR IN THE SHAREHOLDER STRUCTURE

Pursuant to Articles L. 322-4 and R. 322-11-1 of the French Insurance Code, any transaction allowing a person acting alone or in concert with other persons, as defined by Article L. 233-10 of the French Commercial Code, to acquire, increase, decrease or cease holding, directly or indirectly, as defined by Article L. 233-4 of the French Commercial Code, an equity stake in an insurance or reinsurance company, shall be notified by such person(s) to the ACPR prior to its completion when any one of the following conditions is met:

- the portion of voting rights or capital shares held by said person(s) exceeds or is below the tenth, fifth, third or half thresholds; or
- the Company becomes or ceases to be a subsidiary of said person(s).

When a decrease or sale of an equity stake, whether directly or indirectly, has been notified, the ACPR verifies whether this sale is likely to negatively affect the Company's reinsured clients as well as the sound and prudent management of the Company itself.

The authorization granted to the acquisition or increase of stakes, whether directly or indirectly, may be subject to the compliance with commitments made by one or several of those requesting approval.

If these commitments are not met, and without prejudice to the provisions in Article L. 233-14 of the French Commercial Code, upon request from the ACPR, the District Attorney (procureur de la République) or any shareholder, the judge shall adjourn the exercise of the voting rights of those failing to meet their commitments until the situation returns to normal.

Pursuant to Article L. 322-4-1 of the French Insurance Code, the ACPR shall also inform the European Commission, the European Insurance and Occupational Pensions Authority (EIOPA) and the supervisory authorities of the other Member States of any acquisition of a stake that may grant control of a reinsurance company to a company whose registered office is located in a State not party to the European Economic Area agreement.

Upon application by a competent EU authority, the ACPR may raise objections during a three-month period to any acquisition of a stake liable to have the consequences referred to in the previous paragraph. The three-month time limit may be extended by the EU Council's decision.

5.1.7. DISCLOSURE THRESHOLDS

French law provides that any individual or legal entity, acting alone or in concert with others, that holds, directly or indirectly, more than 5%, 10%, 15%, 20%, 25%, 30%, 33 1/3%, 50%, 66 2/3%, 90%, or 95% of the shares or the voting rights attached to the shares, or whose holding decreases below any such thresholds, must notify the Company within four trading days of crossing that threshold, of the number of shares and voting rights it holds. An individual or a legal entity must also notify the AMF within four trading days of crossing these thresholds. Any shareholder who fails to comply with these requirements will have their voting rights in excess of such thresholds suspended for a period of two years from the date notification is served and may have all or part of their voting rights suspended for up to five years by the Commercial Court at the request of the Chairman, any of the shareholders or the AMF. In addition, every shareholder who, directly or indirectly, acting alone or in concert with others, acquires ownership of shares greater than or equal to 10%, 15%, 20% or 25% of the share capital must notify the Company and the AMF of its intentions for the six months following such an acquisition. Failure to comply with this requirement will result in the suspension of the voting rights attached to the shares exceeding the applicable threshold held by the shareholder for a period of two years from the date on which notice is served and, upon a decision of the Commercial Court, part or all the shares of said shareholder may be suspended for up to five years.

In addition to the above statutory requirements, the Company's bylaws provide that any natural person or legal entity, acting alone or in concert, that comes to hold or ceases to hold, either directly or indirectly, a fraction of the share capital or of the voting rights of the Company equal to or greater than 2.5%, or 5%, or 10%, or 15%, must inform the Company by registered letter, return receipt requested, addressed to the registered office, within five trading days of the date of the crossing of such threshold, of the total number of shares and/or of securities giving access to share capital held either directly or indirectly or in concert by such natural person or legal entity. The failure to comply with this requirement is sanctioned, upon request of one or more shareholders holding at least 2.5% of our share capital, noted in the minutes of the Shareholders' Meeting, by the suspension of voting rights from all shares in excess of the non-declared fraction for any Shareholders' Meeting that may take place during a period of two years following the date notice is served.

AMF regulations generally require, subject to limited exemptions granted by the AMF, any individual or entity that acquires, alone or in concert with others, shares representing 30% or more of SCOR's share capital or voting rights, to initiate a public tender offer for all remaining outstanding securities of the Company (including, for these purposes, all ordinary shares and all securities convertible into or exchangeable for or otherwise giving access to equity securities).

5.1.8. CONDITIONS GOVERNING MODIFICATIONS TO THE SHARE CAPITAL (OTHER THAN LEGAL PROVISIONS)

Not applicable.

5.2. DESCRIPTION OF SCOR'S SHARE CAPITAL

		Changes	
Change in capital	**Stock option plans**	**Share issue price** *(in EUR)*	**Share number**
12/31/2013			
Exercise of subscription option	08/25/2004	10.90	46,534
Exercise of subscription option	09/16/2005	15.90	30,188
Exercise of subscription option	09/14/2006	18.30	34,050
Cancellation of treasury shares	N/A	N/A	777,454
Exercise of subscription option	12/14/2006	21.70	3,000
Exercise of subscription option	09/13/2007	17.58	90,000
Exercise of subscription option	09/10/2008	15.63	111,250
Exercise of subscription option	09/23/2009	14.92	152,500
Exercise of subscription option	11/25/2009	17.12	2,000
Exercise of subscription option	03/18/2010	18.40	239,200
12/31/2014			
Exercise of subscription option	09/16/2005	15.90	175,920
Exercise of subscription option	09/14/2006	18.30	141,771
Exercise of subscription option	12/14/2006	21.70	20,993
Cancellation of treasury shares	N/A	N/A	1,260,227
Exercise of subscription option	09/13/2007	17.58	234,549
Exercise of subscription option	09/10/2008	15.63	123,900
Exercise of subscription option	03/23/2009	14.92	142,320
Exercise of subscription option	11/25/2009	17.12	6,000
Exercise of subscription option	03/18/2010	18.40	169,690
Exercise of subscription option	10/12/2010	17.79	9,700
Exercise of subscription option	03/22/2011	19.71	93,500
Exercise of subscription option	09/01/2011	15.71	103,500
12/31/2015			
Exercise of subscription option	09/14/2006	18.30	193,526
Exercise of subscription option	12/14/2006	21.70	78,507
Exercise of subscription option	09/13/2007	17.58	40,739
Cancellation of treasury shares	N/A	N/A	672,638
Exercise of subscription option	05/22/2008	15.63	7,000
Exercise of subscription option	09/10/2008	15.63	38,800
Exercise of subscription option	03/23/2009	14.92	33,530
Exercise of subscription option	11/25/2009	17.12	2,000
Exercise of subscription option	03/18/2010	18.40	44,510
Exercise of subscription option	10/12/2010	17.79	500
Exercise of subscription option	03/22/2011	19.71	34,000
Exercise of subscription option	01/09/2011	15.71	2,000
Exercise of subscription option	03/23/2012	20.17	79,000
12/31/2016			

For further details, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves and to Appendix C – 5 Notes to the corporate financial statements, Note 5 – Shareholders' equity.

Share capital *(in EUR)*	Additional paid-in capital *(in EUR)*	Successive amounts of capital *(in EUR)*	Cumulative number of shares
		1,518,348,726	**192,757,911**
366,547.03	140,673.57		
237,790.04	242,199.16		
268,210.91	354,904.09		
6,123,983.62	None		
23,630.92	41,469.08		
708,927.51	873,272.49		
876,313.17	862,524.33		
1,201,238.28	1,073,604.22		
15,753.94	18,480.06		
1,884,171.77	2,517,108.23		
		1,517,825,443	**192,691,479**
1,385,716.97	1,411,411.03		
1,116,726.24	1,477,683.06		
165,361.28	290,186.82		
9,926,773.17	14,311,965.27		
1,847,535.98	2,275,835.44		
975,956.87	960,600.13		
1,121,050.70	1,001,936.74		
47,261.83	55,440.17		
1,336,643.43	1,785,652.57		
76,406.63	96,156.37		
736,496.91	1,106,388.09		
815,266.63	810,718.37		
		1,517,523,093	**192,653,095**
1,524,398.94	2,017,126.86		
618,397.46	1,085,204.44		
320,899.97	395,291.65		
5,298,350.89	11,487,016.81		
55,138.81	54,271.19		
305,626.53	300,817.47		
264,114.88	236,052.13		
15,753.94	18,480.06		
350,604.04	468,379.96		
3,938.49	4,956.51		
267,817.06	402,322.94		
15,753.94	15,666.06		
622,280.81	971,149.19		
		1,516,589,467	**192,534,569**

5.3. THIRD-PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

5.3.1. EXPERT'S REPORT

Not applicable.

5.3.2. INFORMATION FROM THIRD PARTIES

The Company certifies that the following information in this Registration Document and received from third parties has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by said third party, no facts have been omitted, which would render the reproduced information inaccurate or misleading:

- data issued from the AM Best Special Report Reinsurance (2016 Edition) and relating to the ranking on reinsurance market participants quoted in Section 1.1.1 – Group key figures and Section 1.3.4 – Information on SCOR's competitive position;
- ratings issued by the Standard & Poor's, Fitch Ratings, AM Best and Moody's rating agencies quoted in Section 1.2.4 – Ratings information and Appendix A – 2 – Internal control and risk management procedures;
- 2015 Society of Actuaries (SOA) and Munich Re Life survey of U.S. life reinsurance, published in 2016, quoted in Section 1.3.5.3 – SCOR Global Life.

5.4. PUBLISHED INFORMATION

The bylaws of the Company are described in this Registration Document and can be found on the Company's website. The other legal documents relating to the Company can be consulted at the Company's registered offices pursuant to the applicable rules and regulations.

The Company's Registration Document filed with the AMF, as well as the press releases of the Company, its annual and half-year reports, its annual and consolidated financial statements as well as the information relating to the transactions upon treasury shares and to the total number of shares and voting rights can be found on the Company's website at the following address: www.scor.com.

5.5. MATERIAL CONTRACTS

Not applicable.

APPENDICES

APPENDIX A

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with the provisions of Article L. 225-37 of the French Commercial Code (*Code de commerce*), this report sets forth the composition of the Board of Directors and the implementation of the principle of gender balance among its members, the terms and conditions for the preparation and organization of the work of the Company's Board of Directors, as well as the internal control and risk management procedures that have been implemented by the Company.

This report was approved by the Board of Directors on February 21, 2017.

It has been incorporated in Appendix A of the 2016 Registration Document of SCOR SE which is available on the Company's website (www.scor.com) and on the AMF web site (www.amf-france.org).

During its meeting on December 12, 2008, the Company's Board of Directors designated the consolidated corporate governance code for listed corporations of the AFEP-MEDEF *(Association Française des Entreprises Privées – Mouvement des Entreprises de France)* of December 2008 and updated in April 2010, June 2013, November 2015 and November 2016 ("AFEP-MEDEF corporate governance code") as its reference code, in accordance with the act of July 3, 2008 (act no. 2008-649 aimed at providing various provisions regarding the adaptation of French company law to EU law, amending Articles L. 225-37 and L. 225-68 of the French Commercial Code).

Details of this code can be found on the Company's website www.scor.com or alternatively on AFEP's website www.afep.fr.

The drafting of the Chairman of the Board's report requires preparatory work involving:

- the Risk Department;
- the Finance Department;
- the Group Operations Department.

This report is subject to an internal review, including by the Group's various bodies: the Executive Committee, the Audit Committee and the Board of Directors.

1 TERMS AND CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

For information on the composition of the Board of Directors, the gender balance on the Board and the conditions of preparation and organization of the Board of Directors' work, see Section 2.1.2 – Board of Directors.

For information on the Board of Directors' Committees, see Section 2.1.3 – Board of Directors' Committees.

For information on the powers of the corporate officers and specific limitations to the powers of the Chairman and Chief Executive Officer, see Section 2.1.1 – Corporate governance principles.

For information on the corporate officers' compensation and benefits, see Section 2.2.1 – Compensation of the executive corporate officer and directors.

2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The Group has identified the following categories of risks, as described in Section 3 – Risk factors and Risk Management Mechanisms:

- strategic risks;
- underwriting risks related to the Non-Life and Life reinsurance business;
- market risks;
- credit risks;
- liquidity risks;
- operational risks.

All these risks are managed through a variety of mechanisms in SCOR's ERM (Enterprise Risk Management) Framework, further described below.

This report was prepared with the contribution of the Group Risk Management Department, the risk management departments of the operational entities, the Group Internal Audit Department, the General Secretariat and the Finance Department. It was presented to the Audit Committee on February 20, 2016 and approved by the Board of Directors of SCOR SE (the "Company") on February 21, 2016.

The Group has implemented and continued to further develop and formalize the risk management and internal control systems for several years.

The four general objectives sought through the application of a risk management system and, within it, of an internal control system are to:

1. Ensure that strategic objectives are properly implemented in the Group.
2. Ultimately achieve better operating efficiency and use of resources.
3. Ensure compliance with applicable laws and regulations.
4. Ensure reliable accounting and financial information.

The risk management system covers the following components:

1. Defining the internal environment.
2. Ensuring objectives are set.
3. Performing a risk identification.
4. Performing a risk evaluation.
5. Defining a risk response.
6. Documenting and formalizing control activities.
7. Presenting the information and communication process.
8. Ensuring monitoring of the risk management and internal control systems.

The structure of this report is based on these components corresponding to the framework implemented by SCOR:

- components 1 and 2 are addressed in the "Internal environment" and "Setting of objectives" sections;
- components 3, 4 and 5 are described in the section "Identification and assessment of risks";
- components 6, 7, and 8 are respectively addressed in the "Principal activities and participants of risk control", "Information and communication", and "internal control system monitoring" sections;
- the elements concerning accounting and financial reporting are separate and are presented in the last section.

Each component is composed of several complementary mechanisms. These mechanisms are adapted to Divisions and legal entities when appropriate. Indeed some mechanisms are only relevant at Group or Division level and are not implemented specifically at the legal entity level in line with materiality principles.

SCOR's ERM is mature and well established across the Group. Since November 2013, it has been rated "Very Strong" by Standard & Poor's. However, like any risk management and internal control system, the Group's system cannot guarantee that the risk of not achieving the internal control objectives will be eliminated. Among the various limitations inherent in the effectiveness of internal controls relating to the preparation of financial documents, those involving decision-making errors based on human judgment are particularly high in a reinsurance company: for example, the accounting data are subject to numerous estimates, primarily because of the evaluation by the reinsurer of claim reserves, either because the claims have not yet been declared to the ceding companies or the reinsurer, or because the claims development is uncertain or subject to a number of assumptions.

2.1. INTERNAL ENVIRONMENT

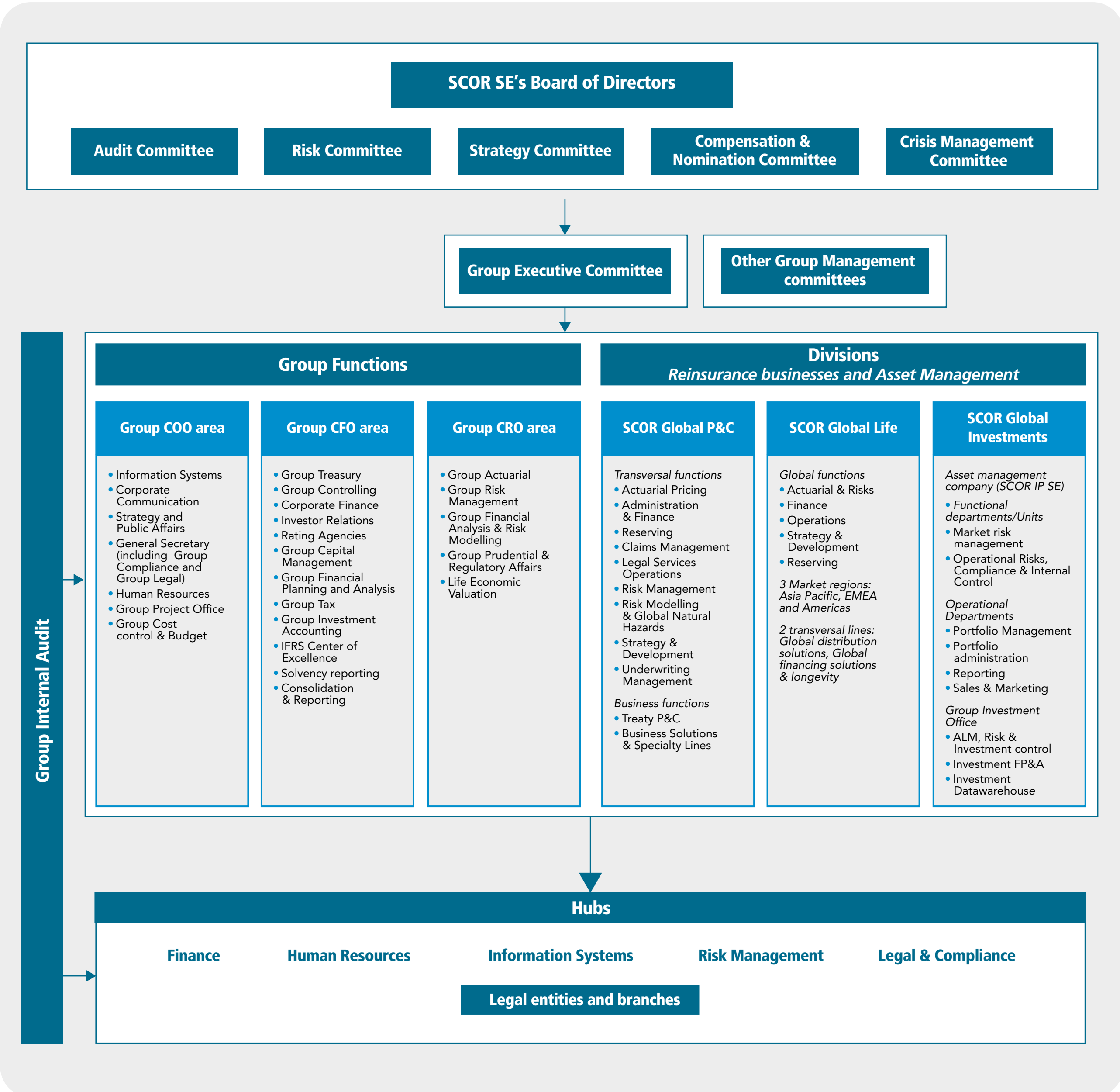
2.1.1. GENERAL ORGANIZATION OF THE GROUP

The Group is organized around three engines comprising two main reinsurance businesses and one asset-management activity: SCOR Global P&C division, SCOR Global Life and SCOR Global Investments.

The Group has set up a functional organization structured around regional management platforms, or "Hubs" in London/Paris and Zurich/Cologne for Europe, Singapore for Asia and the Americas' Hub (New York, Charlotte and Kansas City). Each subsidiary, branch and representative office has a functional link to a given Hub.

For further information on this organization, see Section 1.2.3 – Organizational structure of SCOR.

Group Internal Control System: The participants



Within this environment, control responsibilities are exercised as follows:

- SCOR SE's Board of Directors relies on several dedicated committees, including, but not limited to, the Audit Committee and the Risk Committee to exercise its control responsibility over the objectives it has set for the Company. These two committees are both chaired by independent directors;
- SCOR SE's Board of Directors, following a recommendation made by the Compensation and Nomination Committee, decided that a number independent directors of SCOR SE should be members of the Boards of some of the main subsidiaries in various countries with a view to enhancing the Group's oversight of local operations;
- the Group's Executive Committee is chaired by the Chairman and Chief Executive Officer of SCOR SE and meets on a weekly basis. The Executive Committee defines the procedures for implementing the strategy decided by the SCOR SE's Board of Directors in line with the principles set out in Group policies, approved by the Board of Directors, for its main areas of activity (e.g. investment, finance, risk management) and for certain topics, such as the underwriting plan and the allocation and management of resources. The Executive Committee also supervises the functioning of the Group and the Hubs by monitoring, on a quarterly basis, the bodies contributing to the sound administration of the Group. In addition to the Chairman and Chief Executive Officer, the Executive Committee is currently made up of:
  - the Group Chief Financial Officer (CFO),
  - the Group Chief Risk Officer (CRO),
  - the Group Chief Operating Officer (COO),
  - the SCOR Global P&C Chief Executive Officer (CEO) and his deputy,
  - the SCOR Global Life Chief Executive Officer (CEO) and his deputy,
  - the SCOR Global Investments Chief Executive Officer (CEO);
- established in 2011, the Group Risk Committee meets quarterly and is a dedicated body of the Executive Committee in charge of the monitoring of the internal control system and risk management framework. The Group Risk Committee is made up of the Executive Committee members and of one additional voting member, the Group Chief Economist. Other risk management and control functions of the divisions and the Director of the Group Internal Audit Department are regularly invited to Group Risk Committee meetings. The roles and responsibilities of the Group Risk Committee are set out in its internal charter;
- monitoring of the internal control procedures falls under the remit of the Group's Executive Management. The Group departments and functional or transversal departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investments with a control responsibility have the task of defining and controlling the implementation of rules pertaining to the areas of their responsibility and applicable to all of the Group's entities. These rules, and the participants, are described in detail in the paragraph 1.3 of this report on control activities;
- the three divisions as well as the Hubs' support departments must apply the rules defined above. They carry out all of the first-level controls related to business management and ensure compliance with regulatory, accounting and fiscal laws, at both local and Group levels;
- the Head of the Group Internal Audit Department reports directly to the Chairman and Chief Executive Officer of SCOR SE and functionally to the Chairman of the Audit Committee of the Board of Directors of SCOR SE. This positioning gives the Head of the Group Internal Audit the necessary independence and objectivity, and allows for the largest possible room for investigation. The Group Internal Audit Department checks independently the effectiveness and relevance of the governance, risk management and internal control procedures for the Group's entities following a methodical risk based approach, as promoted by the "International Standards for the Professional Practice of Internal Auditing" set out by the Institute of Internal Auditors and the Institute's Code of Ethics. The SCOR Internal Audit Charter, approved by the Audit Committee, defines the position within the organization, the role and areas of activity, the principles and main operating procedures of the Group Internal Audit Department.

2.1.2. GROUP STANDARDS AND PRACTICES

Group business standards and practices are governed by Group policies and underlying guidelines established in a common format, by the three divisions and the central functions such as the Group Internal Audit Department and the functions managed by the Group Chief Financial Officer, the Group Chief Operating Officer and the Group Chief Risk Officer respectively. Group policies are approved by the Group Executive Committee and for certain topics are submitted regularly to the relevant committees of the Board and, ultimately, to the Board of Directors of the Company. These Group policies are not intended to enumerate all the rules governing SCOR's activities in the different countries in which the Group operates, but rather to establish certain principles intended to ensure that SCOR Group companies and employees share a common understanding of the Group's standards and that they work in compliance with these standards. When approved, these documents are all made available to employees on the SCOR intranet on a dedicated page.

In 2016, a number of Group policies were reviewed for accuracy, completeness and reliability.

To promote the latest Group policies in force and other business-related legal and compliance requirements (e.g. anti-fraud, anti-bribery, anti-money laundering, sanctions compliance, anti-trust/competition law), training sessions for certain staff are scheduled and conducted both in person and via e-learning modules on an annual basis in line with an annual compliance plan.

2.1.3. ENTERPRISE RISK MANAGEMENT AND GROUP INTERNAL CONTROL APPROACH

The main tasks of the Group Risk Management Department (GRM) are to further develop the Enterprise Risk Management framework and to promote an ERM culture within the Group so that risks are managed consistently within each department.

The Group Risk Management Department is supported in these tasks by the departments in charge of risk management at SCOR Global P&C, SCOR Global Life and SCOR Global Investments. In addition, the Hub risk managers are involved in promoting a risk aware culture and implementing the appropriate measures at a local level. Compliance with local regulations and constraints is ensured by Hub General Counsels.

2.2. SETTING OF OBJECTIVES

For several years, SCOR has implemented and formalized three-year strategic plans. SCOR launched its three-year strategic plan (2016 to 2019), Vision in Action, in September 2016. 'Vision in Action' is largely a continuation of SCOR's previous strategic plan, 'Optimal Dynamics', and although some refinements have been made, it builds on the success achieved by leveraging its proven principles and cornerstones.

- Similar to the previous strategic plan, the new plan has two equally weighted objectives: a return on equity (ROE) equal to or greater than 800 basis points above the 5-year risk-free rate over the cycle[1]; and
- a solvency ratio in the optimal 185% – 220% range[2].

The strategic plans set the Group risk appetite framework, from which the Group's strategy stems.

The Executive Committee defines the procedures for implementing the strategy and ensures the consistency of the operational plans or policies (e.g. underwriting, finance, retrocession, information technology) with the strategic plan. The Executive Committee also ensures that there is an optimal risk-based allocation of capital and diversification. Under the responsibility of the Group Chief Risk Officer, the Capital Shield Strategy sets risk limits to ensure a protection of the Group's capital in line with the strategic plan's objectives. The Capital Shield Strategy is approved and monitored by the Group Risk Committee and the Board Risk Committee.

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

2.3. IDENTIFICATION AND ASSESSMENT OF RISKS

Several processes and tools for identifying and assessing risks have been implemented to approach risk from different angles and to deal with them in an exhaustive manner. These include:

- a risk information process: every quarter, the Group Risk Committee reviews the "Group Risk Dashboard" which describes and assesses the major risks the Group is exposed to. This report assembles various risk assessments from different identification and assessment processes for all risk categories;
- a process for the monitoring of risk exposures compared to risk tolerances, i.e. the limits established in order to ensure that the Group's risk profile remains aligned with the risk level validated by SCOR SE's Board of Directors. The Group uses various risk measures to define these exposures, which are measured based on either model outputs and/or expert opinions, depending on the technical constraints and the level of information available. This includes:
  - the "risk driver" system enables the Group to manage the annual aggregate exposure to each major risk. The objective is to avoid overconcentration of risk and hence maximize diversification benefits. For the majority of SCOR's risk drivers, the amount of post-tax retained annual exposure per main risk driver (with a probability of 1 in 200 years) is limited to a percentage of the Group's available capital. Other risk drivers have limits expressed in terms of reduction in the Group's solvency ratio or duration for invested assets,
  - an "extreme scenario" system designed to avoid the Group's over-exposure to one single event. The amount of post-tax retained exposure to each defined extreme scenario (with a probability of 1 in 200 years) is limited to 10% of available capital,
  - sub-limits for invested assets,
  - limits per risk are set in the underwriting and investment guidelines;
- a "footprint scenarios" process: this process aims to review and assess the potential impact on the Group of selected deterministic scenarios. This process provides an alternative perspective on the Group's exposures. Working groups dedicated to specific subjects are composed of experts across the Group, and coordinated by the Group Risk Management Department with the support of the divisional Chief Risk Officers. These groups perform quantitative studies which are summarized in specific reports;
- an Emerging Risks process: This process is part of SCOR's ERM Framework and is linked to other risk management processes such as the "footprint scenarios" process. The process, governance, roles and responsibilities are set out in dedicated guidelines and reviewed on an annual basis. Emerging risks within SCOR are overseen by an ad-hoc Committee composed of the CROs of the operating divisions and the Head of Group Risk Management. The individual risk assessments are carried out by a dedicated team of experts from SCOR Global P&C, SCOR Global Life and the Group functions. Critical emerging risks are reported to SCOR's Executive Management. SCOR, as a member of the CRO Forum, also actively participates and contributes to the CRO Forum Emerging Risks Initiative alongside other major insurers and reinsurers.

  Potential physical and transition climate change risks are monitored amongst other risks through this mechanism whilst the Group is gradually implementing "low carbon" initiatives as described in the Appendix D of the Registration Document. The scientific consensus is that a continued rise in global warming could account for an increasingly large share of natural catastrophe losses although the timing and severity of physical effects which may impact underwriting activities are difficult to estimate. As an institutional investor, the asset portfolio may also be exposed to potential physical and transition risk under different timeframe;
- the ORSA (Own Risk Solvency Assessment), which provides the Group's Board and those of the legal entities, the Group Executive Committee and senior management of legal entities with forward-looking information on SCOR's risks and capital position;

1 Based on a 5-year rolling average of 5-year risk-free rates.
2 This solvency target is unchanged from that under the previous strategic plan, Optimal Dynamics.

- the internal model, which is deeply embedded in SCOR's risk management system and contributes to the assessment of risks. SCOR uses its internal model for determining economic capital. Its results are used to implement SCOR's underwriting and asset management policies and guidelines.

Where relevant, the analyses from these processes are reported to the Group Risk Committee and to the Risk Committee of SCOR SE's Board of Directors (the "Board Risk Committee") and to the Board of Directors on a regular basis.

2.4. PRINCIPAL ACTIVITIES AND PARTICIPANTS OF RISK CONTROL

Because of its activities, SCOR is exposed to many risks: reinsurance related risks, market risks and other risks (e.g. liquidity, rating). These risks are detailed in Section 3 – Risk factors and Risk Management Mechanisms of the Registration Document. These activities rely on the control mechanisms including adequate reporting mechanisms to the main governance bodies throughout the Group (see paragraph 1.1).

This report does not detail these risks, but aims to summarize the principal activities and participants of risk control for the following important areas:

- Group functions;
- activities related to reinsurance;
- asset management;
- accounting management.

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

2.4.1. GROUP FUNCTIONS

The Group's functions are organized in three departments led by the Chief Operating Officer, Chief Financial Officer and Chief Risk Officers respectively. The operations area comprises information technology, human resources and other general service functions at Group level such as strategy and internal or corporate communications. The finance area comprises Treasury, Budget and Forecasting and other functions relating to consolidation, reporting, accounting, financial communications and tax issues. The risk management area comprises the actuarial function, the risk management function, various risk and actuarial modelling teams and is responsible for the Group's prudential and regulatory affairs department. Further information is presented below, excluding the financial reporting and financial communication functions dealt with in Sections 2.5 and 2.7 hereafter.

Operations

- Control of the Group information system is overseen by the Group IT Department at two complementary levels: specific IT processes and business processes all covered by IT solutions. For specific IT processes, a special unit of the Group IT Department deals with all issues of information system security.

  Periodic audits of information security applications and procedures are conducted. For a number of years, SCOR has been improving its control procedures based on the COBIT (Control objectives for information and technology) guidelines covering the risks listed in its major processes, in particular relating to the development, advancement and use of all solutions, and access to systems and databases. The IT continuity plan has been strongly reinforced with regards to the private cloud of the Group, which hosts all production applications and processes and ensures a systematic replication of all databases to a second remote site. In addition, employees can be temporarily moved to any other Group Hub office, or even work from home with their laptop or personal computer.
- The General Secretariat contributes to the management of the following functions:
  - legal and functional governance of the Group;
  - compliance, alongside the Group Chief Compliance Officer reporting to the General Secretariat (special attention is given to anti-trust/competition law, anti-money laundering and terrorism financing, sanctions and embargoes, anti-bribery, anti-fraud, data protection and privacy, insider trading and conflicts of interest);
  - management of the regulatory supervision of the Group and coordination at legal entity level with the relevant legal departments;
  - the Group's insurance policies, in particular with respect to D&O and professional liability.

  Within the General Secretariat, the Group Legal Department exercises a control function in areas such as the entry into agreements and the supervision of major disputes. This department is also involved where relevant in the aforementioned control with regards to underwriting of reinsurance business. It also monitors compliance with the Group's filing obligations, including toward the AMF and the Six Swiss Exchange (SWX).
- The Group Project Office monitors the Group project portfolio and defines standard project methodology. It regularly provides reports to the management detailing key indicators and recommendations on the project portfolio for effective management. On the Executive Committee's request, it can also manage strategic projects.
- The budgetary control system for general expenses is organized and managed by the Group Cost Control and Budget Department.

Finance

- The Group Treasury Department manages the Group's operating cash flow, directly or indirectly and prepares a weekly centralized report of the Group's cash situation.
- The Group Financial Planning & Analysis Department establishes an annual financial plan for the Group by company and monitors actual data in relation to this plan on a quarterly basis. The purpose of the plan is to enable effective management and control of the business to achieve the strategic targets set by the Group. Detailed annual financial plans are developed by the business engines at a company level, by geographic market and line of business, and incorporated into a Group-wide plan against which an in-depth analysis of the actual quarterly results is conducted. The results and analyses are presented to the Executive Committee every quarter, highlighting variations compared with expectations to allow identification of appropriate management actions. The plan, and the quarterly results against the plan, are additionally reported in detail to the Board.
- The Group tax function sets the Group tax policy with the purpose of ensuring that the various entities of SCOR meet their tax obligations and promote the use of best practices in this domain.
- The IFRS Center of Excellence (IFRS CoE) determines IFRS accounting policies and handles the accounting of complex transactions.
- The Consolidation, Systems and Process and Pillar 3 Departments play a major role in both internal management reporting and external reporting, and the analysis thereof.

Risk Management

- The Group Risk Management Department's primary focus is to develop and manage ERM mechanisms, promote ERM concepts throughout the Group and perform a second-level control over reinsurance underwriting as mentioned above.
- The Prudential and Regulatory Affairs Department monitors the prudential regulations and advises the Group. It ensures the Group actively positions itself vis a vis the different jurisdictions and requirements to which it is exposed or could be exposed notably by coordinating SCOR's actions to comply with regulatory requirements for the supervision of (re)insurance companies and Groups in France and SCOR's interactions with the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and by monitoring SCOR's interactions with (re)insurance supervisors worldwide through regular contacts with the SCOR teams in charge locally. It also coordinates the Group's efforts to adapt to new major prudential regulations, such as Solvency II or ComFrame.

2.4.2. ACTIVITIES RELATED TO REINSURANCE

The operating and control procedures concerning underwriting, pricing, administration of reinsurance contracts and claims management are validated by SCOR Global P&C and SCOR Global Life and are applied to all underwriting segments of the company in question, regardless of location.

For further information on how the main underwriting risks related to the Non-Life and Life reinsurance business are managed, see Section 3.3 – Management of underwriting risks related to the Non-Life and Life reinsurance business.

2.4.3. ASSET MANAGEMENT

The Group invests in assets through its SCOR Global Investments Division composed of an asset management company regulated by the French *Autorité des marchés financiers* (SCOR Investment Partners SE) and a Group Investment Office (GIO).

Governance and principles

The Group has harmonized the principles governing the management of its assets: the Group Policy on Invested Assets defines the Group's governance in terms of asset management and the Manual of Group Investment Guidelines determines the limits for concentration risk as well as limits of exposure to different asset classes. The Manual of Group Investment Guidelines thus determines the conditions in which SCOR Global Investments will implement the Group investment policy as defined by the Group Investment Committee. These two documents are rolled out locally to ensure consistency across the Group.

Local investment guidelines complement the Group guidelines and set the rules to be applied by all internal and external asset managers on behalf of the legal entities.

The Group Investment Committee meets at least once every quarter. Its role is to define the investment strategy on a Group level and to supervise the implementation of this strategy with regard to the regulatory and contractual constraints. At local level, local investment committees supervise the implementation of the investment strategy relating to their legal entities as well as the compliance of the portfolios positioning with the local investment guidelines.

Investment strategy

The investment strategy at SCOR is risk based and the portfolio positioning is derived from the risk appetite allocated by the Group to invested assets as well as the Group risk tolerance.

The primary investment objective of SCOR is to generate recurring financial income in accordance with the risk appetite framework of the Group, and to ensure that the Group:

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

While:

- preserving the Group liquidity and level of solvency;
- protecting the capital;
- allowing the Group to operate on a day-to-day basis as well as over the long term horizon;
- in compliance with: legal entities investment regulations, risk appetites and regulatory capital requirements (level of capital and type of admissible assets), and Group and local investment guidelines.

Operational framework

As a general principle, and in compliance with local regulations, legal entities of SCOR appoint the Group to supervise and implement the investment and reinvestment of all of their invested assets. This relationship is put in place through an Investment Management Agreement ("IMA") which includes local investment guidelines.

SCOR delegates to SCOR Investment Partners the implementation of the investment strategy for its invested assets as determined by the Group Investment Committee. This relationship is put in place through a Master Investment Management Agreement ("MIMA") which includes the list of invested assets portfolios and legal entities and their respective investment guidelines. In case of local regulatory restrictions or due to the size of some investment portfolios, some legal entities may not be included in this framework. They should delegate to external asset managers the management of their invested assets through a strong selection process. When possible, SCOR Investment Partners acts as an investment advisor to these legal entities.

Reporting and risk monitoring

The Group Investment Office monitors, on an ex ante and ex post basis, the compliance of the portfolio positioning with regard to the Group risk appetite and investment guidelines. The GIO is also in charge of reporting processes related to invested assets. The GIO provides SCOR with regular reports used for the monitoring of the asset portfolios. Breaches are escalated to the Group Investment Committee as well as to the Group and Board Risk Committees. Investments falling outside of the scope of the Manual of Group Investment Guidelines are subject to special referral procedures managed by the Group Risk Management Department.

Assets owned by all Group entities are monitored in one central information system under the responsibility of SCOR Investment Partners. The information systems used by SCOR Investment Partners monitor transactions on publicly traded securities (audit trail, valuation of securities). SCOR Investment Partners controls the consistency and the completeness of the data used for the valuation of the assets.

Middle office and back office departments of SCOR Investment Partners are delegated to an external service provider since November 2014. Information systems remain those of SCOR and tools for monitoring and controlling transactions remain unchanged following this transfer of activity.

2.4.4. ACCOUNTING MANAGEMENT

See Section 2.7 – Financial reporting below.

2.5. INFORMATION AND COMMUNICATION

- Financial communication:

  The establishment and centralization of all financial information – particularly press releases, intended for the market, investors, financial analysts, and the press – are the responsibility of the Corporate Communications Department and the Investor Relations Department, which respects a formalized process. Financial information intended for rating agencies is the responsibility of the Rating Agencies Department. All of this information is ultimately controlled by General Management.

  Concerning the Registration Document, a specific process has been implemented to ensure the contribution of all relevant departments and the consistency of the information provided. A final edit is made by members of the Executive Committee.

  The Corporate Communications Department systematically and simultaneously publishes regulated information, including press releases, via a professional host included in the official list published by the AMF and on SCOR's website (www.scor.com).

- Internal communication:

  SCOR strives to make all documents deemed important available to all SCOR employees on SCOR's intranet.

  SCOR has increased the use of collaborative sites enabling it to share and retain archived documents or to collect and centralize information specific to certain subjects (e.g. emerging risks) from various sources.

  SCOR is implementing regular and dedicated ad-hoc educational programs across the Group aimed at maintaining and developing the skills of all SCOR's staff in accordance with the strategy and the objectives of the Group.

  SCOR has established reporting principles for all risk management related documents across the Group, with dedicated review processes and governance.

2.6. MONITORING OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

SCOR implements dedicated processes and tools to identify, assess and monitor its risk exposures on a regular basis. See Section 2.3 – Identification and assessment of risks.

In addition, SCOR implements dedicated risk management mechanisms in both the Life and P&C divisions in order to evaluate the appropriateness and effectiveness of controls and propose risk-management and mitigation measures. See Section 3.3 – Underwriting risks related to the Life and P&C reinsurance business for further details on these risk management mechanisms.

SCOR also operates an "Internal Control System Competence Center" (ICS-CC) which reports to the Group Risk Management Department. The core objective of this competence center is to pool the ICS expertise in order to foster a consistent ICS approach and application of ICS standards across the Group. The ICS-CC consists of experts, who are dedicated to coordinating the internal control formalization activities within the Group, its divisions and entities, and supporting the business process owners where necessary. The ICS standards are applied based on the principle of proportionality. ICS processes have been documented accordingly, focusing on those considered the most critical. The ICS documentation is being progressively deployed across the Group and regularly reviewed for continuous improvement.

The approach used to develop and maintain the internal control system is specified in the ICS Group Policy. The policy sets out the reference framework and details the Group principles, the responsibilities of the different participants in internal control and the quality requirements. The principal characteristics of the internal control system are as follows:

- a risk-based approach, i.e. addressing critical operational risks that, if not controlled, could significantly impact SCOR's franchise, balance sheet or statement of income and indirectly its solvency. The optimal risk response is obtained through appropriately designed key controls at Group level, process level and IT level;
- on a process level, appointment of global process owners (GPO) at Group, SCOR Global P&C, SCOR Global Life and SCOR Global Investments levels and local process owners (LPO). The GPOs' responsibility is to document the processes, identify the related critical risks, define the appropriate key controls and to ensure their deployment and application in the various entities of the Group. The LPOs' main responsibilities are to assess processes, risks and key controls on a local level based on the defined global process and to ensure application of risk based control activities;
- monitoring, upon completion of the initial documentation, through a self-assessment procedure on the maturity (quality) of control processes based on pre-defined criteria by their owners.

In addition, and in accordance with its risk-based audit plan and through its periodic assignment, Group Internal Audit provides independent and objective assessments on the adequacy, effectiveness and efficiency of the internal control system. Any finding and risk leads to recommendations and management remediation actions followed up by the Group Internal Audit Department.

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

Furthermore, the Group Internal Audit Department must inform the Executive Committee and the Audit Committee of any unsatisfactory conditions or risks.

When the Group Internal Audit Department concludes that the management has accepted a level of risk that may be unacceptable to the organization, it must discuss the matter with the Executive Committee. If the Head of Group Internal Audit determines that the matter has not been resolved, he/she must communicate the matter to the Audit Committee.

The Group Internal Audit Department develops a multi-year internal audit plan (revised at least annually) in a risk-based manner, taking the organization's risk management framework and including risk appetite levels set by management for the different activities, or parts of the organization, into account. The expectations of senior management and the Audit Committee are considered in this process. Once reviewed and approved by the Audit Committee, it is communicated internally and summaries are published on the SCOR intranet.

The Group Internal Audit Department carries out a quarterly follow-up process to monitor and ensure that management actions agreed in the audit reports have been effectively implemented or that senior management has accepted the risk of not taking action. The follow-up results are provided to the Executive Committee and the Audit Committee.

The Audit Committee receives at least on a quarterly basis a report on the Internal Audit activities.

Furthermore, the Finance Department manages the "internal management representation letters" process, detailed in Section 2.7 on financial reporting, which also incorporates certain points relative to internal control of accounting and financial reporting.

2.7. FINANCIAL REPORTING

The accounting and finance function is the responsibility of the Chief Financial Officer, who manages all financial areas in order to have an overall view of the Group's technical and financial results.

The Chief Financial Officer does not, however, exercise direct control over all accounting information systems and relies on the accounting departments of operating companies, which provide him with quarterly consolidation packages, as well as on the accounting departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investment which assist him in coordinating aspects relative to the processes, methods and reporting.

General accounting for SCOR subsidiaries is supported by two main auxiliary accounting systems, namely (1) technical reinsurance accounting: premiums, claims, commissions, underwriting reserves, value of business acquired (VOBA), deferred acquisition costs (DAC), funds held; and (2) financial asset accounting: securities, bank accounts, investment income and expenses.

The processes described below concerning reinsurance accounting and the calculation of underwriting reserves, which are predominantly within the single technical information system (OMEGA), are applied by Group entities. A high level of control already exists in OMEGA. As part of the on-going OMEGA reengineering project, OMEGA 2.0, which was confirmed as a strategic project in July 2010 by the Board of the Group and by the Executive Committee, several improvements have already been or will be implemented to reinforce the level of control provided.

Concerning reinsurance accounting, numerous regular controls are conducted directly (automatic and systematic, or for consistency or by testing) by the technical accounting teams located in the subsidiaries using both Group tools and control reports. Quarterly inventories are also subject to specific control procedures. Finally, reinsurance technical results are analyzed quarterly by the finance departments of SCOR Global P&C and SCOR Global Life, and by the Group Chief Actuary as part of his review of the majority of reserves.

SCOR Global P&C

The calculation of underwriting reserves (including IBNR – Incurred But Not Reported) which have a significant impact on the balance sheet and income statement, is largely based on contractual and accounting data provided by ceding companies, the relevance of which is verified upstream. This calculation of underwriting reserves is subject to the following successive controls:

- by the actuaries in charge of reserves through control reports for which the proper implementation is verified by the Actuarial Department of the division and of the Group;
- by the Chief Actuary, particularly for methods, tools and results.

SCOR Global Life

The recognition and measurement of underwriting reserves (in particular mathematical reserves) and related intangible assets and related deferred acquisition costs are largely based on contractual and settlement data and subject to the following controls:

- the reinsurance treaties are either reviewed individually or are pooled within an affiliation treaty based on certain criteria defined in advance;
- the treaties are then subject to reserving estimates, which are reviewed at each quarterly closing either by the actuaries or at meetings attended by underwriters, technical assistants and actuaries.

A quarterly liability adequacy test is performed for portfolios that are subject to broadly similar risks and managed together as a single portfolio.

SCOR Global Investments

Monitoring of financial assets and cash flows is provided through various operating methods. The information systems used provide an audit trail of the transactions carried out. In certain entities, accounting activities are delegated to external service providers; controls implemented by these entities make it possible to verify the proper recording of accounting data and consistency of the figures. "Cash" reconciliations are made on a daily basis, for the most part, and security transactions are reconciled the following day (D+1) with reports from the various custodians. Portfolios managed directly are monitored in real time.

The implementation of the new information system enabling the booking, valuation and monitoring of all assets owned by Group entities has substantially improved the investment accounting model. These accounting tools have been substantially deployed throughout the Group's principal subsidiaries. The completion of this project in early 2011 improved the investment accounting organization, definition of roles, responsibilities and processes.

Accounting and consolidation process

Regarding the processes of preparation of consolidation packages and consolidation of accounting data by the Group Consolidation, Systems & Process Department, and internal control is ensured by:

- the definition by the Consolidation, Systems & Process Department of a closing process, clear responsibilities and a detailed financial statement closing schedule, which is monitored, in the closing period, on a daily basis;
- use of a market recognized consolidation software package ("SAP BFC") common to all Group entities, which ensures the whole consolidation process through automated and formalized controls;
- the use of a general accounting software tool shared by all Group entities;
- the centralized management of charts of accounts and the use of a single chart of accounts (with minimum local specificities, aligned with existing Group systems);
- a definition of responsibilities for controlling the integration of auxiliary accounting systems;
- the formalization of the reconciliations between the systems or auxiliary accounting methods with the general and consolidation accounting systems;

- at least three levels of control of the consistency and completeness of the consolidation packages, one by the entity in question, another by the finance departments of SCOR Global P&C and SCOR Global Life relative to technical accounting and the third by the Group Finance Department;
- systematic analyses of results, shareholders' equity, taxation and cash flow;
- internal monitoring of changes in legislation and accounting standards, together with the Group's external consultants and auditors;
- the work of the IFRS Center of Excellence, whose objectives are to (1) communicate developments in accounting standards to all contributors, (2) determine IFRS accounting policies and (3) coordinate justification and documentation of accounting treatment for complex operations;
- an audit performed by external auditors as at December 31, and a review as at June 30.

At the end of 2009, SCOR decided to fully review all its finance applications by launching a Group wide "one ledger" program. The main objective of this program was to simplify, through an innovative approach based around SAP, and vastly improve the accounting functions for all SCOR entities. This program includes:

- the use of a single chart of accounts (with minimum local specificities, aligned with existing source systems);
- one system for one IT solution;
- streamlined, integrated and standardized processes across the Group;
- limited and automatized mappings between systems;
- extended capabilities for Reporting (including drilldown from financial to source system data);
- enhanced audit trail.

The roll-out of this solution in all locations was finalized in 2015.

In addition, and without calling into question the implementation of internal control rules by SCOR and its managers, Executive Management requests, within the framework of the reporting and quarterly consolidation procedure, that all local managers of Group entities, as well as Senior Managers of SCOR Global P&C, of SCOR Global Life and of the Group Finance Department for certain Group functions such as tax and consolidation, prepare a specific quarterly statement for the Chairman and Chief Executive Officer, and for the Group Chief Financial Officer in internal management representation letters as to the reliability and fair presentation of the financial statements of the entities they manage and the effectiveness of the internal controls. Management of the SCOR Global P&C and SCOR Global Life divisions review the individual entity level internal representation letters and submit a divisional letter. The results of all internal management representation letters are analyzed and monitored by a committee including the General Secretary of SCOR, the Group General Counsel, the Group Chief Accounting Officer, and the Head of the IFRS Center of Excellence. The key points are communicated to the Group Chief Financial Officer and the Group Chief Executive Officer, and communicated to the Internal Audit Department.

2.8. CONCLUSION ON THE CONTROL PROCEDURES IMPLEMENTED

SCOR believes that its risk management and internal control systems are appropriate and adapted to its activities and is engaged in an ongoing process to improve its internal control standards and their implementation. In 2016, the Group continued its efforts on compliance issues as briefly summarized in this report by releasing new Group policies, and by improving existing policies to align them with the Group's developments.

3 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF SCOR SE

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of SCOR SE and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)*. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Paris-La Défense, February 21, 2017

The Statutory Auditors

MAZARS		ERNST & YOUNG Audit
Jean-Claude PAULY	Guillaume WADOUX	Guillaume FONTAINE

APPENDIX B

PERSON RESPONSIBLE FOR THE ANNUAL REPORT

1 NAME AND TITLE OF PERSON RESPONSIBLE

Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer of SCOR SE.

2 DECLARATION BY THE PERSON RESPONSIBLE

- I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.
- I confirm that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the net income or loss of the Company and of all businesses and firms included within the scope of the consolidated group, and that the management report, mentioned in Appendix F, accurately reflects the evolution of the business, the results and the financial position of the Company and of all businesses and firms included within the scope of the consolidated group, and describes the main risks and contingencies which they are faced with.
- I have obtained an audit completion letter from the Statutory Auditors, in which they indicate that they have verified the information concerning the financial situation and the accounts provided in this Registration Document, and have read the entire Registration Document.

Chairman of the Board of Directors
and Chief Executive Officer (CEO)

Denis Kessler

APPENDIX C

UNCONSOLIDATED CORPORATE FINANCIAL STATEMENTS OF SCOR SE

Pursuant to Article 28 of Regulation (EC) No. 809/2004 of the European Commission, the following information is included by reference in this Registration Document:

(i) the corporate financial statements for the year ended December 31, 2015 and the Statutory Auditors' report pertaining thereto published on pages 262 to 291 and 292 to 293, respectively, of the Registration Document filed with the AMF on March 4, 2016 under number D. 16-0108 and from pages 249 to 278 and from pages 279 to 280, respectively, of the free translation into English of the Registration Document filed with the AMF with such translation being available on SCOR's website www.scor.com;

(ii) the corporate financial statements for the year ended December 31, 2014 and the Statutory Auditors' report pertaining thereto published on pages 325 to 357 and 358 to 359, respectively, of the Registration Document filed with the AMF on March 20, 2015 under number D. 15-0181 and from pages 314 to 344 and from pages 345 to 346, respectively, of the free translation into English of the Registration Document filed with the AMF with such translation being available on SCOR's website www.scor.com.

SCOR SE's corporate financial statements for the financial year ended December 31, 2016 are presented below:

1 SIGNIFICANT EVENTS OF THE YEAR

"Significant events of the year" are an integral part of the notes to the corporate financial statements.

In 2016, SCOR SE carried out the following significant transactions:

Dividends received

During 2016, SCOR SE received EUR 550 million in dividends: EUR 277 million from SCOR Global P&C SE, EUR 200 million from SCOR Global Life SE, EUR 13 million from SCOR Auber SAS, EUR 21 million from SCOR Holding Switzerland AG, EUR 3 million from MRM SA, EUR 2 million from SCOR Investment Partners SE and USD 36 million from SCOR US (EUR 33 million).

Dividend payment

On May 2, 2016, SCOR SE paid a EUR 278 million dividend to its shareholders.

Issuance of EUR 500 million in dated subordinated notes

On May 27, 2016, SCOR SE issued EUR 500 million in dated subordinated notes, redeemable as at interest payment dates from May 27, 2028. The coupon was set at 3.625% (until May 27, 2028), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.90%.

Redemption of the outstanding amount of the EUR 350 million subordinated bonds

On July 28, 2016, SCOR SE fully redeemed the remaining balance of EUR 257 million of the subordinated bonds that were issued on July 2006 for an initial amount of EUR 350 million.

Redemption of the outstanding amount of the CHF 650 million undated subordinated note

On August 2, 2016, SCOR SE completed the call of the entire balance of its CHF 650 million perpetual subordinated notes placed in February and June 2011 in two tranches of CHF 400 million and CHF 250 million respectively.

The redemption of this debt was prefunded thanks to the issuance of a dated subordinated notes on the Euro market in the amount of EUR 600 million in December 2015.

Loan granted to SCOR Reinsurance Company for USD 125 million

On April 28, 2016, SCOR SE granted a USD 125 million loan to SCOR Reinsurance Company. The interest rate of 5.156% is fixed until its term on April 28, 2036.

Subordinated loan granted to SCOR Reinsurance Asia-Pacific Pte Ltd for USD 40 million

On July 29, 2016, SCOR SE granted a USD 40 million subordinated loan to SCOR Reinsurance Asia Pacific Pte Ltd. The interest rate of 4.65% is fixed until its term on July 29, 2031.

Sale of 20% of ASEFA

On September 27, 2016, SCOR SE has reduced its share in Asefa from 39,97% to 19,97% and holds options to sell the remaining share to the buyer.

Reversal of impairment of shares in affiliates

In 2016, SCOR SE fully reversed the EUR 104 million impairment of its shares in SCOR U.S. Corporation.

2 BALANCE SHEET

2.1. BALANCE SHEET – ASSETS

In EUR million		Gross balance	Depreciation, amortization and impairment	2016 Net	2015
Intangible assets	**Note 3**	**4**	**-**	**4**	**4**
Investments	**Notes 2 & 4**	**9,033**	**(5)**	**9,028**	**8,969**
Real estate investments		285	(1)	284	206
Investments in associates		7,841	(4)	7,837	7,496
Other investments		907	-	907	1,267
Cash deposited with ceding companies		-	-	-	-
Investments representing unit-linked contracts	**Note 2**	**-**	**-**	**-**	**-**
Share of retrocessionaires in underwriting reserves	**Note 4**	**616**	**-**	**616**	**473**
Reinsurance reserves (Life)		-	-	-	-
Loss reserves (Life)		-	-	-	-
Unearned premiums reserves (Non-Life)		238	-	238	174
Loss reserves (Non-Life)		378	-	378	299
Other underwriting reserves (Non-Life)		-	-	-	-
Accounts receivable	**Note 4**	**1,039**	**(14)**	**1,025**	**705**
Accounts receivable from reinsurance transactions		725	-	725	494
Other accounts receivable		314	(14)	300	211
Other assets	**Note 3**	**391**	**(41)**	**350**	**273**
Property, plant and equipment		132	(41)	91	97
Cash and cash equivalents		36	-	36	4
Treasury shares		223	-	223	172
Accrued income and deferred expenses	**Note 4**	**251**	**-**	**251**	**326**
Due and accrued interests on rental income		31	-	31	25
Deferred acquisition costs – assumed (Non-Life)		144	-	144	137
Reinsurance estimates – assumed		-	-	-	-
Other accruals		76	-	76	164
Bond redemption premiums		**-**	**-**	**-**	**-**
TOTAL		**11,334**	**(60)**	**11,274**	**10,750**

2.2. BALANCE SHEET – LIABILITIES

In EUR million		2016	2015
Shareholders' equity and reserves [(1)]	**Note 5**	**3,738**	**3,375**
Share capital		1,517	1,518
Additional paid-in capital		803	810
Revaluation reserve		-	-
Legal reserve		42	-
Other reserves		57	53
Capitalization reserve		-	3
Retained earnings		656	132
Net income for the year		647	844
Regulated reserves		16	15
Other capital base		**894**	**1,769**
Gross underwriting reserves	**Note 4**	**4,240**	**3,878**
Reinsurance reserves (Life)		398	436
Loss reserves (Life)		266	203
Unearned premiums reserves (Non-Life)		527	447
Loss reserves (Non-Life)		2,368	2,137
Other underwriting reserves (Non-Life)		681	655
Equalization reserves (Non-Life)		-	-
Underwriting reserves for unit-linked contracts			
Contingency reserves	**Note 6**	**148**	**141**
Cash deposits received from retrocessionaires	**Note 4**	**389**	**160**
Other liabilities	**Note 4**	**1,772**	**1,354**
Liabilities arising from reinsurance operations		147	208
Convertible bond issue		-	-
Amounts owed to credit institutions		-	-
Negotiable debt securities issued by the Company		-	-
Other loans, deposits and guarantees received		1,394	875
Other liabilities		231	271
Deferred income and accrued expenses	**Note 4**	**93**	**73**
Deferred commissions received from reinsurers (Non-Life)		75	63
Reinsurance estimates – Retrocession		-	-
Other accruals		18	10
TOTAL		**11,274**	**10,750**

(1) Data for financial years 2016 and 2015 are before appropriation of net income.

3 INCOME STATEMENT

In EUR million	Gross transactions	Retroceded transactions	2016 net transactions	2015 net transactions
UNDERWRITING ACCOUNT, NON LIFE				
Earned premiums	**1,481**	**(426)**	**1,055**	**1,055**
Written premiums	1,574	(498)	1,076	889
Change in unearned premiums	(93)	72	(21)	166
Allocated investment income	**300**	**-**	**300**	**399**
Other underwriting income	**222**	**-**	**222**	**216**
Claims expenses	**(894)**	**240**	**(654)**	**(609)**
Benefits and costs paid	(648)	149	(499)	(779)
Claims reserve expenses	(246)	91	(155)	170
Expenses for increasing risk reserves	**(26)**	**-**	**(26)**	**(66)**
Acquisition and administrative expenses	**(509)**	**188**	**(321)**	**(292)**
Acquisition expenses	(501)	-	(501)	(395)
Administrative expenses	(8)	-	(8)	(15)
Commissions received from reinsurers	-	188	188	118
Other underwriting expenses	**(158)**	**-**	**(158)**	**(203)**
Change in equalization reserves	**-**	**-**	**-**	**-**
Change in liquidity reserves	**-**	**-**	**-**	**-**
NON-LIFE UNDERWRITING INCOME (LOSS)	**416**	**2**	**418**	**500**

In EUR million	Gross transactions	Retroceded transactions	2016 net transactions	2015 net transactions
UNDERWRITING ACCOUNT, LIFE				
Earned premiums	**479**	**5**	**484**	**373**
Investment revenues	**60**	**-**	**60**	**80**
Investment income	52	-	52	73
Other investment income	7	-	7	6
Realized gains from investments	1	-	1	1
Unit-linked policy adjustments (capital gain)	**-**	**-**	**-**	**-**
Other underwriting income	**1**	**-**	**1**	**-**
Claims expenses	**(411)**	**5**	**(406)**	**(350)**
Benefits and costs paid	(348)	5	(343)	(324)
Claims reserve expenses	(63)	-	(63)	(26)
Expenses for Life reinsurance and other underwriting reserves	**39**	**-**	**39**	**34**
Life reinsurance reserves	39	-	39	34
Unit-linked contract reserves				
Other underwriting reserves				
Acquisition and administrative expenses	**(150)**	**-**	**(150)**	**(105)**
Acquisition expenses	(134)	-	(134)	(99)
Administrative expenses	(16)	-	(16)	(9)
Commissions received from reinsurers	-	-	-	3
Investment expenses	**(14)**	**-**	**(14)**	**(13)**
Internal and external investment management expenses and interest expenses	(10)	-	(10)	(10)
Other investment expenses	-	-	-	-
Realized losses from investments	(4)	-	(4)	(3)
Unit-linked policy adjustments (capital loss)	**-**	**-**	**-**	**-**
Other underwriting expenses	**(112)**	**-**	**(112)**	**(53)**
Change in liquidity reserve	**-**	**-**	**-**	**-**
LIFE UNDERWRITING INCOME (LOSS)	**(108)**	**10**	**(98)**	**(34)**

In EUR million	2016 net transactions	2015 net transactions
NON-UNDERWRITING ACCOUNT		
Non-Life underwriting income/(loss)	**418**	**500**
Life underwriting income/(loss)	**(98)**	**(34)**
Investment revenues	**767**	**938**
Investment income	660	860
Other investment income	103	67
Realized gains from investments	4	11
Investment expenses	**(181)**	**(155)**
Internal and external investment management expenses and interest expenses	(127)	(119)
Other investment expenses	(1)	(6)
Realized losses from investments	(53)	(30)
Gains from transferred investments	**(300)**	**(399)**
Other non-underwriting income	**1**	**-**
Other non-underwriting expenses	**-**	**-**
Non-recurring income/(loss)	**(4)**	**(5)**
Employee profit sharing	**(2)**	**(1)**
Income taxes	**46**	**-**
NET INCOME FOR THE YEAR	**647**	**844**
NET EARNINGS PER SHARE (IN EUR)	**3.36**	**4.38**

4 OFF-BALANCE SHEET COMMITMENTS

In EUR million		Related companies	Other	2016	2015
COMMITMENTS RECEIVED	**Note 15**	**6,448**	**1,177**	**7,625**	**4,614**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	523	523	1,120
Foreign currency forward purchases		215	248	463	293
Letters of credit (unused portion)		-	406	406	402
Endorsements and sureties		24	-	24	-
Parental guarantees		6,167	-	6,167	2,799
Lease		42	-	42	-
COMMITMENTS GIVEN	**Note 15**	**15,220**	**768**	**15,988**	**17,370**
Endorsements, sureties and credit guarantees given		**6**	**33**	**39**	**64**
Endorsements, sureties		6	33	39	64
Letters of credit		-	-	-	-
Investment securities and assets acquired with commitment for resale		**-**	**-**	**-**	**-**
Other commitments on investment securities, assets or revenues		**10**	**464**	**474**	**983**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	464	464	973
Underwriting commitments		-	-	-	-
Trust assets		10	-	10	10
Other commitments given		**15,204**	**271**	**15,475**	**16,323**
Securities pledged to ceding companies		-	12	12	12
Marketable securities pledged to financial institutions		-	-	-	-
Contract termination indemnities		-	-	-	2
Foreign currency forward sales		206	259	465	287
Parental guarantees		14,903	-	14,903	16,022
Lease		95	-	95	-
COLLATERAL RECEIVED FROM RETROCESSIONAIRES		**-**	**-**	**-**	**-**

Various financial institutions provide sureties for our Company in the form of letters of credit to collateralize SCOR SE's technical liabilities. The total amount that benefits to cedents, not included in the table above, is EUR 4 million in 2016 (EUR 6 million in 2015) as at the balance sheet date.

5 NOTES TO THE CORPORATE FINANCIAL STATEMENTS

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NOTE 1. ACCOUNTING POLICIES

The corporate financial statements for the year ended December 31, 2016 are presented in accordance with the accounting provisions grouped under Title IV of Book III of the Insurance Code and with the French standard-setter (*Autorité des Normes Comptables* – ANC) regulation n°2015-11 of November 26, 2015 approved by the Order of December 28, 2015, relative to the annual accounts of insurance undertakings, as amended by the ANC regulation n°2016-12 of December 12, 2016. In the absence of specific provisions in the aforementioned ANC Regulation 2015-11, the provisions of ANC Regulation n°2014-03 relating to the general accounting plan (*Plan Comptable Général* – PCG) are applicable.

NOTE 1.1. INTANGIBLE ASSETS

Intangible assets consist of:

- software acquired or created by the Company which is capitalized and amortized over a period ranging from one to five years;
- Goodwill depreciable over 10 years.

NOTE 1.2. INVESTMENTS

Investments are initially recorded at historical acquisition cost, excluding expenses. After initial recognition, investments are valued based on the asset category to which they belong and on the length of time during which they are expected to be held.

Investments in affiliates

Investments in affiliates are initially recorded at historical acquisition cost, including expenses. The fair value of investments in affiliates is an estimated value based on the usefulness of the investment to the Company and on its market value (in light of its actual share price, revalued shareholders' equity, actual results and future outlook).

For active reinsurance companies, the fair value is estimated based on consolidated net assets, excluding goodwill and before elimination of shares, plus unrealized capital gains or losses and by the Embedded Value for Life Reinsurance and forecasts of future profits for Non-Life Reinsurance, net of tax. It does not include the value of future Life Reinsurance business.

At each reporting date, if the carrying amount of an investment in affiliates is below its historical cost, an analysis is conducted in order to determine if an impairment loss should be recorded. The assumptions and outcome of this analysis, conducted as at December 31, 2016, are detailed in Note 5.2.1.

For real estate and financial (holding) companies, fair value is calculated as the share of net assets including unrealized gains, net of tax. An impairment provision is recorded on a line-by-line basis when such values are below historical cost.

Equity securities and other variable-income securities

Equity securities and other variable-income securities are recorded at cost, excluding expenses. The realizable value as at the reporting date is determined according to Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC). For listed securities, it corresponds to the share price at the reporting date. For unlisted securities, fair value is based on net assets.

When the realizable value is more than 20% lower than the initial cost for more than six consecutive months, a detailed line-by-line analysis is performed to determine whether the impairment is permanent. An impairment allowance is recorded on a line-by-line basis for securities which are considered permanently impaired.

In accordance with Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC), the difference between cost and redeemable par value of depreciable assets in the scope of Article 121-2 and followings of Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC) is amortized to income over the remaining period until maturity.

Bonds and other fixed-income securities

Bonds and other fixed-income securities are recorded at cost, excluding accrued interest. In compliance with Article 122 – 1 of Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC), the difference between cost and redeemable par value is amortized to income over the remaining period until maturity using the effective interest rate method.

No impairment is recognized for differences between net book value, as decreased or increased by the amortization of any premium or discount, and realizable value. An impairment provision is recorded only in the event of issuer default.

Other assets

An impairment provision is recorded for loans or other accounts receivable due in more than one year if the fair value is below historical cost.

Provision for liquidity risk on underwriting commitments ("Provision pour risque d'exigibilité")

A liquidity risk reserve is recorded for the possible need to liquidate assets in order to make immediate payment on major claims. This reserve is included in underwriting reserves and is recorded when the total net book value of investments assets, excluding bonds and other fixed income securities (investments valued according to Article R. 343-9 of the French Insurance Code), exceeds their fair value. Fair value corresponds to the average price calculated over the last thirty days preceding the day of the inventory or, failing that, the market price for listed shares, net asset value for unlisted shares and net realizable value for investments in subsidiaries as described in Note 5.2.1.

Based on the calculations performed, no such reserve was required or recorded in the financial statements for 2016 or 2015.

NOTE 1.3. PROPERTY, PLANT AND EQUIPMENT

Items included in this caption are recorded at their historical cost.

Equipment, furniture and fixtures are depreciated on a straight-line or sliding scale basis depending on their estimated useful lives:

Category	Useful life
Office equipment and furniture	5 to 10 years
General fixtures	10 years
Transport equipment	4 to 5 years

Deposits and security deposits relate primarily to rented facilities.

NOTE 1.4. ACCOUNTS RECEIVABLE

An allowance for bad debts relating to accounts receivable from reinsurance transactions and other receivables is recorded to the extent that recoverability is uncertain.

NOTE 1.5. RETIREMENT COMMITMENTS AND SIMILAR BENEFITS

The Company records all liabilities relating to employee benefits on its balance sheet.

- retirement indemnities: employees benefit from additional retirement benefits paid in full upon retirement. The evaluation of these indemnities depends on several factors such as age, years of service and salary;
- senior management pension obligations (Article 39): The valuation of the reserve for senior management pension obligations is based on the following actuarial assumptions:
  - discount rate: 1.38%, defined with respect to high quality long-term corporate bonds with maturities consistent with the duration of the obligations evaluated,
  - updated mortality tables for the various plans, with turnover data for managers and salary increases;
- long-term service awards: CNC Opinion 2004-05 dated March 25, 2004 requires the recognition of a provision for long-term service awards as from 2004.

In its Opinion 2008-17 dated November 6, 2008 relating to the accounting of stock options and free share allocation plans, the CNC redefined the accounting of such benefits granted to employees and the accounting for impairment of treasury shares held for such plans. In the event of delivery of existing shares, the expense should be recognized over the vesting period if the attribution of the shares is subject to the employee remaining with the Company over the vesting period. Consequently, at each period end, a provision for risk is recorded for the estimated cost (calculated as the difference between the cost to acquire the shares and nil value) to which a pro rata is applied, from the grant date, to the end of the vesting period, over the entire vesting period.

NOTE 1.6. FINANCIAL LIABILITIES

This caption includes the various subordinated or unsubordinated notes issued by the Company as described in Note 5.2.3.

Debt issuance costs are amortized over the life of the respective borrowings. Interest on financial liabilities is included in financial expenses.

NOTE 1.7. RECORDING OF REINSURANCE TRANSACTIONS

Assumed reinsurance transactions

Assumed reinsurance is recorded upon receipt of accounts transmitted by ceding companies.

Pursuant to the provisions of Article 152.1 of Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC), accounts not yet received from ceding companies at the end of the financial year are estimated, in order to better reflect SCOR's reinsurance commitments in the financial statements. This method applies to most contracts underwritten during the current financial year and to prior-year contracts where relevant.

Estimates of premiums and commissions not yet received from ceding companies at period end are recorded in the income statement with a counter entry in the balance sheet under "Accounts receivable from reinsurance transactions".

Overall, the premiums recorded for the year (premiums reported in the accounts received from cedents and estimated premiums) correspond to the estimated premium expected at the time the policy was underwritten.

Deposits with ceding companies are recorded as assets.

Estimated claims expenses are recorded in loss reserves.

Retrocession

The retroceded portion of assumed reinsurance, determined in accordance with the treaty terms, is recorded separately from the assumed reinsurance transaction.

The retrocessionaires' share in estimates of assumed premiums and commissions is shown in liabilities under "Liabilities arising from reinsurance operations".

Cash deposits received from retrocessionaires are shown within liabilities on the balance sheet.

Securities pledged as collateral by reinsurers to guarantee their commitment are presented off balance sheet at their fair value.

Finite reinsurance

Finite reinsurance treaties, as defined under Article L. 310-1-1 of the French Insurance Code, have to be accounted for under the provisions of Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC).

As at December 31, 2016, SCOR SE has not any such treaty underwritten.

NOTE 1.8. UNDERWRITING RESERVES

Non-Life business

An unearned premium reserve is calculated either pro rata temporis on a contract-by-contract basis, or using a statistical method when the results do not differ significantly from the contract-by-contract method.

SCOR determines the amount of loss reserves at the end of the year at a level which covers the estimated amount of its commitments as well as estimated claims management costs for both reported and unreported claims (net of estimated recovery and subrogation). These reserves, which pertain to all claims, reported or unreported, are evaluated on the basis of their undiscounted "ultimate" cost. Ultimate claims expense for a contract is estimated based on statistical experience for similar policies.

Loss reserves, including estimated claims paid, are calculated based on expected results and supplement the information communicated by ceding companies.

Life business

The mathematical reserves for Life reinsurance are submitted by ceding companies and completed by estimates calculated by Life actuaries using statistics based on historical data and information provided by underwriters.

Additionally, estimated claims are included in the provisions for claims payable.

The Company is required to have adequate reserves to cover its commitments after consideration of estimated investment returns, mortality, morbidity and lapse rates, and other assumptions.

A provision for increasing risk is recorded for long-term care and disability business. This risk increases with the age of the insured although the premiums are typically constant. It is equal to the difference between the discounted values of the respective commitments of the insured and insurer.

NOTE 1.9. ACQUISITION COSTS OF REINSURANCE TRANSACTIONS

The costs associated with the acquisition of new Non-Life contracts, essentially commissions, are recorded as assets within the limits of contract profitability. They are amortized over the period of earned premiums. The acquisition costs of Life reinsurance operations are not usually deferred.

NOTE 1.10. TRANSACTIONS CONDUCTED IN FOREIGN CURRENCIES

Pursuant to the provisions of Article R. 341-7 of the French Insurance Code, foreign currency transactions of the Company are recorded in their original currency. For presentation purposes, balance sheet amounts are converted into Euros using the year end exchange rates or the rate of the closest prior date. SCOR applies the rules relating to the accounting of transactions in foreign currencies by entities subject to the rules of the Insurance Code as required by the CNC in its Opinion No 2002-09 dated December 12, 2002.

Balance sheet positions in foreign currencies

At each reporting date, items in foreign currencies are converted into Euros by allocating the underlying transactions as follows:

- transactions relating to assets and liabilities generating a "structural" foreign currency position, primarily investments in subsidiaries and related impairments;
- other transactions generating an "operational" foreign currency position.

Differences relating to the conversion of structural positions are recorded on the balance sheet whereas those relating to operational positions are recorded in income.

Off-balance sheet positions in foreign currencies

The foreign currency differences on off-balance sheet positions (forward financial instrument contracts) and the related accounts represent unrealized foreign currency gains or losses. These differences are recorded in the balance sheet in the accounts "Net translation adjustments" and "Regularization of forward financial instrument contracts", based on the underlying strategy.

The objective of the "Net translation adjustments" balance sheet account is to ensure symmetrical treatment with the accounting of the exchange difference generated by the underlying instrument:

- when the derivative is linked to a structural element, the "Net translation adjustments" account remains on the balance sheet until the structural element is realized;
- when the derivative relates to an investment strategy, the "Net translation adjustments" account remains on the balance sheet until the investment is made;
- when the derivative relates to an operational item, in the context of a strategic divestiture or investment, or the derivative is linked to a non-structural financial liability, the "Net translation adjustments" account is reclassified to income.

The foreign currency hedging strategy is described in Note 5.3.2.

Differences in interest on forward contracts are recorded over the effective life of the hedged operation.

NOTE 1.11. PRINCIPLES RELATING TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

Allocation of expenses by function

General expenses, previously recorded by type, are allocated to the following five functions: acquisition expenses, claims settlement expenses, administrative expenses, investment portfolio management expenses, and other underwriting expenses.

Portfolio entries/transfers

Premium portfolio entries based on the accounts of ceding companies offset the risk on accounts managed by accounting year. Non-Life premium portfolio entries represent the portion of unearned premiums paid at the start of the reinsurance contract and/or the financial year while the underlying risk (written in previous periods) relates to current or future periods. Likewise, premium portfolio withdrawals represent the portion of unearned premiums at the end of the financial year and/or of the reinsurance contract. Premium portfolio entries and withdrawals are included in the premium written and are an integral part of premium income. Life premium portfolio entries represent the portion of earned premiums paid at the start of the reinsurance contract and/or the financial year while the underlying risk (written in previous periods) relates to future events. Portfolio movements are recorded as premium and claim portfolio entries or transfers.

Life/Non-Life

In the corporate income statement of SCOR SE under French GAAP, the Non-Life segment encompasses personal accident/sickness reinsurance in accordance with Article 330-1 and followings of Statement 2015-11 dated November 26, 2015 of the French standard-setter (*Autorité des Normes Comptables* – ANC). Personal accident/sickness reinsurance is classified in the Life segment in the consolidated financial statements under IFRS.

NOTE 1.12. FINANCIAL INSTRUMENTS RECEIVED AND GIVEN

The use of and accounting for financial instruments comply with European Directive 2005/68/EC (also known as the Reinsurance Directive); with the French General Statement of Accounting Principles (*Plan Comptable Général*) of 1982; and with French Decree No. 2002-970 dated July 4, 2002, relating to the use of forward financial instruments by French insurance companies.

Such instruments may include foreign currency and interest rate swaps; caps and floors; forward currency contracts; puts and calls on equity securities and other rate options.

Income and losses in the form of premiums or interest are recorded on a pro rata basis over the life of the contract. Commitments given and received recorded at the reporting date reflect the nominal amount of ongoing transactions.

In case of unrealized loss positions on swaps not defined as a hedging strategy, a provision for loss risks on swaps is recognized.

> ANALYSIS OF KEY BALANCE SHEET ITEMS

NOTE 2. INVESTMENTS

Changes in investments

GROSS BALANCES

In EUR million	Opening balances	Impact of foreign exchange on opening balances	Acquisitions creations	Disposals	Closing balances
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Shares in and advances to land and real estate companies	207	-	78	-	285
Investments in affiliates	3,917	-	5	10	3,912
Cash deposited with ceding companies (related and associated companies)	1,653	4	101	41	1,717
Loans (related and associated companies)	2,039	1	568	396	2,212
Other investments	1,269	(25)	2,130	2,467	907
Cash deposited with other ceding companies	-	-	-	-	-
TOTAL	**9,085**	**(20)**	**2,882**	**2,914**	**9,033**

DEPRECIATION AND IMPAIRMENT

In EUR million	Opening balances	Impact of foreign exchange on opening balances	Increases in allowances for the financial year	Reversals during the financial year	Closing balances
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Shares in and advances to land and real estate companies	1	-	-	-	1
Investments in affiliates	113	-	-	109	4
Loans (related and associated companies)	-	-	-	-	-
Other investments	2	-	-	2	-
TOTAL	**116**	**-**	**-**	**111**	**5**

Shares in and advances to land and real estate companies

The EUR 78 million increase is driven by the reclassification of SCOR SE's cash advance to OPCI SCOR Properties II, created in December 2015, from "Other investments" to "Shares in and advances to land and real estate companies".

Investments in affiliates

On September 27, 2016, SCOR SE has reduced its share in Asefa from 39,97% to 19,97% and holds options to sell the remaining share to the buyer.

At December 31, 2016, provisions against such investments can be analyzed as follows:

- SCOR US Corporation: EUR 0 million in 2016 compared to EUR 104 million in 2015.

  The valuation of SCOR US shares was performed using the following methodology and assumptions:

  The evaluation of enterprise value was carried out on the basis of the Net Asset Value, added to the creation of future value as determined by the discounted cash flow (DCF) method.

  For the DCF method, evaluations were made on the basis of projections of 5 year provisional results. The first three years are based on the assumptions from the Vision in Action strategic plan and the last two are extrapolated using a conservative approach based on past experience;

  These projections have been updated starting from risk-free rates (5-year maturity) provided by EIOPA for the last 5 years, weighted by the values of currency in actuarial liabilities for each investment, as well as SCOR's estimated cost of capital.
- ASEFA: EUR 1 million in 2016 (EUR 6 million in 2015);
- SGF: EUR 3 million in 2016 (3 million in 2015).

Cash deposited with ceding companies

At December 31, 2016, cash deposited with ceding companies breaks down as follows:

- SCOR Global Life SE: EUR 1,324 million compared to EUR 1,234 million in 2015;
- SCOR Global Life SE Milan: EUR 312 million compared to EUR 348 million in 2015;
- SCOR Global Life SE Madrid: EUR 29 million compared to EUR 25 million in 2015;
- SCOR South Africa: EUR 50 million compared to EUR 15 million in 2015;
- SCOR Perestrakhovaniye.O.O.O: EUR 2 million compared to EUR 6 million in 2015.

Loans

On April 28, 2016, SCOR SE granted a USD 125 million loan (EUR 117 million) to SCOR Reinsurance Company. On January 15, 2016, SCOR SE granted a EUR 22 million loan to SCI Noratlas, an affiliate of MRM.

On July 29, 2016, SCOR SE granted a USD 40 million subordinated loan (EUR 37 million) to SCOR Reinsurance Asia Pacific Pte Ltd.

The EUR 400 million cash advance to SCOR Global P&C SE was increased by EUR 151 million and was partly reimbursed for EUR 250 million.

On November 10, 2016, SCOR SE granted a EUR 100 million cash advance to SCOR Global Life SE.

The cash advance to SCOR GIE Informatique increased by EUR 60 million and was partly reimbursed for EUR 39 million.

During the year, the cash advance with SCOR Auber SAS increased by EUR 47 million and was partly reimbursed for EUR 100 million.

SCOR SE granted a EUR 15 million cash advance to OPCI SCOR Properties.

On September 23, 2016, SCOR SE granted a USD 14 million (EUR 13 million) cash advance to SCOR Reinsurance Asia-Pacific Pte Ltd.

During the year, the cash advance with SCOR Capital Partners SAS increased by EUR 6 million and was completely reimbursed.

Other investments

During the year, the change in other investments was mainly due to the EUR (819) million net decrease in fixed deposits and the EUR (34) million net decrease in quoted and unquoted shares together with the EUR 110 million net increase in mutual funds and the EUR 487 million net increase in bonds.

The EUR 78 million cash advance to OPCI SCOR Properties II was reclassified to "Shares in and advances to land and real estate companies".

Schedule of investments

In EUR million	Gross value	Net book value	Realizable value	Unrealized gains and losses
1 – Real estate investments and real estate investments in process	285	284	330	45
2 – Shares and other variable-income securities (other than mutual fund units)	3,916	3,912	6,906	2,995
3 – Mutual funds units (other than those in 4)	3	3	3	-
4 – Mutual fund units exclusively invested in fixed-income securities	247	247	247	-
5 – Bonds and other fixed-income securities	572	572	568	(4)
6 – Mortgage loans	-	-	-	-
7 – Other loans and similar bills	2,212	2,212	2,212	-
8 – Deposits with ceding companies	1,717	1,717	1,717	-
9 – Cash deposits (other than those in 8) and security deposits	81	81	81	-
10 – Unit-linked investments	-	-	-	-
Sub-total	**9,033**	**9,028**	**12,064**	**3,036**
11 – Other forward instruments	-	-	-	-
• Investment or divestment strategy	-	-	-	-
• Anticipation of investment	-	-	-	-
• Yield strategy	-	-	-	-
• Other transactions	59	58	58	-
• Amortization premium/discount	(1)	(1)	-	1
12 – Total lines 1 to 11	**9,091**	**9,085**	**12,122**	**3,037**
a) including:	-	-	-	-
• investments valued according to Article R. 343-9	572	572	568	(4)
• investments valued according to Article R. 343-10	8,461	8,455	11,496	3,041
• investments valued according to Article R. 343-13	-	-	-	-
• Forward instruments	58	58	58	-
b) including:	-	-	-	-
• investments and forward instruments issued in OECD countries	8,320	8,314	11,330	3,016
• investments and forward instruments issued in non-OECD countries	771	771	792	21

Subsidiaries and affiliates

Investments in affiliates

On September 27, 2016, SCOR SE has reduced its share in Asefa from 39,97% to 19,97% and holds options to sell the remaining share to the buyer.

Loans and advances to subsidiaries

As of December 31, 2016, loans and advances granted by SCOR SE to its subsidiaries amounted to EUR 2,211 million, breaking down as follows:

- EUR 832 million with SCOR Global Life SE;
- EUR 701 million with SCOR Global P&C SE;
- USD 250 million (EUR 233 million) with SCOR Reinsurance Company;
- EUR 145 million with SCOR GIE Informatique;
- EUR 115 million with SCOR Holding Switzerland AG;
- EUR 88 million with SCOR Auber SAS;
- EUR 51 million with SCOR Reinsurance Asia Pacific Pte LTD;
- EUR 22 million with MRM SA;
- EUR 15 million with SCOR Properties;
- EUR 9 million with SCOR Capital Partners SAS.

The breakdown of the EUR 2,039 million balance as of December 31, 2015 was as follows:

- EUR 800 million with SCOR Global P&C SE;
- EUR 731 million with SCOR Global Life SE;
- EUR 141 million with SCOR Auber SAS;
- EUR 124 million with SCOR GIE Informatique;
- EUR 115 million with SCOR Holding Switzerland AG;
- USD 125 million (EUR 115 million) with SCOR Reinsurance Company;
- EUR 8 million with SCOR Capital Partners SAS.

Loans and advances from subsidiaries

The loans and advances contracted by SCOR SE with its subsidiaries amount to EUR 16.1 million. Their breakdown as of December 31, 2016 is as follows:

- EUR 12.3 million with SCOR Investment Partners SE;
- EUR 3.5 million with SGF SAS;
- EUR 0.3 million with SCOR Global Life SE.

As of December 31, 2015, the breakdown was as follows:

- EUR 10 million with SCOR Investment Partners SE;
- EUR 3.5 million with SGF SAS;
- EUR 0.3 million with SCOR Global Life SE.

For 2016, SCOR SE recognized EUR 76.7 million in financial income from loans with related companies and EUR 0.4 million in interest expenses on borrowings with related companies.

Name *In millions*	Original currency *(in OC)**	Share capital(1) *(in OC)**	Reserves(1) *(in OC)**	Share of capital
A –RELATED ENTITIES: DETAILED INFORMATION				
• SCOR GLOBAL LIFE SE 5 avenue Kléber, 75116 PARIS, France	EUR	287	605	99.99%
• SCOR GLOBAL P&C SE 5 avenue Kléber, 75116 PARIS, France	EUR	582	1,599	99.99%
• SCOR US CORPORATION 199 Water Street, NEW YORK, NY 10038-3526 USA	USD	330	816	100.00%
• MRM 5 avenue Kléber, 75116 PARIS, France	EUR	44	61	59.90%
• SCOR AUBER S.A.S (France) 5 avenue Kléber, 75116 PARIS, France	EUR	47	44	100.00%
• SCOR Holding (Switzerland) AG General Guisan-Quai 26, 8022 Zurich, Switzerland	EUR	382	1,447	20.68%
• ASEFA S.A. Avda Manoteras 32 Edificio A 28050 Madrid, Spain	EUR	38	3	19.97%
• SCOR PERESTRAKHOVANIYE.O.O.O. 10 Nikolskaya Street, 109012, Moscou, Russian Federation	RUB	800	717	100.00%
• SCOR AFRICA LTD 2nd Floor, West Tower, Maude Street, Nelson Mandela Square, Sandton 2196, South Africa	ZAR	-	192	100.00%
• SCOR INVESTMENT PARTNERS 5 avenue Kléber, 75116 PARIS, France	EUR	3	11	100.00%
• SCOR BRAZIL PARTICIPAÇOES LTDA Avenida Paisagista José Silva de Azevedo Neto, 200 – Bloco 4 – Sala 404 Barra de Tijuca – Rio de Janeiro – Brazil	BRL	102	-	99.90%
TOTAL A				
B – ENTITIES WITH EQUITY INTEREST				
• In France				
TOTAL				

(1) Data based on 2016 IFRS accounts.

(2) SCOR guarantees with limits as to the amounts listed above, the underwriting liabilities of its subsidiaries pertaining in particular to their obligations relative to the payment of claims. In return, SCOR GLOBAL P&C SE and SCOR GLOBAL LIFE SE guarantee, on behalf and for the benefit of SCOR SE, the full and prompt performance of SCOR SE's payment obligations under all insurance, reinsurance and financial contracts entered into by SCOR SE.

** OC: Original Currency.*

Gross book value (in EUR)	Net book value (in EUR)	Loans and advances (in EUR)	Receivables against issuers (in EUR)	Guarantees and pledges given[2] (in EUR)	Revenues[1] (in OC)*	Net income[1] (in OC)*	Dividends received (in EUR)
471	471	832	186	5,053	3,645	103	200
1,615	1,615	701	401	3,952	2,715	321	277
1,315	1,315	-	-	-	-	46	33
56	56	22	-	-	13	6	3
149	149	88	13	-	-	17	13
399	399	115	-	-	-	117	21
8	7	-	-	-	-	2	-
21	21	-	8	3	1,696	102	-
12	12	-	6	6	1,164	(38)	-
2	2	-	5	-	-	3	2
33	33	-	-	-	-	-	-
4,081	**4,080**	**1,758**	**619**	**9,014**	**-**	**-**	**549**
113	111	453	131	5,984	-	-	1
4,194	**4,191**	**2,211**	**750**	**14,998**	**-**	**-**	**550**

NOTE 3. OTHER ASSETS

Property, plant and equipment and intangible assets

In EUR million	Opening balances	Acquisitions / creations	Disposals	Closing balances
Gross values	**133**	**3**	**-**	**136**
Intangible assets	**4**	**-**	**-**	**4**
Goodwill	4	-	-	4
Set-up costs	-	-	-	-
Other intangible assets	-	-	-	-
Property, plant and equipment	**129**	**3**	**-**	**132**
Deposits and security bonds	-	-	-	-
Equipment, furniture, fittings and fixtures	129	3	-	132
Depreciation, amortization and impairment	**(32)**	**(9)**	**-**	**(41)**
Other intangible assets (excluding goodwill)	-	-	-	-
Equipment, furniture, fittings and fixtures	(32)	(9)	-	(41)

Treasury shares

As at December 31, 2016, the number of shares held as treasury shares amounted to 7,679,482 shares (3.99% of capital) for a total value of EUR 223,310,647. These shares were acquired in the context of anticipated awards to Company employees and corporate officers as part of share allocation plans.

In EUR	Opening balance	Acquisitions/ creations	Disposals	Closing balance
Treasury shares				
Number	6,661,000	6,571,723	(5,553,241)	7,679,482
Amount	172,497,601	197,241,178	(146,428,132)	223,310,647

NOTE 4. TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND OTHERS

	2016				2015			
In EUR million	Related companies	Other affiliates	Other	Total	Related companies	Other affiliates	Other	Total
ASSETS (GROSS)								
Investments	**8,123**	**-**	**910**	**9,033**	**7,814**	**-**	**1,271**	**9,085**
Investment properties	283	-	2	285	205	-	2	207
Shares other than variable – income securities and bonds	3,912	-	907	4,819	3,917	-	344	4,261
Loans	2,211	-	1	2,212	2,039	-	925	2,964
Cash deposits with ceding companies	1,717	-	-	1,717	1,653	-	-	1,653
Share of retrocessionaires in underwriting reserves	**616**	**-**	**-**	**616**	**473**	**-**	**-**	**473**
Accounts receivable	**763**	**-**	**276**	**1,039**	**456**	**-**	**273**	**729**
Accounts receivable from reinsurance transactions	533	-	192	725	289	-	205	494
Other accounts receivable	230	-	84	314	167	-	68	235
Others assets	**222**	**-**	**169**	**391**	**171**	**-**	**134**	**305**
Accrued income and deferred expenses	**82**	**-**	**169**	**251**	**60**	**-**	**266**	**326**
Accrued interests and rent	23	-	8	31	24	-	1	25
Deferred acquisition costs – assumed (Non-Life)	51	-	93	144	31	-	106	137
Other assumed reinsurance transactions	-	-	-	-	-	-	-	-
Other accruals	8	-	68	76	5	-	159	164
EQUITY AND LIABILITIES								
Other capital base	**-**	**-**	**894**	**894**	**-**	**-**	**1,769**	**1,769**
Gross underwriting reserves	**3,473**	**-**	**767**	**4,240**	**3,125**	**-**	**753**	**3,878**
Contingency reserves	**-**	**-**	**148**	**148**	**-**	**-**	**141**	**141**
Cash deposits received from retrocessionaires	**389**	**-**	**-**	**389**	**159**	**-**	**1**	**160**
Other liabilities	**241**	**-**	**1,531**	**1,772**	**279**	**-**	**1,075**	**1,354**
Liabilities arising from reinsurance operations	147	-	-	147	200	-	8	208
Financial liabilities	16	-	1,378	1,394	14	-	861	875
Other creditors	78	-	153	231	65	-	206	271
Deferred income and accrued expenses	**75**	**-**	**18**	**93**	**63**	**-**	**10**	**73**
Deferred commissions received from reinsurers (Non-Life)	75	-	-	75	63	-	-	63
Reinsurance estimates – retrocession	-	-	-	-	-	-	-	-
Other accruals	-	-	18	18	-	-	10	10

The list of material related party transactions required by French accounting standard CRC 2010-06 issued on October 7, 2010 is not applicable to SCOR SE as all related party transactions are with wholly-owned entities.

In EUR million	2016 Related companies	2016 Other affiliates	2016 Other	2016 Total	2015 Related companies	2015 Other affiliates	2015 Other	2015 Total
Other accounts receivable	**230**	**-**	**84**	**314**	**167**	**-**	**68**	**235**
Cash advances granted	182	-	-	182	77	-	-	77
Transfer pricing receivables	13	-	-	13	69	-	-	69
Miscellaneous	36	-	84	120	21	-	68	89
Other debts	**78**	**-**	**153**	**231**	**65**	**-**	**206**	**271**
Cash advances granted	66	-	-	66	28	-	-	28
Miscellaneous	12	-	153	165	37	-	206	243

Other capital base and financial liabilities

In EUR million	Maturity	2016 Net book value	2016 Fair value	2015 Net book value	2015 Fair value
OTHER CAPITAL BASE					
EUR 350 million	Perpetual	-	-	264	270
CHF 650 million	Perpetual	-	-	613	625
CHF 315 million	Perpetual	299	315	298	318
CHF 250 million	Perpetual	231	247	230	247
CHF 125 million	Perpetual	115	123	115	123
EUR 250 million	Perpetual	249	257	249	253
TOTAL OTHER CAPITAL BASE		**894**	**942**	**1,769**	**1,836**
OTHER FINANCIAL LIABILITIES					
EUR 600 million	06/08/2046	601	605	592	578
EUR 250 million	06/05/2047	252	254	252	252
EUR 500 million	05/27/2048	508	521	-	-
TOTAL OTHER FINANCIAL LIABILITIES		**1,362**	**1,380**	**844**	**830**

The balance includes EUR 39 million of accrued interest (as at December 31, 2015: EUR 39 million).

Financial liabilities include:

Other capital base

- CHF 315 million in fixed rate perpetual subordinated notes was issued in two pari-passu ranking placements on September 10 and September 24, 2012. The notes are redeemable by SCOR each quarter at interest payment dates as from June 8, 2018 with a first call date of June 8, 2018. The coupon has been set at 5.25% (until June 8, 2018) and 3-month CHF LIBOR plus a margin of 4.8167% thereafter. The notes are hedged by a cross-currency swap detailed in Note 5.3.8 – Financial instruments received and given, in the analysis of commitments given and received.
- CHF 250 million in fixed rate perpetual subordinated notes was issued on September 10, 2013. The notes are redeemable by SCOR from November 30, 2018 on a quarterly basis on the interest payment dates. The coupon has been set at 5% until November 30, 2018 and at 3-month CHF LIBOR plus a margin of 4.10% thereafter. If SCOR does not exercise this option on such date, such repayment may intervene, where applicable, quarterly, at the interest payment dates. The notes are hedged by a cross-currency swap detailed in Note 5.3.8 – Financial instruments received and given, in the analysis of commitments given and received.
- CHF 125 million in fixed rate perpetual subordinated notes was issued on October 20, 2014. The notes are redeemable by SCOR from October 20, 2020 on an annual basis on the interest payment dates. The coupon has been set at 3.375% until October 20, 2020 and will be reset every 6 years at the prevailing 6-year CHF mid-swap rate plus a margin of 3.0275% thereafter. The notes are not hedged by a cross-currency swap.
- EUR 250 million in fixed rate perpetual subordinated notes was issued on October 1, 2014. The notes are redeemable by SCOR from October 1, 2025 on an annual basis on the interest payment dates. The coupon has been set at 3.875% until October 1, 2025 and will be reset every 11 years at the prevailing 11-year EUR mid-swap rate plus a margin of 2.70% thereafter.

On July 28, 2016, SCOR SE fully redeemed the remaining balance of EUR 257 million of a perpetual super-subordinated notes (Tier 1 type) issued on July 28, 2006 in an aggregate principal amount of EUR 350 million to finance the acquisition of Revios Rückversicherung AG.

This debt was reduced to EUR 257 million after the repurchase of EUR 93 million during 2009. The bond issuance is represented by lowest ranking subordinated bearer notes with a nominal value of EUR 50,000 each bearing interest at an initial rate of 6.154% per annum, a floating-rate indexed to 3-month EURIBOR plus a margin of 2.90%, payable quarterly. No fixed redemption date was set.

On August 2, 2016, SCOR SE fully redeemed the remaining balance of CHF 650 million in fixed rate perpetual subordinated notes issued in two pari-passu ranking placements on February 2 and June 3, 2011. The notes were redeemable by SCOR at interest payments dates as from August 2, 2016 with a first call date of August 2, 2016. The coupon had been set at 5.375% (until August 2, 2016) and at 3-month CHF LIBOR plus a margin of 3.7359% thereafter. The notes were hedged by a cross-currency swap detailed in Note 5.3.8 – Financial instruments received and given, in the analysis of commitments given and received.

Financial liabilities

- On June 5, 2015, SCOR SE issued EUR 250 million in dated subordinated notes, redeemable at interest payment dates from June 5, 2027. The coupon has been set at 3.25% (until June 5, 2027), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.20%.
- On December 7, 2015, SCOR SE issued EUR 600 million in dated subordinated notes, redeemable at interest payment dates from June 8, 2026. The coupon has been set at 3.00% (until June 8, 2026), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.25%.
- On May 27, 2016, SCOR SE issued EUR 500 million in dated subordinated notes, redeemable as at interest payment dates from May 27, 2028. The coupon was set at 3.625% (until May 27, 2028), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.90%.
- Debt of a branch for EUR 16 million (EUR 16 million as of December 31, 2015).
- Loans granted to SCOR SE by its subsidiaries EUR 16 million (EUR 14 million as of December 31, 2015).

Gross underwriting reserves

In EUR million	2016	2015	2014
Reinsurance reserves (Life)	398	436	459
Loss reserves (Life)	266	203	169
Unearned premiums reserves (Non-Life)	527	447	404
Loss reserves (Non-Life)	2,368	2,137	1,962
Other underwriting reserves (Non-Life)	681	655	589
GROSS UNDERWRITING RESERVES	**4,240**	**3,878**	**3,583**

The reinsurance activity of SCOR SE comprises four internal quota share retrocession treaties, one with SCOR Global P&C SE, another with SCOR Global Life SE, a third with SCOR South Africa and a fourth with SCOR Perestrakhovaniye, non-proportional retrocession from the Argentinian branch of SCOR Global P&C SE, and from SCOR Switzerland AG and the business underwritten by the Beijing branch.

Maturity of assets and liabilities

The maturity of financial liabilities at December 31, 2016 is as follows:

In EUR million	Less than 1 year	1 to 5 years	More than 5 years	Total
Perpetual notes (other capital base)	13	-	882	894
Other loans and deposits received[(1)]	42	-	1,352	1,394
TOTAL	**55**	**-**	**2,234**	**2,288**

(1) Mainly related to loans of subsidiaries described in Note 5.2.1 and the subordinated notes described under financial liabilities.

The maturity of investments, debt, other than financial liabilities, and receivables is less than one year.

Accrued income and deferred expenses

The analysis of accrued income and deferred expenses at December 31, 2016 is as follows:

	Assets		Liabilities	
In EUR million	2016	2015	2016	2015
Reinsurance estimates – assumed	-	-	-	-
Reinsurance estimates – assumed – Life	-	-	-	-
Reinsurance estimates – assumed – Non-Life	-	-	-	-
Other reinsurance estimates	-	-	-	-
Due and accrued interests on rental income	**31**	**25**	-	-
Deferred acquisition costs – Non-Life	**144**	**137**	-	-
Deferred commissions received from reinsurers	-	-	**75**	**63**
Other accruals	**76**	**164**	**18**	**10**
TOTAL	**251**	**326**	**93**	**73**

The item "Reinsurance estimates – assumed" is reclassified to "Accounts receivable from reinsurance transactions", whereas the item "Reinsurance estimates – ceded" is reclassified to "Liabilities arising from reinsurance operations".

The breakdown of the reinsurance estimates – assumed that have been reclassified is as follows as at December 31, 2016:

- reinsurance estimates – assumed – Life (EUR 42 million) includes premiums for EUR 472 million, commissions payable of EUR (109) million and claims payable amounting to EUR (336) million, and EUR 15 million of accrued interest on the cash deposit;
- reinsurance estimates – assumed – Non-Life (EUR 580 million net) includes premiums for EUR 1,195 million, commissions payable of EUR (406) million and claims payable for EUR (234) million and EUR 25 million of accrued interest on the cash deposit.

NOTE 5. SHAREHOLDERS' EQUITY

The share capital comprising 192,534,569 shares with a par value per share of EUR 7.8769723 amounted to EUR 1,516,589,467 as at December 31, 2016.

In EUR million	2015 shareholders' equity before allocation	Income allocation	Other movements during the period	2016 Shareholders' equity before allocation
Capital	1,518	-	(1)	1,517
Additional paid-in capital	810	-	(7)	803
Capitalization reserves	3	-	(3)	-
Legal reserve	-	42	-	42
Other reserves	53	-	4	57
Retained earnings	132	524	-	656
Net income	844	(844)	647	647
Regulated reserves	15	-	1	16
TOTAL	**3,375**	**(278)**	**641**	**3,738**

- The EUR 844 million net income for 2015 was allocated to dividends for EUR 278 million, to the legal reserve for EUR 42 million and to the retained earnings for EUR 524 million.
- The remaining balance of the capitalization reserves as at December 31, 2015 of EUR 3 million has been transferred to the other reserves, under Section 19 of the French Decree No.2015-513 of May 7, 2015.
- The issuance of shares relating to the exercise of options until December 31, 2016 for a total of EUR 10.3 million was allocated to the share capital of the Company for EUR 4.3 million and to additional paid-in capital for EUR 6 million. The exercise of options resulted in the creation of 554,112 shares.

- During 2016, the Board decided upon a share capital reduction by cancellation of a total of 672,638 treasury shares for a total amount of EUR 5.3 million.
- SCOR SE launched a new 3-year contingent capital facility on January 1, 2014. It takes the form of a guaranteed equity line, providing SCOR SE with EUR 200 million coverage in case of extreme natural catastrophe or life events. This facility came to an end on December 31, 2016. It is replaced with a new 3-year facility with EUR 300 million coverage in case of extreme natural catastrophe or life events from January 1, 2017.
- All new shares were issued with voting rights.

NOTE 6. CONTINGENCY RESERVES

Gross balances

In EUR million	Opening balance	Increase	Use over the period	Reversal without use	Closing balance
Retirement provisions	76	15	-	(12)	79
Free share allocation plans	40	16	(15)	-	41
Long service awards	1	-	-	-	1
Other provisions	24	3	-	-	27
TOTAL	**141**	**34**	**(15)**	**(12)**	**148**

Contingency reserves amount to EUR 148 million, of which:

- EUR 41 million for free share allocation plans with the following expiry: EUR 16 million at 2017, EUR 15 million at 2018, EUR 7 million at 2019, EUR 3 million at 2020 and beyond;
- EUR 80 million in reserves for post-employment benefits: retirement provisions (EUR 38 million), supplementary retirement (EUR 41 million), long-service awards (EUR 1 million);
- EUR 27 million in other provisions.

An amendment to the early retirement ("congés de fin de carrière") and the long-service awards ("médailles du travail") systems in France occurred in the second quarter of 2014. The amendments concern the termination of the early retirement system on January 1, 2017 and of the long-service awards system as at July 14, 2019. In addition, a temporary scheme called "compte senior" was implemented during the second quarter of 2014 until December 31, 2020. This scheme aims to provide, under conditions, a premium to employees going into retirement. The plan amendment resulted in a reduction retirement provisions.

NOTE 7. ASSETS – LIABILITIES BY CURRENCY

Currency

In EUR million	Assets	Liabilities 2016	Surplus 2016	Surplus 2015
Euro	8,593	8,263	330	1,074
US dollar	1,239	1,141	98	(19)
Pounds sterling	15	14	1	(5)
Swiss franc	127	646	(519)	(1,132)
Japanese yen	-	-	-	(6)
Australian dollar	-	5	(5)	(9)
Yuan	1,235	1,141	94	95
New-Zealand dollar	-	5	(5)	(6)
Other currencies	65	59	6	8
TOTAL	**11,274**	**11,274**	**-**	**-**

> ANALYSIS OF KEY INCOME STATEMENT ITEMS

NOTE 8. BREAKDOWN OF PREMIUMS AND COMMISSIONS

Breakdown of premiums by geographical area (country where cedent is located)

In EUR million	2016	2015
France	369	407
North America	164	77
South America	86	41
Asia	725	734
Europe	495	353
Africa	63	58
Rest of the world	151	78
TOTAL	**2,053**	**1,748**

SCOR SE premiums are the result of the implementation of four internal quota share retrocession treaties entered into jointly with SCOR Global P&C SE, SCOR Global Life SE, SCOR South Africa and SCOR Perestrakhovaniye, non-proportional retrocession from the Argentinian branch of SCOR Global P&C SE and from SCOR Switzerland AG as well as the Chinese branch's activity.

Portfolio development

	2016			2015		
In EUR million	Prior years	2016	Total	Prior years	2015	Total
Premiums	**84**	**1,978**	**2,062**	**54**	**1,697**	**1,751**
Portfolio entries	(11)	8	(3)	2	23	25
Portfolio transfers	7	(13)	(6)	(19)	(9)	(28)
Movements	**(4)**	**(5)**	**(9)**	**(17)**	**14**	**(3)**
TOTAL	**80**	**1,973**	**2,053**	**37**	**1,711**	**1,748**

Change in commissions

In EUR million	2016	2015
Commissions – assumed	607	479
Commissions – retroceded	(188)	(121)
TOTAL	**419**	**358**

NOTE 9. ANALYSIS OF INVESTMENT INCOME AND EXPENSES BY NATURE

	2016			2015		
In EUR million	Related companies	Other	Total	Related companies	Other	Total
Revenues from securities	550	2	552	776	5	781
Revenues from other investments	146	14	160	139	13	152
Other revenues	110	-	110	71	2	73
Realized gains	3	2	5	12	-	12
Total investment income	**809**	**18**	**827**	**998**	**20**	**1,018**
Management and financial costs	9	116	125	11	109	120
Other investment expenses	-	1	1	-	6	6
Realized losses	-	57	57	-	33	33
Total investment expenses	**9**	**174**	**183**	**11**	**148**	**159**

Dividends received from subsidiaries amount to EUR 550 million and include: SCOR Global P&C SE (EUR 277 million), SCOR Global Life SE (EUR 200 million), SCOR Holding Switzerland AG (EUR 21 million), SCOR Auber SAS (EUR 13 million), MRM SA (EUR 3 million), SCOR Investment Partners SE (EUR 2 million), and SCOR US (USD 36 million or EUR 33 million).

Foreign currency transactions

Foreign currency loss amounts to a EUR 13.8 million loss in 2016 compared to a EUR 1.7 million gain in 2015.

Foreign currency hedging strategy

The corporate financial statements are prepared in original currencies and converted into Euros. Fluctuations in the exchange rates used to convert the accounts might generate a significant foreign exchange impact. To limit the exchange rate fluctuation risk, forward foreign currency transactions are entered into at the end of the year to hedge the main currency surpluses in the balance sheet at the beginning of the year and adjusted during the year for material arbitrage transactions involving currencies. Hedges include spot trades of foreign currencies, forward trades of foreign currencies and option strategies.

NOTE 10. ANALYSIS OF GENERAL EXPENSES BY TYPE AND NON RECURRING INCOME OR LOSS

General expenses by nature

In EUR million	2016	2015
Salaries	132	124
Pensions	4	3
Payroll taxes	20	20
Other	5	4
Total personnel expenses	**161**	**151**
Other general expenses	194	171
TOTAL GENERAL EXPENSES BY TYPE	**355**	**322**
WORKFORCE		
Executives – Paris	247	244
Employees/Supervisors – Paris	35	31
Employees/branches	462	441
TOTAL CURRENT WORKFORCE	**744**	**716**

Non-recurring result

The non-recurring loss amounted to EUR (4) million mainly due to the following items:

- impairment of EUR (2.8) million;
- French tax depreciation on acquisition costs of EUR (0.7) million;
- accrued payables of (0.6) million;
- reversal of tax-related provisions of EUR 0.1 million.

It breaks down into non-recurring income for 0.1 million and non-recurring expenses for EUR (4.1) million.

NOTE 11. ANALYSIS OF INCOME TAX

The SCOR Group in France is consolidated for tax purposes and is composed of SCOR SE as the parent company of the Group, SCOR Global P&C SE, SCOR Global Life SE, SCOR Investment Partners SE, SGF SAS, SCOR Auber SAS, SAS DB Caravelle, ReMark France SAS and Rehalto SA as subsidiaries. Under the tax agreement, SCOR SE benefits from the tax loss carry-forwards of its subsidiaries, and tax benefits are transferred back to the individual subsidiary concerned in the case of future profits.

Total tax losses of the consolidated French tax Group were EUR 1,133 million as at December 31, 2016.

The corporate tax gain of EUR 45.9 million relate mainly to:

- the contribution of subsidiaries that are consolidated for tax purposes of EUR 73.2 million, including impacts of tax audits;
- tax expenses for the tax group for EUR (14.2) million;
- tax expenses for previous financial years for EUR (4.1) million;
- additional contribution on income distributed for EUR (8.3) million;
- income tax from the branches for EUR (0.7) million.

NOTE 12. STOCK OPTIONS

The table below summarizes the status of the various stock option plans in force in 2016:

Plan	Date of General Meeting	Date of Board of Directors meeting	Number of options open to subscription	Of which to Corporate officers	Date of availability of options
2006	05/16/2006	08/28/2006	804,659	57,524	09/14/2010
2006	05/16/2006	11/07/2006	394,500	-	12/14/2010
2007	05/24/2007	08/28/2007	1,352,000	55,000	09/13/2011
2008	05/07/2008	05/07/2008	279,000	75,000	05/22/2012
2008	05/07/2008	08/26/2008	1,189,000	-	09/10/2012
2009	05/07/2008	03/16/2009	1,399,500	125,000	03/23/2013
2009	04/15/2009	04/15/2009	88,500	-	11/25/2013
2010	04/15/2009	03/02/2010	1,378,000	125,000	03/19/2014
2010	04/28/2010	04/28/2010	37,710	-	10/13/2014
2011	04/28/2010	03/07/2011	703,500	125,000	03/23/2015
2011	05/04/2011	07/27/2011	308,500	-	09/02/2015
2012	05/04/2011	03/19/2012	938,000	125,000	03/24/2016
2013	05/03/2012	03/05/2013	716,000	100,000	03/22/2017
2013	04/25/2013	07/31/2013	170,000	-	10/03/2017
2013	04/25/2013	11/05/2013	25,000	-	11/22/2017
2014	04/25/2013	03/04/2014	694,875	100,000	03/21/2018
2014	05/06/2014	11/05/2014	9,000	-	12/02/2018
2015	05/06/2014	03/04/2015	666,881	100,000	03/21/2019
2015	04/30/2015	12/18/2015	45,250	-	12/19/2019
2016-1	04/30/2015	02/23/2016	629,118	25,000	02/24/2020
2016-2	04/27/2016	10/26/2016	750	-	12/02/2020
TOTAL AT DECEMBER 31, 2016					
VALUATION					

In application of Articles L. 225-181 and R. 225-137 of the French Commercial Code, the Company adjusted the price of the shares corresponding to options granted and the number of shares linked to options following the capital increases of December 31, 2002, of January 7, 2004 and December 12, 2006. Thus, according to the provisions of Article R. 22891 of the French Commercial Code, the adjustment applied equalizes, to the nearest hundredth of a share, the value of shares that will be received if the rights attached to stock subscription and purchase options are exercised after the capital increase, with pre-emptive subscription rights, of the Company decided on November 13, 2006 and the value of the shares that would have been obtained has those rights been exercised prior to the capital increase.

These calculations were performed individually and plan by plan, and rounded up to the nearest unit. The new basis for exercising the rights attached to the stock subscription and purchase options were calculated by entering the value of the pre-emptive subscription right on the one hand, and the value of the share after detachment of this right on the other, as determined from the average of the opening prices during all the trading days included in the subscription period.

In addition, on January 3, 2007, the Company carried out a reverse stock split of shares comprising the capital of SCOR SE with the exchange of one new share with a par value of EUR 7.8769723 for 10 old shares with a par value of EUR 0.78769723 per share.

The stock option plans for the years 2003 to 2011 are stock subscription plans that may give rise to a share capital increase. The other plans are stock purchase options.

In 2015, 1,221,843 options were exercised: 175,920 options exercised under the stock option plan of September 16, 2005 vested on September 16, 2009, 141,771 options exercised under the stock option plan of September 14, 2006 vested on September 14, 2010, 20,993 options exercised under the stock option plan of December 14, 2006 vested on December 14, 2010, 234,549 options exercised under the stock option plan of September 13, 2007 vested on September 13, 2011, 123,900 options exercised under the stock option plan of September 10, 2008

Plan expiration date	Subscription of purchase price	Methods of exercising (if several periods)	Number of options exercised as of December 31	Number of options cancelled as of December 31	Number of options oustanding as of December 31, 2016
09/15/2016	18.30	N/A	637,762	166,897	-
12/15/2016	21.70	N/A	132,000	259,500	-
09/13/2017	17.58	N/A	149,500	149,500	400,212
05/22/2018	15.63	N/A	-	-	212,000
09/10/2018	15.63	N/A	135,000	135,000	311,550
03/23/2019	14.92	N/A	88,000	88,000	668,300
11/25/2019	17.117	N/A	56,500	56,500	11,000
03/19/2020	18.40	N/A	147,500	147,500	777,100
10/13/2020	17.79	N/A	16,210	16,210	9,000
03/23/2021	19.71	N/A	78,000	78,000	498,000
09/02/2021	15.71	N/A	94,000	94,000	109,000
03/24/2022	20.17	N/A	168,000	168,000	691,000
03/22/2023	22.25	N/A	62,500	62,500	653,500
10/03/2023	24.65	N/A	65,000	65,000	105,000
11/22/2023	25.82	N/A	20,000	20,000	5,000
03/21/2024	25.06	N/A	36,750	36,750	658,125
12/02/2024	24.405	N/A	3,000	3,000	6,000
03/21/2025	29.980	N/A	-	-	666,881
12/19/2025	35.987	N/A	40,000	40,000	5,250
02/24/2026	31.580	N/A	-	-	629,118
12/02/2026	29.570	N/A	-	-	750
			3,823,600	**1,586,357**	**6,416,786**
			10,334,443	**2,496,547**	**139,268,837**

vested on September 10, 2012, 142,320 options exercised under the stock option plan of March 23, 2009 vested on March 23, 2013, 6,000 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 169,690 options exercised under the stock option plan of March 18, 2010 vested on March 18, 2014, 9,700 options exercised under the stock option plan of October 12, 2010 vested on October 12, 2014, 93,500 options exercised under the stock option plan of March 22, 2011 vested on March 22, 2015 and 103,500 options exercised under the stock option plan of September 1, 2011 vested on September 1, 2015.

In 2016, 554,112 options were exercised: 193,526 options exercised under the stock option plan of September 14, 2006 vested on September 14, 2010, 78,507 options exercised under the stock option plan of December 14, 2006 vested on December 14, 2010, 40,739 options exercised under the stock option plan of September 13, 2007 vested on September 13, 2011, 7,000 options exercised under the Stock option of May 22, 2008 vested on May 22, 2012, 38,800 options exercised under the stock option plan of September 10, 2008 vested on September 10, 2012, 33,530 options exercised under the stock option plan of March 23, 2009 vested on March 23, 2013, 2,000 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 44,510 options exercised under the stock option plan of March 18, 2010 vested on March 18, 2014, 500 options exercised under the stock option plan of October 12, 2010 vested on October 12, 2014, 34,000 options exercised under the stock option plan of March 22, 2011 vested on March 22, 2015, 2,000 options exercised under the stock option plan of September 1, 2011 vested on September 1, 2015 and 79,000 options exercised under the stock option plan of March 23, 2012 vested on March 23, 2016.

NOTE 13. EMPLOYEE SHARE OWNERSHIP PLANS

Employee profit-sharing

Under these agreements, employees of SCOR SE and certain subsidiaries are entitled to invest the amounts due to them under the profit-sharing plan in a corporate mutual fund entirely invested in SCOR SE shares.

In EUR thousands	2016	2015	2014	2013	2012
Amount distributed under the profit-sharing plan	1,216	1,055	1,247	1,153	815

The amount of 2016 profit-sharing payouts has been estimated in the accounts and set aside for EUR 2,4 million.

Amount paid into the Company employee saving plan

In EUR thousands	2016	2015	2014	2013	2012
Profit sharing(1)	740	674	722	619	373
Net voluntary payments(2)	515	483	442	392	303
Total payments	**1,255**	**1,157**	**1,164**	**1,011**	**676**
NET EMPLOYER CONTRIBUTION(3)	**509**	**528**	**480**	**422**	**346**

(1) Paid out in the financial year for the previous financial year.
(2) The voluntary payments shown include payments to all corporate mutual funds (FCPE), including PERCO since 2015.
(3) Including PERCO.

Personal training account

As of January 1, 2015 the personal training account ("Compte Personnel de Formation" – CPF) replaces the individual training entitlement (Droit Individuel à la Formation – DIF), in accordance with Law No. 2014-288 of March 5, 2014 relating to professional training, employment and social democracy. It should be noted that the CPF is managed externally by the Caisse des dépôts et consignations.

NOTE 14. COMPENSATION OF THE CORPORATE OFFICER

The following table presents the gross cash compensation paid in 2015 and 2016 to the Group Chairman and Chief Executive Officer:

Chairman and Chief Executive Officer

In EUR	2016	2015
Fixed compensation	1,200,000	1,200,000
Variable compensation	1,683,000	1,236,000
Directors' fees	55,000	63,000
TOTAL CASH COMPENSATION	**2,938,000**	**2,499,000**

The Chairman and Chief Executive Officer benefits from a company car and a shared driver.

The Total pension benefits commitments relating to the corporate officer amount is EUR 22 million.

NOTE 15. ANALYSIS OF COMMITMENTS GIVEN AND RECEIVED

	Commitments received		Commitments given	
In EUR million	2016	2015	2016	2015
Ordinary course of business	**7,625**	**4,614**	**15,988**	**17,370**
Financial instruments	986	1,413	939	1,270
Confirmed credits, letters of credit and guarantees given	406	402	12	12
Other commitments given and received	6,233	2,799	15,037	16,088
Hybrid transactions	-	-	-	-
TOTAL	**7,625**	**4,614**	**15,988**	**17,370**

Commitments received and given in the ordinary course of business

Financial instruments received and given

In EUR million	2016	2015	2016	2015
Rate swaps	-	-	-	-
Cross-currency swaps	523	1,120	464	973
Currency forward purchases/sales	463	293	465	287
Trust assets	-	-	10	10
TOTAL	**986**	**1,413**	**939**	**1,270**

Cross-currency swaps are used to hedge foreign exchange and interest rate risks of perpetual notes in CHF issued in 2012: the instruments convert the principal of 2012 placements for a total of CHF 315 million into EUR and the coupon on the CHF 250 million tranche to 6.2855% and on the CHF 65 million tranche to 6.235%. Both instruments mature on June 8, 2018.

In 2013, SCOR entered into a cross-currency swap which converts CHF 250 million of the principal of the notes issued in 2013 into EUR and the CHF coupon on the notes to EUR 5.8975% and which matures on November 30, 2018.

In 2011, SCOR entered into cross-currency swaps which converted CHF 650 million into EUR and the coupon on the CHF 400 million placement to 6.98% and on the CHF 250 million placement to 6.925%. Both instruments matured on August 2, 2016.

In 2016, currency forward purchases and sales generated unrealized gain of EUR 1 million.

Confirmed credits, letters of credit, and guarantees received and given

	Commitments received		Commitments given	
In EUR million	2016	2015	2016	2015
Confirmed credit	-	-	-	-
Letters of credit (unused portion)	406	402	-	-
Letters of credit	-	-	-	-
Securities pledged to financial institutions	-	-	-	-
Investments in subsidiaries and affiliates pledged to financial institutions	-	-	-	-
Other guarantees given to financial institutions	-	-	12	12
TOTAL	**406**	**402**	**12**	**12**

Various financial institutions provide sureties for our Company in the form of letters of credit to collateralize SCOR SE's technical liabilities. The total amount that benefits to cedents, not included in the table above, is EUR 4 million in 2016 (EUR 6 million in 2015) as at the balance sheet date.

Capacity to issue letters of credit

As at December 31, 2016, SCOR SE has an outstanding letter of credit capacity of EUR 406 million (EUR 402 million in 2015), recognized as a commitment received from banks. This outstanding capacity can be used to provide collateral on the forthcoming underwritten business. The allocation per bank is the following:

- BNP Paribas: USD 26 million (EUR 24 million);
- Deutsche Bank: USD 65 million (EUR 60 million);
- Natixis: USD 39 million (EUR 36 million);
- JP Morgan: USD 161 million (EUR 150 million);
- Helaba: USD 27 million (EUR 25 million);
- Commerzbank: USD 21 million (EUR 19 million);
- CACIB: USD 49 million (EUR 46 million);
- Citibank: USD 49 million (EUR 46 million).

Other guarantees given

The guarantee given in consideration for underwriting commitments with the cedent ACE was USD 13 million (EUR 12 million). This guarantee was in the form of securities pledged to ceding companies.

Other commitments given and received

	Commitments received		Commitments given	
In EUR million	2016	2015	2016	2015
Guarantees and securities	24	-	39	64
Underwriting commitments	-	-	-	-
Assets pledged to ceding companies	-	-	-	-
Marketable securities pledged to financial institutions	-	-	-	-
Parental guarantees	6,167	2,799	14,903	16,022
Contract termination indemnities	-	-	-	2
Lease	42	-	95	-
TOTAL	**6,233**	**2,799**	**15,037**	**16,088**

Lease are now disclosed in commitments given and received.

Commitments given and received in respect of hybrid transactions

Apart from commitments mentioned in the note above, the Company no longer has any commitment with respect to hybrid transactions such as asset swaps or index default swaps. No facts in connection with the aforementioned commitments given and received have been brought to SCOR's knowledge, which may have an adverse impact on cash flows, cash positions or on its liquidity requirements.

NOTE 16. POST BALANCE SHEET EVENTS

None.

NOTE 17. LITIGATION

None.

6 CERTIFICATION OF AUDIT OF HISTORICAL FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Statutory Auditors' report on the financial statements

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of SCOR SE;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as 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.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- As stated in Notes 1.7 to 1.9 to the financial statements, the technical accounts specific to reinsurance are estimated on the basis of reinsurance commitments or on statistical and actuarial bases, particularly the technical estimates accounted for under receivable from reinsurance transactions, gross and ceded technical reserves, and deferred acquisition costs. The methods used to calculate these estimates are described in the notes to the financial statements.

Our work consisted in assessing the data and assumptions on which the estimates are based, with regard to the experience of your Company, the regulatory and economic environment, as well as the overall consistency of these assumptions. We ensured that the financial statements contained appropriate disclosures.

- Notes 1.2, 1.10, 1.12, Note 2 and Note 15 to the financial statements describe the principles and methods used to estimate the valuation and impairment of investments and derivative instruments.

We have examined the valuation and impairment of these financial instruments. On the one hand, we assured ourselves of the appropriateness of the valuation scheme for financial instruments and, on the other hand, reviewed and tested the control processes set up by management to assess impairment. We have obtained assurance that the information provided in the aforementioned notes is appropriate.

- Note 6 and Note 17 to the financial statements describe the uncertainties relating to the potential litigation encountered by your Company.

We examined the Company's procedures to identify these risks, to evaluate and reflect them in the annual financial statements.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements reminded that it is not our responsibility to conclude on the fair presentation and consistency with the financial statements of the solvency related information extracted from the Report provided for in article L. 355-5 of the French Insurance Code (*Code des assurances*).

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, February 21, 2017

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit
Jean-Claude PAULY	Guillaume WADOUX	Guillaume FONTAINE

APPENDIX D

SOCIAL AND ENVIRONMENTAL INFORMATION

1 SOCIAL IMPACT OF SCOR'S ACTIVITY

1.1. PRESENTATION

- Introduction

  This appendix has been prepared in accordance with the regulations referred to in Article 225 of the law on the national commitment to the environment. The presentation also takes into account Recommendation No. 2013-18 of the AMF published on November 5, 2013 and available on the AMF's website. It describes how the Group ("SCOR" or the "Group") accounts for the direct effects of its activity on its employees and outlines the policies, actions and programs it has implemented in response, both at SCOR SE and its subsidiaries in France and abroad.

  This chapter is divided into two sections. The first section presents a series of HR indicators that are consistent across the Group. The second section provides additional information and studies in further detail the actions and programs implemented within the Group.

- Methodology

  The Group Human Resources Department collects the data from the various Hubs and breaks it down by country where necessary. The information system used to manage Group employees is PeopleSoft HR. The Group Human Resources team, in charge of consolidating the data, performs weekly consistency checks of the PeopleSoft HR database.

  Each category in this section corresponds to an item of information mentioned in the French Grenelle II implementing decree which is itself explicitly mentioned.

- Scope

  The items mentioned in the document pertain to the entire Group except ReMark (149 employees, fully consolidated entity), MRM (5 employees, fully consolidated entity), Telemed (27 employees), Réhalto (32 employees) and the Lloyd's Channel Syndicate (122 employees). ReMark, Telemed and Réhalto are wholly-owned by SCOR Global Life SE. The Lloyd's Channel Syndicate is a subsidiary of SCOR Global P&C SE. MRM is a subsidiary of SCOR SE. They are all managed independently from the Group in terms of human resources (HR policies, processes, rules and frameworks, etc.).

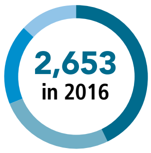
- Limitations of data collection and reliability

  Definitions of social indicators may differ slightly from one country to another. Nevertheless, the SCOR indicators used in the tables below are consistent and meaningful at Group level. Unless otherwise indicated, no estimates are made in calculating these indicators.

1.2. GROUP HR INDICATORS

1.2.1. BREAKDOWN BY HUB(1)

Grenelle II Indicator: Breakdown of employees by geographical area



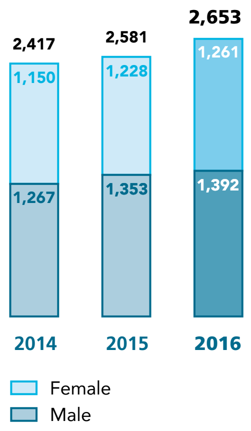
		2016	2015	2014
43%	Paris/London	1,148	1,107	1,016
26%	Americas	702	723	725
18%	Zurich/Cologne	468	468	453
13%	Singapore	335	283	223
Total excluding ReMark		**2,653**	**2,581**	**2,417**
ReMark(2)		149	125	138
TOTAL		**2,802**	**2,706**	**2,555**

(1) Headcount is calculated on the basis of employees registered as at December 31. Each Hub covers a region and may encompass several countries. For example, the Paris/London Hub covers France, the UK, Spain, Italy, Belgium, the Netherlands, Russia, Ireland and South Africa. As temporary workers and external service providers are managed according specific rules in each site, this data is not mentioned in the headcounts for this year. For a breakdown of countries per Hub, see Section 2.1.5.

(2) SCOR Global Life SE holds 100% of the capital of ReMark. Due to its specific activity, its own business model and its own specific organizational structure, ReMark's human resources are managed independently from the Group.

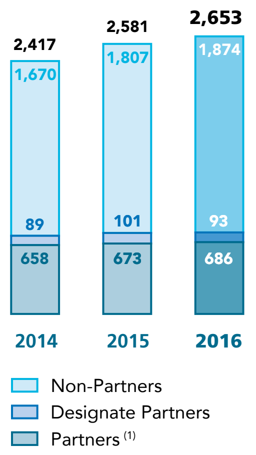
1.2.2. BREAKDOWN BY GENDER

"Grenelle II" Indicator:
Breakdown of employees (by gender)



1.2.3. BREAKDOWN BY STATUS

"Grenelle II" Indicator:
Breakdown of employees (by status)



(1) Definition of Partner: see Note 1.2.8 – Total compensation: elements of compensation policy. The executive corporate officer is included in this population. This figure includes the decisions taken during the 2017 Partners promotions and nominations process which took place at the end of 2016.

1.2.4. BREAKDOWN BY DIVISION

"Grenelle II" Indicator: Total Headcount (by division)

		2016	2015	2014
34%	SCOR Global P&C [4]	904	868	784
33%	SCOR Global Life [1]	876	865	830
3%	SCOR Global Investments	70	61	52
30%	Group Functions and Support [2]	803	787	751
Total excluding ReMark		**2,653**	**2,581**	**2,417**
ReMark [3]		149	125	138
TOTAL		**2,802**	**2,706**	**2,555**

(1) Starting from 2014, the former Transamerica Re employees were included in the divisions according to the global organization of the Group. From 2014 to 2016, Réhalto (32 employees at December 31, 2016) and Telemed (27 employees at December 31, 2016), wholly-owned subsidiaries of SCOR Global Life SE, were managed independently from the Group in terms of human resources and are not aggregated financially (or from an HR perspective) at level of the division.
(2) The "Group Functions and Support" division includes the Group's Finance, Risk and Operations Departments as well as the departments directly managed by the Chairman and Chief Executive Officer. SCOR SE holds 59.9% of the capital of MRM (5 employees at December 31, 2016). Due to its specific activity, business model and organization, MRM's human resources are managed independently from the Group.
(3) SCOR Global Life SE holds 100% of the capital of ReMark. Due to its specific activity, business model and organization, ReMark's human resources are managed independently from the Group.
(4) From 2014 to 2016, the Lloyd's Channel Syndicate (122 employees at December 31, 2016) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and not aggregated financially (or from an HR perspective) at the level of the division.

1.2.5. BREAKDOWN BY TYPE OF CONTRACT

"Grenelle II" Indicator: Total Headcount (by contract type)

		2016	2015	2014
99%	Permanent Contract	2,616	2,549	2,380
1%	Fixed-Term Contract	37	32	37
TOTAL		**2,653**	**2,581**	**2,417**
Trainees [1]		118	91	74
TOTAL INCLUDING TRAINEES		**2,771**	**2,672**	**2,491**

(1) SCOR considers all employees paid and under a tripartite relationship between the Company, the school and the student as trainees
SCOR had 118 trainees as at December 31, 2016 (41 in France, 15 in Switzerland, 19 in Germany, 2 in the US, 17 in the United Kingdom, 1 in Russia, 3 in Spain, 1 in Brazil, 7 in China, 2 in Hong Kong, 1 in Korea, 8 in Singapore, 1 in Taiwan). The trainees' working contracts differ depending on the country and training objectives. All trainee programs aim to introduce the students to the world of work, whether through work-study programs or vocational training courses for specific professions.

1.2.6. NEW HIRES [1]

"Grenelle II" Indicator: New hires (by contract type and by gender)

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanents Contracts	175	151	326	195	175	370	148	130	278
Fixed-Term Contracts	17	18	35	14	19	33	11	21	32
Trainees	80	82	162	75	50	125	50	52	102

(1) The Group had no particular difficulties in hiring in 2016.

Methodology: the definitions of "fixed-term contract" and "trainee" may vary from one country to another. SCOR defines "fixed-term contract" as a signed working contract mentioning a termination date and "trainee" as an employee paid by the Company under a tripartite agreement between the Company, school and student employee.

1.2.7. DEPARTURES

"Grenelle II" Indicator: Departures

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Retirement	17	15	32	20	13	33	21	14	35
Resignation	83	74	157	74	66	140	67	52	119
Dismissal	39	38	77	17	19	36	15	14	29
End of Fixed-term Contract	11	7	18	8	14	22	6	8	14
Decease	2	1	3	2	-	2	4	-	4
Company Transfer	-	1	1	1	3	4	4	4	8
Trainees	79	60	139	52	59	111	49	54	103

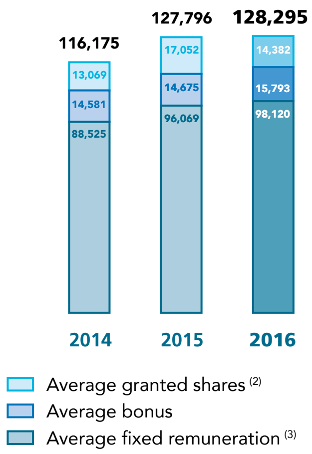
Methodology: employees on fixed-term contracts are considered to have definitively left SCOR when their contracts expire. Therefore, the 12 employees who signed a permanent contract in 2016 at the end of their fixed-term contract are not included in the indicator "End of fixed-term contract".

In 2016, the Group's staff turnover rate was 8%*.

1.2.8. TOTAL COMPENSATION (1)

"Grenelle II" Indicator:
Compensation (composition of the package)

Compensation (composition of the package) – in EUR



(1) The corporate officer is not included. Total compensation is calculated on the basis of 2,652 employees as at December 31, 2016.

(2) Amount calculated by multiplying the number of shares granted by the fair value of each plan which is calculated in accordance with IFRS.

(3) Average fixed compensation is based on the annual base salary paid to the employee, prorated to actual hours worked.

Key elements of compensation policy

All employees have access to a full description of the Group's compensation policy on the Company intranet. This policy is consistent across all the Hubs and applies to the entire Group worldwide. In accordance with the Group's values, one of the policy's objectives (beyond retaining employees and rewarding performance) is to discourage excessive risk-taking.

As a global group organized into four Hubs located in the world's main financial centers, SCOR offers competitive base salaries in order to position itself as a competitive player on the labor market and attract and retain talent.

SCOR maintains a holistic approach to compensation. Compensation for both Partners and employees comprises several components: a fixed and a variable portion, an immediate and a deferred portion, an individual and a collective portion. The components include a base cash salary, an annual cash bonus, shares and options where applicable, pension schemes and any other benefits.

Base salaries are set according to criteria that consider a variety of factors, such as conditions on the local labor market, education and professional experience before joining SCOR, expertise acquired, and the present position and responsibilities of the employee.

SCOR reviews base salaries on a yearly basis to reward individual performance as well as when new responsibilities are assumed by the employee. An automatic adjustment to account for inflation is not applied as a general rule and is only granted in the few countries where it is legally required.

SCOR has established a "Partners" program. This program, which aims to involve the Partners in the capital of the Group, applies to approximately 25% of the total number of employees. It is a specific and selective program in terms of information sharing, career development and compensation schemes.

There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). With the exception of the EGPs, these levels are then sub-divided into two levels, to take into account seniority or special achievement promotions.

* 2016 Group staff turnover: number of departures in 2016 (excluding dismissals, deaths, Company transfers and trainees)/headcount as at December 31, 2015.

The Company has a formal, carefully designed procedure for appointing and promoting Partners implemented every year during an Executive Committee meeting. Candidates must have consistently demonstrated their skills, leadership and commitment in the past.

For non-Partner employees, the SCOR cash bonus rewards individual performance over the previous year. The bonus varies between 0% and 6% of the annual base salary depending on the rating received in the individual appraisal by the employee's direct superior. This scale is increased by a multiplier (2 or 3) in some Hubs in order to take account of specific local labor markets.

For Partners, the SCOR bonus system is linked directly to the individual performance appraisal (corresponding to predefined ranges linked to individual performance) and also to the ROE that SCOR achieved in the past financial year.

Bonuses are calculated based on annual gross salary. The components of the Partners' bonuses are linked to their partnership level.

The Partners of SCOR are also eligible for free shares and stock options. However, this does not mean that an allocation occurs every year or that every Partner will receive them. In addition, free shares are allocated to some partners based on their performance measured over six years. The goal of this compensation scheme, the Long Term Incentive Plan (LTIP), is to retain certain key employees over the long term. The process is supervised by the Compensation and Nomination Committee which consists only of independent members of the Board of Directors who are informed of all the individual share and option grants.

This compensation policy reflects the Group's desire to implement compensation schemes in accordance with best market practices and enables it to involve key employees in the long-term development of the Group.

In addition, the Group pursues a policy of employee share ownership, which resulted in 221,160 shares being allocated to non-Partners in 2010, 141,020 shares in 2011, 168,440 shares notified in 2013, 199,750 shares in 2014, 154,425 shares in 2015.

1.2.9. EMPLOYER SOCIAL SECURITY CONTRIBUTIONS

Indicator "Grenelle II": Compensation (employer social security contributions)

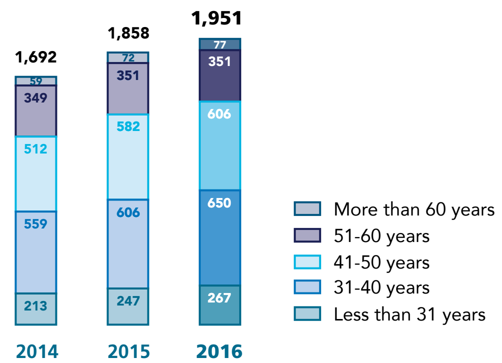
Amount of employer social security contributions paid

Hub *In EUR thousands*	**2016**	**2015**	**2014**
Paris/ London	52,530	52,060	48,379
Americas	18,330	15,910	14,965
Zurich/Cologne	6,678	6,150	5,939
SINGAPORE	**2,816**	**2,730**	**1,655**
TOTAL	**80,355**	**76,850**	**70,938**

1.2.10. DISTRIBUTION BY AGE

"Grenelle II" Indicator: Breakdown of employees by age

Breakdown of employees (1)



(1) Due to local laws, the age of the employees working in the Americas Hub has not been taken into account in these figures.

1.2.11. BREAKDOWN BY TYPE OF WORKING TIME

"Grenelle II" Indicator: Organization of working time

Breakdown of employees by type of working time (and by gender)

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time Employees	1,363	1,113	2,476	1,325	1,076	2,401	1,241	994	2,235
Part-time Employees	29	148	177	28	152	180	26	156	182
TOTAL	**1,392**	**1,261**	**2,653**	**1,353**	**1,228**	**2,581**	**1,267**	**1,150**	**2,417**

1.3. ADDITIONAL INFORMATION

1.3.1. ORGANIZATION OF WORKING TIME

	"Grenelle II" Indicator
The standard annual working time in the Group is 206 days for employees with "cadre" status in France, 210 days for the employees with "non-cadre" status in France, 216 days in Spain, 221 days in Italy, 219 days in Belgium, 221 days in the Netherlands, 247 days in Russia, 223 days in South Africa, 226 days in Ireland, 228 days in the UK, 248 days in Sweden, 226 days in Switzerland, 230 days in Israel, 222 days in Germany, 233 days in the USA, 241 days in Brazil, 242 days in Argentina, 242 days in Colombia, 243 days in Canada, 251 days in Mexico, 248 days in Chile, 231 days in Australia, 225 in China, 226 days in Hong Kong, 221 days in India, 231 days in Malaysia, 229 days in South Korea, 234 days in Singapore, 225 days in Japan and 229 days in Taiwan. As the concept of overtime does not exist in all countries and the calculation of overtime is very different from one country to another according to local law, it is not possible to present this data on a comparable basis this year.	Organization of working time
The length of absence[(1)] within the Group is 9,584 days in France, 91 days in Belgium, 2 days in the Netherlands, 467 days in Spain, 291 days in Italy, 489 days in Russia, 66 days in South Africa, 1,215 days in Ireland, 1,654 days in the UK, 231 days in Sweden, 2,436 days in Switzerland, 15 days in Israel, 2,957 days in Germany, 2,848 days in the USA, 132 days in Brazil, 54 days in Argentina, 203 days in Canada, 5 days in Mexico, 45 days in Colombia, 8 days in Chile, 247 days in Australia, 230 days in China, 104 days in Hong Kong, 1 day in India, 2 days in Malaysia, 17 days in South Korea, 1,263 days in Singapore, 23 days in Japan, and 3 days in Taiwan.	Organization of working time

(1) Sick leave, accident, maternity/paternity leave, sabbatical leave, exceptional leave are included.

1.3.2. LABOR RELATIONS

	"Grenelle II" Indicator
The Common European Companies Committee (Comité Commun des Sociétés Européennes – CCSE) met two times (in Paris) on June 16, 2016 and October 6, 2016.	Organization of employee / management dialogue
55 meetings were held with staff representatives in Europe (31 meetings in France[(1)], 1 in Italy, 7 in Switzerland, 12 in Germany, and 4 in Sweden).	Organization of employee / management dialogue
6 collective agreements were signed within the Group in 2016. In France, one agreement was signed on February 24, 2016 ("Renouvellement de l'accord GPEC"). It reinforces the information on the strategic orientations of the Group for the employees and organizes the adequacy between these orientations and the jobs, skills and careers management. Another agreement was signed on July 4, 2016 ("Procès-Verbal de la Négociation Annuelle Obligatoire"). It defines a framework to monitor the employees' individual salary review process by taking in account their performance and the evolution of the responsibilities during the year. It also defines the minimum amount for the French "prime de vacances". A third agreement was signed on December 16, 2016 ("Contrat de generation"). Through this agreement, SCOR is committed to hire young people aged 29 and over, to maintaining employment for employees over 55, to hire people aged over 47 years and to organize the transmission of Intergenerational knowledge. One agreement was signed in Germany on October 17, 2016 on the time management ("Pilot project Arbeitszeitmanagement"). This agreement on the modernization and flexibility of the working time allows a better regulation between the work-life balance of the employees and enhances the employer branding. Two collective work agreements were signed in Brazil for the states of Rio de Janeiro and São Paulo: "Convenção Coletiva de Trabalho do Estado de Rio de Janeiro" (February 4, 2016) and "Convenção Coletiva de Trabalho do Estado de São Paulo" (February 3, 2016). These are general agreements establishing annual inflation salary adjustment and negotiate certains benefits such as pharmacy, life insurance, child care, vacancies, weekly hours and others. No collective agreement related to health and safety in the workplace was signed in 2016.	Collective agreements review

(1) For France, this figure includes work councils meetings and employee representative meetings ("délégués du personnel").

1.3.3. HEALTH AND SAFETY [1]

	"Grenelle II" Indicator
25 meetings were held with the Group's staff representatives to discuss local health and safety conditions (7 meetings in France, 1 in Italy, 1 in Germany, 2 in Brazil, 13 in Colombia, 1 in Mexico).	Health and safety
12 occupational accidents [2] at the workplace with sick leave were recorded as at December 31, 2016 (7 in France, 1 in Spain, 3 in United-Kingdom, 1 in Switzerland)[3]. 7 occupational accidents at the workplace without sick leave were recorded as at December 31, 2016 (5 in France, 1 in Germany, 1 in Switzerland)[3].	Occupational accidents and diseases
Due to its geographical locations and applicable local laws, SCOR complies with all the provisions of the International Organization. The themes related to "Elimination of discrimination in respect of employment and occupation" and "Freedom of association and the effective recognition of the right to collective bargaining" are described, in particular, in Section 1.3.5 Diversity and equal opportunities and in Section 1.3.2 Labor relations. Labor relations within the Group can be considered as good. A good social dialogue exists in each Hub and at the European level.	Compliance with ILO core conventions
In 2016, a number of measures for health protection/prevention were implemented: • In Germany, a variety of medical services is offered in cooperation with the Company doctor (e.g. eye examinations, vaccinations, massages, nutritional advice offer, organization of a "health day"), offer of ergonomic keyboard/mouse). A Health and Safety Committee is in place. • In Switzerland, specific actions have been undertaken to support employees with stress management (including yoga and fitness classes, membership of sports clubs), and solutions have been implemented to improve ergonomics at the workstation and to take care of employees' health (e.g. promoting a balanced diet). • In France, the document for the evaluation of occupational risks is reviewed by an external expert and updated to prevent all occupational risks by job type with the SCOR joint works committee (UES), regular medical appointments are organized for employees by the occupational health department, support is provided for stress management especially through the sports association (a fitness room is located in the Kléber site), support is provided to employees experiencing difficulties at work: counselling (Réhalto). • In Spain, employees are offered an annual medical check-up (general medical examination and occupational risk prevention). • In the United Kingdom, employees benefit from eye test and work station assessments, pre-employment screening, medicals offered to staff after one year with the Company. • In Ireland and in Sweden, health screening is offered to employees.	Health and security

(1) Due to its non-materiality within the Group, information related to occupational diseases is not reported.
(2) Number of occurrences in the course of work which leads to physical or mental harm and absence.
(3) The frequency rate and the severity rate of accidents are not calculated as these indicators are not significant within the Group. However, SCOR has identified the number of occupational accidents within the Group to provide basic information on this subject.

1.3.4. PROFESSIONAL TRAINING

	"Grenelle II" Indicator
The strategic objectives of the training policy are to: • have a consistent SCOR-wide training approach to ensure career development for all employees; • maintain and develop employees' technical and transversal skills, thus contributing to the Group's performance; • apply a stringent process for analyzing, controlling and monitoring SCOR's strategic needs; • make the training policy a powerful means of developing and retaining staff while adhering to local legal requirements. The training policy forms part of the "SCOR University" concept, which extends training to the international level and harnesses the synergies of existing training schemes. The concept is structured around three pillars: Business, Management & Leadership, and Excellence.	Description of the training policy
47,188[1] training hours were provided by the Group in 2016. 22,028 training hours (EUR 1,052,523[2], 2,667 training participants) were provided in the Paris/London Hub, 10,674 training hours (EUR 510,578, 1,394 training participants) were provided in the Zurich/Cologne Hub, 5,753 training hours (SGD 461,985, 728 training participants) were provided in the Singapore Hub, 8,733 training hours (USD 488,625, 1,280 training participants) were provided in the Americas Hub. In 2016, on average, approximately 18 hours of training were given per employee (including the global e-learning programs).	Number of training hours

(1) For the Paris/London Hub and the Zurich/Cologne Hub, the number of training hours is calculated on the basis of attendance sheets. For the other Hubs, the number of training hours is calculated on the basis of the information mentioned in the invoices sent by the providers.
(2) For technical reasons, this amount excludes taxes for France.

1.3.5. DIVERSITY AND EQUAL OPPORTUNITIES

	"Grenelle II" Indicator
A Code of Conduct was introduced in 2009, in which SCOR committed to providing a work environment free from discrimination and/or harassment based on gender, sexual orientation, race, religion, disability, or acting as a staff representative or participating in a trade union. • In 2016, for the first time, SCOR has organized a Global Diversity Week to promote the diversity within the Group (following the Gender Diversity Day implemented in 2015). Through a both humoristic and pedagogical global campaign on cultural diversity awareness and local actions on a specific type of diversity (age, culture, gender, etc.), the main objectives was to favor good working relationships.	Combating discrimination and promoting diversity
• At the Compensation and Nomination Committee meeting on July 25, 2012, it was noted that SCOR had made progress towards achieving equality between women and men at work and that the initiatives must continue. This objective is part of the initiatives supported by SCOR to facilitate the access of female employees to key positions within the Group and enhance the talent pool. This approach is also consistent with the internal policy of equality when increasing salaries, performing appraisals or promoting to Partner status (a reminder of this principle is sent to the managers with the guidelines) and with the recruitment process, which is designed to eliminate any risk of discrimination. • The "SCOR International Gender Network" (SIGN) was launched on November 4 2016. It includes the proposition of a mentoring program and several workshops to promote gender diversity and women empowerment within the Group on a global scale. • A European charter for gender equality was signed on January 29, 2015 at the European level by the Management and members of the European Committee. It offers innovative features and actions to promote diversity. • A continued effort was made to reduce the pay gap between men and women and to apply the principles of professional equality (the agreement signed for France was renewed on February 4, 2014 for three years). • SCOR promotes its female talent, notably through the Group's participation in the Women in Insurance Awards (Trophée de la Femme dans l'Assurance) in France in 2014, 2015 and 2016. In parallel, the following commitments (resulting from the agreement) have been made at the Paris site: 1. Develop and maintain diversity in employment and recruitment, especially via the participation in the "Financi'Elles" network. 2. Promote and ensure equal treatment in terms of pay and training between women and men working in equivalent fields and similar functions with the same skills, experience, responsibilities, performance and education. 3. Ensure that absences related to maternity do not affect career development and salary. 4. Promote compatibility between work and family life, especially through teleworking. • In the United Kingdom, several partnerships have been implemented: corporate membership with the City parents (professional network promoting balancing family life with a progressive career), corporate membership with TWIN (The Women's Insurance Network), partnerships with various training agencies for mentoring and coaching men and women in leadership. Moreover, a gender diversity committee has been set up. • In Ireland, the meeting rooms have been renamed to reflect Irish female authors. • In Sweden, a company Code of Conduct on diversity and equal opportunities is in place, as required for all companies with 25 employees or more. • In the US, the Equal Employment Opportunity report is completed annually as required by the law.	Gender equality
• Non-discriminatory measures for older employees are applied in certain Hubs, especially in Paris where an agreement was signed in 2009 on non-discrimination and equal treatment, recruitment and job retention, career planning, skills management for seniors. • In Germany: "Learning over Lunch" events continue to take place, with objectives such as the ways to help parents manage specific parental situations; there is one woman on the local Management Committee; part-time or flexible working arrangements are discussed to alleviate the difficulties faced by certain employees; paternity leave and child/parent care leave are promoted, teleworking is being considered (implementation of a pilot scheme), personal coaching and support and assistance for older employees are also in place, along with a pension scheme adaptable according to the employee's personal circumstances. During the Global diversity week, a presentation was made by an external stakeholder to raise awareness of the employees on the questions of the communication between the different generations. • In Switzerland, a discussion around "inter-age diversity" has been organized with the support of an external theatre group. • In the Singapore, a lunchtime talk was held for employees in the office to learn a few tips on how to strike a balance between work and family lives. Moreover, a week of activities promoting the cultures diversity has been organized in May. A Global "Potluck" Day was proposed. The employees brought dishes that were representative to their culture/country for a tasting session and participated to activities that were representative to the cultures in Asia. At last, several on-site and remote presentations have been proposed to better understand the different cultures across Asia Pacific.	Combating discrimination and promoting diversity

	"Grenelle II" Indicator
The Group has 33 employees with disabilities [1]: two in Germany, two in Switzerland, twenty-five in France, two in Italy, two in the United-States.	Employment and integration of employees with disabilities
In Germany, the whole building has been adapted to be accessible to people with disabilities. An integration management program aiming to provide the right conditions to help certain employees return to work after long-term sick leave is also in place. In Switzerland, support can be offered to employees with disabilities returning to the Company after a long period of sick leave, which implies progressively introducing objectives, adapted to their situation. In Sweden, the office building is disability-friendly and special offices can be adapted to individual disabilities, as appropriate. In Ireland, the office building is disability-friendly. In the United-Kingdom, evac chairs in stairwell made available for persons who are wheelchair bound. In France, SCOR places particular importance on the subject of disability and implements practical actions to allow equal access to all positions and to support the entry and retention of workers with disabilities. The following actions to promote the integration of employees with disabilities have been taken within the Paris site: • The building was built and designed taking into consideration all the arrangements required to facilitate the integration of staff with disabilities. • Specific monitoring of employees with disabilities is handled by the Occupational Health Department to work in coordination with the HR Department of the Paris Hub (including adapting the organization of work and/or working conditions). • Specific training was implemented for employees with impaired hearing eligible for teleworking. • Individual training dedicated to the new retirement scheme was implemented for employees with impaired hearing. • In Belgium, the office building is disability-friendly. • In Italy, specific measures have been taken to improve the ergonomics of workstations for some employees.	Measures to assist employees with disabilities

(1) From 2016, the french disabled employees under the status "mi-temps thérapeutiques" are reported in the "declaration obligatoire d'emploi des travailleurs handicapés" (DOETH).

Methodological note

- The report covers the 12-month period from January 1, to December 31, of the year under review.
- The items mentioned in the document pertain to the entire Group except ReMark, Telemed, Réhalto, MRM and the Lloyd's Channel Syndicate. These three entities are wholly-owned by SCOR Global Life SE and are managed independently of the Group in terms of human resources. The Lloyd's Channel Syndicate is a subsidiary of SCOR Global P&C SE and is managed independently from the Group in terms of human resources. MRM is a subsidiary of SCOR SE and is managed independently from the Group in terms of human resources.
- Headcount is calculated on the basis of employees registered at December 31, on fixed-term contracts (employment contract signed directly between SCOR and the individual with a defined end date) or permanent contracts (employment contract signed directly between SCOR and the individual for an unlimited period). Trainees are employees paid by the Company under a tripartite agreement between the Company, the school and the student.
- Employees on fixed-term contracts are considered as definitively leaving SCOR when their contracts expire. Employees who signed a permanent contract in 2016 at the end of their fixed-term contract are not included in the fixed-term contract endings.
- For employees who signed several similar working contracts during the year, only the initial hiring and the final departure are counted.
- 2016 Group staff turnover is calculated as follows: number of departures in 2016 (excluding dismissals, deaths, Company transfers and trainees)/headcount as at December 31, 2015.
- Average fixed compensation is calculated on the basis of the annual compensation of reference paid to employees, prorated to actual hours worked. The average bonus includes the profit sharing scheme for France and takes into account bonuses equal to 0 for unsatisfactory performance. The average granted shares takes into account persons who have not been granted shares.
- Annual working time: annual period of time (calculated in days) that an individual spends at work. This definition is based on the legal (or conventional) approach and does not take into account absences for sick leave, maternity leave, sabbatical leave, etc.
- The length of absence includes sick leave, accident, maternity/paternity leave, sabbatical leave and exceptional leave.
- Number of training hours: total number of hours of training received by all the employees. These training hours are directly managed by SCOR or by an external training organization at the behest of SCOR. For collective training, the number of hours of training is multiplied by the number of participants.
- An employee is considered to have a disability when the disability is recognized as such by the relevant body. The disability may be physical or mental or a combination of both. A disability may be present from birth, or develop during a person's lifetime.

- Daily checks are performed by the local HR managers and the Group HR Department to ensure the reliability of the information in the Group data base. An additional detailed check of the data is performed annually (in December) by the Group HR Department and the local HR managers.
- The collective agreements are concluded for a positive impact, in particular on the working conditions of employees and on the economic performance of the Company. Their characterization is currently being considered.

2 SCOR'S ENVIRONMENTAL AND CLIMATE POLICY

The information below, which relates to the environmental impact of SCOR's business, is presented in accordance with the regulatory provisions set out in Article 225 of law no. 2010-788 of July 12, 2010 on France's national commitment in favor of the environment (loi portant engagement national pour l'environnement). This report also includes the new requirements of transparency set forth by the law n°2015-992 on the energy transition for the green growth (loi relative à la transition énergétique pour la croissance verte), notably the information required by the article 173 on the "low carbon" strategy.

In accordance with the recommendations of the *Autoritié des Marchés Financiers*, this report also includes information on the methodology used as well as on its potential limitations. This section of the report also includes the information deemed as ancillary as well as the categories for which SCOR applies the "comply or explain" principle.

2.1 FRAMEWORK AND GENERAL ORGANIZATION

SCOR's environmental policy is guided by the international initiatives to which it has subscribed. Signatory of the United Nations Global Compact since 2003 and the Kyoto Protocol under the aegis of the Geneva Association since 2009, since 2012 SCOR is also a founding signatory of the Principles for Sustainable Insurance, a global initiative placed under the umbrella of the United Nations Environment Program – Finance Initiative (UNEP-FI). These initiatives form the framework in which SCOR SE (the "Company") and its main subsidiaries implement the Group's environmental policy ("SCOR").

Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to conduct its global operation in accordance with the environmental principles which are set out by the United Nations Global Compact with regards to prevention, protection and precaution. Therefore, the environmental policy aims to reduce the environmental impacts directly linked to SCOR's activity and whose main source is derived from office management (energy consumption, water consumption, etc.), business travel (in particular air travel due to the global nature of its activity) and to a lesser extent office equipment (furniture, information technology equipment, paper, etc.). The Group focuses on greenhouse gas emissions for which an indicative target of reduction by 2020 has been set in terms of intensity when it joined the French Business Climate Pledge in November 2015. This initiative is one of the measure taken by the Group to contributing in its own way to climate change mitigation and to transitioning to a low carbon economy.

The Group's environmental policy is decentralized at Hub level (in Europe, Paris/London and Cologne/Zurich, in Asia Pacific, Singapore and in the Americas, Charlotte/New York/Kansas City) and monitored at Group level by the head of CSR who, besides being responsible for compliance with environmental information disclosure requirements under the law on the national commitment in favor of the environment, encourages, coordinates and mandates locally implemented environmental initiatives.

Besides the management of its direct impact and its natural catastrophes reinsurance activities, other initiatives related to climate change mitigation and adaptation are carried out in its investment activities as well as in its institutional engagement.

2.2 ENVIRONMENTAL FOOTPRINT MANAGEMENT

Being mindful of reducing its direct environmental footprint and thereby contributing to climate change mitigation according to its means, the Group pursues an environmental and climate policy that it applies to the management of its main offices. To do so, SCOR has been implementing complementary measures in the following areas:

- environmental quality of offices design and construction;
- certification of Environmental management system;
- energy consumption and renewable energy use;
- business travel steering;
- waste management and water consumption;
- Green House Gas emissions monitoring.

2.2.1. ENVIRONMENTAL QUALITY OF OFFICES DESIGN AND CONSTRUCTION

SCOR conducts its operations from offices of varying size in forty countries. The Group either owns or rents them.

In its projects of extension or relocalization, the Group integrates environmental considerations when it selects its offices, notably office buildings it intends to acquire. The Group favors so-called sustainable or ecoresponsible construction. SCOR is attentive to either energy efficiency, or environmental credentials, as far as design and construction, or renovation are concerned. These considerations may be subject to a tradeoff with other ones such as the localization of the office or its availability.

With the acquisition of tertiary buildings meeting the aforementioned standards, the environmental quality of the Group's property portfolio hosting its employees has significantly improved since 2009.

One of the two sites in London is BREEAM (BRE Environmental Assessment Method) certified whilst SCOR's office premises in Cologne have a European environmental label. In Paris, the headquarters is HQE (Haute Qualité Environnementale) certified for the design and the construction phase. In 2013, the Group acquired two floors in a building still under construction in Singapore and purchased four units of an additional floor in 2014. This building will be Green Mark Platinum certified by the Building Construction Authority of Singapore. The building will be delivered in mid-2017. More recently, in the context of its extension the Group has acquired a new building in Paris. Using the "Haute Qualité Environnementale" standard, the design of this building has been rated excellent.

2.2.2. CERTIFICATION OF ENVIRONMENTAL MANAGEMENT SYSTEM

The Group not only integrates environmental considerations in its projects of extension or relocalization (see above) but is also promoting an ecoresponsible management of its office premises through the implementation of environmental management systems where feasible. SCOR's employees are regularly informed of the measures taken by the Group to protect the environment.

In addition to the Zurich office whose operations are certified ISO 14001, Cologne and Paris have decided to implement respectively the following standards: EMAS ("Eco-Management and Audit Scheme") and HQE operation. More recently the environmental management system of one of the Group's location in London has been certified BREEAM in-use (BRE Environmental Assessment Method in-use) following the audit of certification that took place at the end of 2016. 52% of SCOR's employees covered by the environmental reporting processes are covered by a certified environmental management system (43% in 2015).

The roll-out of such system may notably improves the environmental profile of the office premises. For instance, the rating of the environmental profile of SCOR's headquarters in Paris has been further increased following the 2016 audit of certification. Since the adoption of the HQE operation standard, the rating of the environmental profile of SCOR's headquarter has been upgraded three times.

So as to develop an ecoresponsible culture and use of office premises, employees are informed about the Group's environmental actions through various different channels. The Group's Code of Conduct is the primary source in terms of information and raising awareness. An entire section of the Code is devoted to the United Nations Global Compact and to the "Principles for sustainable insurance".

This information is supplemented by regular communications via internal corporate media as well as in some of the Group's locations through internal environmental themed events. For instance, a specific event is organized every year in Paris during the Sustainable Development week. In Switzerland, SCOR's employees were introduced to urban agriculture techniques in 2016.

2.2.3. ENERGY CONSUMPTION AND RENEWABLE ENERGY USE

In the context of its "low carbon" approach, the Group focuses on the steering of its energy consumption and the purchase of energy produced from renewable sources.

The Group consumed 17.8 GWh in 2016 to operate the premises occupied by our staff (lighting, heating, cooling – including data center [1] – power for operating various equipment). Most of the energy consumed in the Group's premises surveyed comes from electricity (67%). The share of renewable energies has significantly increased, notably thanks to the headquarters shift in its supply of electricity to a 100% renewable sources. Renewable energy sources account for 48% of electricity purchases in 2016 whereas this share accounted for 31% in 2015.

2.2.4. BUSINESS TRAVEL STEERING

The streamlining of business travel, which another major source of energy consumption, is sought through the roll-out of highly sophisticated and efficient high definition video presence rooms, and the implementation of a travel policy setting out principles and rules for a proportionate use of transportation.

Due to the global nature of SCOR's activities, business trips, and particularly air travel, account for a significant share of the Group's greenhouse gas emissions. In 2016, almost 45 million kilometers were travelled either by plane (95%) or by train (5%).

(1) Energy consumption by outsourced data centers is not factored in, unlike data centers hosted in premises housing Group employees.

2.2.5 WASTE MANAGEMENT AND WATER CONSUMPTION

The Group has implemented proportionate processes both in terms of reduction and recovery of its waste production on its main locations. In this respect, the Group selectively monitors its waste, particularly the most toxic products for the environment (electronic and computer waste, batteries, ink cartridges and toners, etc.). The production of paper and cardboard waste is also monitored and consolidated throughout the Group, although the reinsurance industry uses less paper than the insurance industry due to less desktop publishing.

Most of the sites surveyed in 2016 reported on "paper waste" and to a lesser extent on other waste (IT & electronic, bulbs, toner, batteries, others), notably for the latter in its smallest locations.

In 2016, sorted and recycled "paper waste" amounted to 183.9 tons. Paper recycling is a practice implemented in most of the locations surveyed. The volume of paper sorted and collected for recycling is higher than the volume of paper purchased over the year (68.2 tons). This difference is mainly due to recurring archive clean-ups and to the inclusion of other waste in the "paper waste" category such as cardboard and newspapers.

Although SCOR's offices are located in urban areas not subject to particular water stress, SCOR includes water consumption to its environmental reporting process. Group's total water consumption [1] was 45,149 m^3 in 2016. Water consumption mainly stems from employees own consumption and in a few cases from the maintenance of green spaces.

2.2.6. GREEN HOUSE GAS EMISSIONS MONITORING

As part of the French Business Climate Pledge announced in November 2015, SCOR has reaffirmed its commitment to keep contributing to climate change mitigation and in this respect set an indicative objective of reduction of its greenhouse gas emissions intensity by 2020.

Amongst the six gases taken into account by the Kyoto Protocol, carbon dioxide is the main gas emitted by the Group. SCOR monitors its greenhouse gas emissions since 2009 with a focus on the most significant sources of emissions, specifically energy purchase, the consumption of fossil fuel linked to employees' business travel, and emissions stemming from paper consumption although for the latter the volume of emissions is insignificant.

Other sources of emissions may be significant in the context of the Group's activities but since the Group has adopted a pragmatic approach it focuses on the sources providing an immediate lever. Information on these other significant sources of emissions are available in the Section 2.4 of this report ("methodology").

In 2016, the Group's emissions calculated as outlined in the Section 2.4 of this environmental report amounted to 22,627 tons of CO_2 equivalent or 8.2 tons of CO_2 equivalent per employee. Whilst the measured emissions include the ones produced by the providers and other tenants hosted on some of SCOR's locations, emissions are divided by SCOR's employees only. This tends to overestimate the carbon intensity of the Group. Therefore the latter cannot be compared with the ratio published in 2015 since the method has changed. This ratio includes both the emissions generated by Channel Syndicate and its employees as it was already the case in 2015.

Most of these emissions were driven by business transportation representing around 82% of the Group's emissions of which air transportation accounted for 98%. The emission rate retained includes the upstream phase (extraction, refining and transport of the fuel) and the combustion phase. With regard to transport, gases outside of the Kyoto protocol are also taken into account (mainly water vapor generated by jet engines). Stripping out gases not included in the Kyoto Protocol, the Group's emissions fall to 14,382 tons of CO_2 equivalent of which air transportation accounts for 71%.

(1) As water consumption may be included in rental charges, it is not possible to identify the true consumption for some of the locations included in the scope of reporting. In these situations, the consumption is estimated by application of a standard ratio set out in the environmental reporting protocol (50 liters per employee and contractor per day on the basis of 220 business days). The share of water consumption estimated accounts for 15% of the quantity reported above. Moreover, condensed water used for the cooling of the data center on very few of the locations subject to the environmental reporting is excluded from the scope of reporting.

2.2.7. MAIN INDICATORS AND COVERAGE RATIO AS A PERCENTAGE OF SCOR'S TOTAL WORKFORCE

Indicator	Unit	Data 2016	Coverage (1)	Data 2015	Coverage (1)
Energy (2)	kWh	17,795,277	84%	17,521,025	84%
Water	m^3	45,149	84%	40,979	84%
Sorted and recycled paper waste	Kg	183,889	71%	143,523	70%
Air transportation	Km	42,750,431	94%	36,526,596	94%
Rail transportation	Km	2,240,809	89%	2,036,675	84%
GREENHOUSE GAS EMISSIONS	**TEQCO_2**	**22,627**	**-**	**20,147**	**-**

(1) Coverage rates are reported against the number of employees. It corresponds to the number of employees working in the locations surveyed divided by the number of employees working in the entities fully integrated in the financial statements. Channel Syndicate employees are therefore not included in the coverage rate whilst the above published indicators include their consumption, their business travel and the related greenhouse gas emissions. Further information on the scope of reporting can be found in Sections 1.4 of this environmental report.
(2) Of which electricity (67%), fuel and gas (11%), other heating sources (5%) and other cooling sources (17%).

2.3. INVESTMENTS AND INSTITUTIONAL ENGAGEMENT

2.3.1. INVESTMENTS AND ASSET MANAGEMENT ACTIVITIES

When the new strategic plan "Vision in Action" was presented, SCOR announced its intention to further integrate environmental, social and governance considerations in its investment policy. Climate change mitigation and adaptation aspects are an important theme of the environmental pillar.

On this occasion, the Group reaffirmed its intention to play its part in financing the energy transition, a commitment taken when it joined the French Business Climate Pledge. By the end of its strategic plan timeline, SCOR forecasts additional investments up to EUR 500 million in renewable energies and in energy efficient buildings.

For years now SCOR has been taking a proactive approach to the environmental certification of its real estate investment portfolio. Besides its investments in office buildings for its own use (see above), the real estate asset portfolio also includes pure investment assets. The Group thus owns one of the first positive energy tertiary sector buildings of its size (23,000 m^2) in Meudon la Forêt in France. This kind of investment is supplemented by far-reaching renovation program aiming to upgrade the environmental performance of the real estate investment portfolio through environmental certification or energy efficiency label. In addition to its tertiary sector real estate activities, the Group develops real estate and infrastructure debt funds activities through its asset management subsidiary. Environmental objectives have been gradually integrated in these funds. SCOR Real Estate Loan II, launched in October 2015 favors environmentally certified underlying assets whilst in the infrastructure debt funds investments in renewable energies are twice as much higher than investments in conventional energies.

These themed investments are supplemented by an exclusion policy. Thus, on November 30, 2015, the Group announced its divestment of companies deriving more than 50% of their turnover from coal and has undertaken, across its entire asset portfolio, to make no new financial investments in such companies in the future.

Beyond climate change mitigation, SCOR plays also actively its part in supporting climate change adaptation strategy through conceiving, trading and investing in financial products that provide additional capacities for the coverage of natural catastrophes ("Cat bonds Insurance Linked Securities"). This activity is developed by its asset management subsidiary which is a signatory of the Principles for Responsible Investment since late 2016.

As announced during the presentation of its strategic plan, the Group has initiated works to further analyzing climate challenges related to its asset portfolio. Several aspects are being investigated such as the so-called "stranded assets", the portfolio positioning with a 2 degrees scenario, and the measure of the asset portfolio carbon footprint. The general approach, the type of analysis carried out, and their preliminary conclusions will be unveiled in a report dedicated to the integration of environmental, social and governance considerations so as to be in conformance with the provisions that apply to institutional investors pursuant to the article 173 of the law on the energy transition for the green growth.

2.3.2. INSTITUTIONAL ENGAGEMENT

The Group's institutional engagement in furthering the understanding of the potential effects of climate change and thereby strengthening the resilience of our societies is multifold. In addition to the initiatives mentioned in the Section "Framework and general organization" and the French Business Climate Pledge, SCOR is also a signatory of "United for Climate Resilience".

This institutional engagement on adapting to climate change is backed at the highest level of the Group. SCOR's Chairman and Chief Executive Officer co-chairs the Geneva Association's Extreme Events and Climate Risks working group since May 2015. The work plan of this working group includes the coordination of several initiatives in the field of modelling, in particular of climate risks modelling.

Climate risks modelling, the impact of climate change on populations and economies, is a pivotal axis of SCOR's institutional engagement. In this respect, the Group is one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for modelling climate events. The Group has also joined Climate KIC, one of the largest public-private partnerships operating to fight climate change.

The SCOR's Corporate Foundation for Science is also involved in the promotion of climate research. In 2015, the Foundation organized a scientific conference combining a range of disciplines (climate, economy, actuarial, with a keynote speech delivered by Jean Tirole, Nobel Prize for Economics). This seminar was awarded the COP 21 label. In collaboration with the Geneva Association and with the technical support of the Group's teams, the SCOR's corporate Foundation for Science has decided to organize a second event on risk modelling, including climate risks, and how it can contribute to the development of risk transfer mechanisms. This conference, which will be hosted in the premises of the Group in March 2017, will explore what has been learnt from 25 years of developing and utilizing catastrophe risk models. It will also look at the next generation of the risks models being currently developed. The conference will also debate/consider how the latest developments/advances in climate and earth observations could be harnessed for designing the next generation of forward-looking models and how these models could stimulate the expansion of insurance coverage to the overall population.

Insurance and reinsurance can indeed contribute to climate change adaptation, as long as it is restrained. Expanding insurance coverage to the most vulnerable developing countries is a primary focus of Insurance Development Forum's work, a multi-stakeholder group gathering insurers, reinsurers, international institutions and other stakeholders. SCOR's Chairman and Chief Executive Officer is a member of its steering committee whilst SCOR's teams contribute to its reflections as they participate in its working groups.

2.4. METHODOLOGY

Scope of environmental data collection

This environmental report covers the parent company (SCOR SE) and the main locations of its subsidiaries in France and abroad which are fully consolidated in the financial statements with the exception of Remark Group (149 employees) and MRM (5 employees). These companies account for 5.5% of employees fully consolidated in the financial statements. Although Channel Syndicate (122 employees, 4.3% of employees fully consolidated in the financial statements) is not fully consolidated in the financial statements, SCOR includes this entity in its environmental reporting process. Associates and affiliates are excluded from the scope (see Section 4.6 – Notes to the consolidated financial statements, Note 22 – Related party transactions).

Data was collected on a target scope including all Group sites with more than 30 employees for all of the reporting indicators. This target scope accounts for 85.5% of employees (as of December 31, 2016) of legal entities fully consolidated in the financial statements plus Channel Syndicate which is located in the Group's London premises. Within this target scope, environmental data with respect to premises were not available for one location hosting 39 employees due to a move in the course of the year. However, information regarding business travel originating from this location were effectively reported.

The threshold of 30 employees is not applicable for the calculation of the environmental impact due to air travel. Although information for all of the sites falling within the data collection scope is not available at this stage and since Remark Group is excluded, data relating to the use of air travel covers 94.5% of the employees of the legal entities fully consolidated in the financial statements in terms of headcount. 99.7% of them were able to report on this indicator.

As the requested data were not available for all the legal entities covered by the environmental reporting protocol, a table has been included providing an overview of the rate of coverage for a selection of indicators.

Consolidated data covers a 12-month period, generally from November 1, 2015 to October 31, 2016.

Limitations

Due to the unavailability of data for the full year for some of the locations included in the environmental report, an extrapolation has been carried out to estimate missing consumption data. Moreover, depending on the surface area occupied, the information collected entails different parameters, in particular with regards to the consolidation or not of the energy consumption derived from the use of services located in shared areas of the building. Where SCOR is the sole or main tenant (i.e. more than 50% of the surface area is occupied by SCOR's staff), the data includes SCOR's share of the energy consumption for the shared area. Below this threshold, this share is not included in the data collected.

Lastly, besides Channel Syndicate employees who are included in this environmental report, several sites surveyed include other tenants' energy and water consumption and to a lesser extent waste production. Therefore the environmental impact of the Group is overestimated. Channel Syndicate employees and other tenants' employees hosted by these sites account for 20% of the employees of the legal entities fully consolidated in the financial statements as defined in the Section "Scope of environmental data collection". Channel Syndicate's business travel data are consolidated.

Methodology

Energy consumption is expressed in kWh/m^2, water consumption in m^3/employee, and paper consumption in kg/employee. For some data, the ratio takes into account the contractors and other tenants located in the premises occupied by the staff managed by the Group.

In addition, the Group consolidates these indicators and presents them expressed in tons of CO_2 equivalent. This conversion of the different energy sources into greenhouse gas emissions is performed centrally on the basis of the conversion factors taken from the "Base Carbone®" produced by the French "Environment and Energy Management Agency" (Ademe) and extrapolated from the data effectively collected in each Hub. The emissions calculated by the Group cover the following scope of the "Green House Gas Protocol":

- "Scope 1": direct emissions from the combustion of fossil fuel. Depending on the site, these emissions are generated by the consumption of fuel (heating and backup generator) and the use of fleets of vehicles.
- "Scope 2": indirect emissions induced by electricity consumption, steam and cooling systems. For most of the sites surveyed, most of these emissions are induced by electricity procurement and

for some sites, such as Paris, from urban cooling systems. For the calculation of the greenhouse emissions SCOR does not use a discounted factor for renewable energy if a certificate with the discounted rate to be applied is not provided by the energy supplier. Indeed, as the sources of renewable energy purchased are not always known, SCOR adopts a precautionary approach, using the emission factor resulting from the energy mix of a given country. Hence this approach tends to slightly overestimate the measured carbon footprint of the Group.

- "Scope 3": other indirect emissions. This Scope usually includes emissions from the use of offices (so-called depreciation), business travel, commuting, waste and so on. In this Scope, SCOR focuses on air travel (the most important source of emissions) as well as rail travel and paper purchases.

With regards to the source of emissions (to be distinguished from the volume of emissions) within each Scope, the rate of coverage is estimated at around 100% for Scope 1 (within this scope refrigerant fluid may be a significant source of greenhouse gas emissions; volumes are not estimated) and at 100% for Scope 2. The rate of coverage for Scope 3 is limited to approximately 10% since the Group has adopted a pragmatic approach with a clear focus on business transportation which has an important environmental footprint. Within this Scope, the main sources excluded are commuting as well as the so-called depreciation of equipment, property and services, such as data center outsourcing. The main sources of greenhouse gas emissions of the Group may also include emissions stemming from investment and asset management activities. Methodological standards being developed to quantify these emissions are still in their infancy with a lot of limitations. A reflection on their assessment has been launched by the Group.

Categories of the article R. 225-105-1 deemed as ancillary or excluded from the environmental report

Resources dedicated to preventing environmental risk and pollution

Quantitative information is not itemized in our control and budget monitoring system. However, besides compliance with local standards and regulations as well as the roll-out of a travel policy calling for moderate use of transport, SCOR devotes proportionate means and resources to the prevention of environmental risk and pollution. As described in the Section 2.1.2 of this report, the Group's affiliates deploy environmental management systems on most of their premises where the Group is the sole or main operator/manager.

Provisions and guarantees covering environmental risks

The Group has not made any provisions or guarantees covering environmental risks, since SCOR has not been subject to any convictions or litigation involving its civil liability.

Description of the measures taken to prevent any air, water and ground pollution seriously affecting the environment

This category is not material due to the nature of the Group's business (i.e. financial services). Greenhouse gas emissions are covered in the Section entitled "Greenhouse gas emissions". Due to the nature of its business, other discharges in air, water or ground seriously affecting the environment are not significant and are covered by environmental management systems at the Group's affiliate sites where they are the main operator/manager.

Description of the measures taken to prevent sound pollution or any other form of pollution specifically concerning the Company

This category is not material due to the nature of the Group's business (i.e. financial services). The direct impact of the Group's business is insignificant in terms of sound pollution.

Measures taken to prevent food wastefulness

This category is not material due to the nature of the Group's business (i.e. financial services). The Group has no tangible influence on food wastefulness. However, in some of the Group's locations, notably where collective catering is provided to its employees, some measures may be taken in this respect in collaboration with the service provider. This is notably the case at the headquarters where awareness raising campaigns on this issue may be conducted.

Raw materials consumption and measures taken to improve their efficiency of use

Financial services activities do not directly consume raw materials, but indirectly through their procurement of furniture, office equipment, and information technology (IT) and office equipment. In areas where the Group has a centralized function dedicated to the purchase of office supplies such as IT equipment, environmental standards have largely taken into account in the selection of equipment. This holds true for the acquisition of commercial property, where a clear focus has been put on green credentials (i.e. environmental certification of the design and construction phases).

Otherwise, furniture and office equipment are managed locally and green standards are progressively integrated in various areas such as paper ream purchases [(1)] which came to 68.2 tons in 2016. Recycled paper and paper carrying the FSC or PEFC label represented around 87% of these purchases.

Ground use

This category is not material due to the nature of the Group's business (i.e. financial services). Ground use is limited to the surface area of office buildings hosting Group employees.

Measures taken to preserve and develop biodiversity

Although this category of information is not material due to the nature of the Group's business (i.e. financial services), some of the Group locations contribute in their own way to protecting the surrounding biodiversity. For example, Paris and London have installed bee hives on their roofs and ecoroofs and gardens made of diversified plant species and varieties (Paris).

3 INFORMATION RELATED TO SOCIETAL COMMITMENTS IN SUPPORT OF SUSTAINABLE DEVELOPMENT

The information below, which relates to the Group's societal commitments in support of sustainable development, are presented in accordance with the regulatory provisions set out in Article 225 of France's national law on its commitment to protect the environment. The sections are presented in the same order as Decree No. 2012-557 of April 24, 2012 relating to corporate transparency requirements in social and environmental terms. Unless otherwise specified, the information below applies to the Group and its direct impact.

3.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF SCOR'S ACTIVITIES

Employment and regional development

SCOR employs more than 2,653 staff worldwide (excluding Remark, MRM, Rehalto, Channel Syndicate and SCOR Telemed), including 739 in the greater Paris region (France).

Neighboring and local residents

Not applicable given the location and nature of the sites used by SCOR SE and its subsidiaries in France and abroad.

3.2. RELATIONSHIPS WITH GROUP STAKEHOLDERS *

Conditions for dialogue with these people or organizations

Aside from its employees, for whom the conditions for dialogue are set out in Note 1.3.2 – Labor relations, SCOR maintains relationships with a broad range of stakeholders directly affected by our business. These stakeholders include:

- shareholders and investors notably with the launch of the SCOR's Shareholder Club in April 2016;
- clients and reinsurance brokers;
- financial and non-financial rating agencies;
- national supervisory authorities for the insurance and reinsurance industries in countries in which the Group has subsidiaries (e.g. *Autorité de Contrôle Prudentiel et de Résolution* – France, Prudential Regulation Authority – United Kingdom, Monetary Authority of Singapore – Singapore, Central Bank of Ireland – Ireland, *Autorité Fédérale de Surveillance des Marchés Financiers* – Switzerland, as well as the insurance commissioners of the States in which the Group's American subsidiaries are registered in the United States of America);

(1) Printed documents ordered from printing companies are excluded from the scope of reporting.

* Relationships between the Group and people and organizations affected by its business, particularly non-profit employment agencies, educational establishments, environmental protection agencies, consumer associations and neighboring residents.

- trade associations representing the interests of the insurance and reinsurance industry (e.g. Fédération Française des Sociétés d'Assurance, Association professionnelle de la réassurance in France, Insurance Europe, The Geneva Association, American Council of Life Insurers, Reinsurance Association of America, Chief Financial Officers Forum, Chief Risk Officers Forum, Chief Compliance Officers Forum, Reinsurance Advisory Board, Global Reinsurance Forum);
- non-governmental institutions such as the United Nations Program for the Environment via its financial initiative, the United Nations Global Compact as well as the Insurance Development Forum (IFD), a multi stakeholders initiative gathering the United-Nations, the World Bank Group, other international institutions and the (re)insurance industry.

SCOR has implemented a number of different methods for communicating with the stakeholders mentioned above, which are tailored to each type of relationship (e.g. regular meetings, participation in working groups, client events on various different topics including the technical aspects of reinsurance, transfer of information on demand, production of regulatory reports). Generally speaking, when such practices are not subject to regulatory provisions, the Group does its utmost to adopt the best practices identified in the corresponding countries.

In addition to the stakeholders mentioned above and existing relationships with a number of institutions, in the context of partnerships concluded in the interests of promoting actuarial science, SCOR is making a particular effort to establish relationships with educational establishments.

In France in particular, SCOR is involved in financing establishments through the payment of an apprenticeship tax to schools or establishments operating work-study programs. Each year, SCOR welcomes apprentices and young interns who occupy technical or administrative functions.

The Group's French subsidiaries also work with sheltered workshops with respect to the procurement of a number of office furniture. This kind of collaboration is designed to promote integration and employment access for the disadvantaged.

Partnership and sponsorship schemes

SCOR follows an active policy of partnership and sponsorship, notably at Group level in the field of scientific promotion and locally through its commitment to local communities and its support for the arts and culture.

Scientific partnerships and sponsorships

Supporting research and teaching is a core feature of SCOR's corporate responsibility policy. The Group develops relationships with different kinds of institutions (foundations, associations, schools and universities, research centers) in various forms (corporate sponsorship, scientific research partnerships) in a number fields linked to risk, uncertainty, and reinsurance, both in France and abroad.

The SCOR Global Life Research Centers have established a number of scientific partnerships in the past. Active partnerships are the following: the Assmann Foundation on cardiovascular diseases (EUR 100,000 annually), the Erasmus University on the impact of cancer detection (EUR 58,000 over 3 years), and the Pierre and Marie Curie University at the Pitié Salpêtrière hospital on VIH developments (EUR 30,000 annually).

The Group or its Foundation as appropriate also contribute to the promotion of actuarial science by helping to fund actuarial awards in cooperation with local actuarial institutes both in Europe (Germany, Spain, Portugal, France, Italy, the UK, Sweden and Switzerland) and Asia (Singapore). Besides the actuarial prizes, the Group organizes research seminars in cooperation with similar institutes. The topic "Scientific laws and modelling in mathematics: from physics to actuarial science" was thus at the heart of the seminar jointly organized by SCOR and the French Actuarial Institute in 2016. In 2015 this seminar was devoted to "Big Data and Actuarial Science".

Founded in partnership with Nanyang Technological University in March 2011 and part of Nanyang Business School, The Insurance Risk and Finance Research Center (IRFRC) sponsors and conducts primary research on insurance and insurance-related risk management in the Asia-Pacific region. In 2015, after a successful fourth annual conference devoted to the most recent trends in the field of risk and risk management research in emerging countries, the IRFRC was selected to conduct the Cyber Risk Test Bed Project, a research program sponsored by the Monetary Authority of Singapore (MAS). This project aims to enhance cyber risk insurability, notably by setting up a collaborative and data sharing platform. The data gathered should, for example, help companies to understand their potential cyber risk exposures and losses.

In France, SCOR has launched significant research partnerships in the field of economics and finance, notably in collaboration with the Foundation Jean-Jacques Laffont – Toulouse School of Economics (TSE) chaired by the 2014 Nobel Prize winner, Jean Tirole. The two chairs financed by SCOR, "Market Risk and Value Creation" (since 2008) and "Finance" (since 2009), have enabled Jean Tirole and the researchers at TSE to conduct outstanding theoretical and empirical research into risk, which may be consulted on SCOR's website. This collaboration gives SCOR real-time access to the most recent academic risk research results, and furthers "the art and science of risk" constituting its comparative advantage.

Additional information on some of these sponsorship and scientific partnership programs is available in Section 1.2.6.2 – Research and development, patents and licenses of this document.

The creation of the SCOR Corporate Foundation for Science in 2012 marked a new phase in SCOR's commitment to scientific disciplines, and beyond this, to its contribution to society as a whole. Registered in the Official Journal of Associations and Foundations in July 2012, the Foundation is supported by a Board of Directors chaired by André LevyLang. The Foundation is also supported by a very high-level interdisciplinary and international scientific board, which helps it to define its strategic priorities and to select projects to support.

The Foundation benefits from annual financial support from SCOR of EUR 1.5 million in order to support some of the Group's existing scientific research operations as well as new projects. SCOR has pledged EUR 7.5 million to the Foundation's 5-year program with a last grant to happen in 2017.

Since its very early days, the Foundation has been financing seminars and colloquiums on various scientific subjects such as emerging infectious diseases, longevity risk for our modern retirement schemes, or economic agents' expectations in an economic crisis. In 2015, the Foundation joined forces with the Toulouse School of Economics and the Geneva Association to organize an international scientific seminar on the issue of the anticipation and insurability of climate risks. This seminar, which received COP 21 certification, was held in SCOR's Parisian office and attended by economists, climatologists, natural catastrophe modelling experts, actuaries and insurance and reinsurance professionals. Drawing on the success of this very first seminar, the Foundation has decided to keep organizing such event with the organization in collaboration with the Geneva Association of an upcoming seminar on natural events advanced modelling techniques.

Also part of its working program, the Foundation funds research and technical cooperation programs. In 2016, the Foundation's Board of Directors and SCOR's Board of Directors selected two new projects: (i) a project led by the French Institute for Demographic Studies (INED) on the modelling of life expectancy beyond 90 years old in Belgium, France and Quebec and the related trends since 1980, and (ii) a project entitled assessing the feasibility and development of an innovative satellite-based forage insurance scheme in Canada (University of Ontario). These new projects add to the commitments taken by the Foundation over the last few years: a project on the modelling of life expectancy at older ages (University of South Denmark), a project on the development of a Global Forecast Earthquake System with a potential set up of early warning systems (ETH Zurich Foundation), a project on risk management behavior by insurance companies located in the United States (HEC Montreal Foundation/Campus Montreal Foundation), EUR 1 million over 5 years to the Foundation for research on Alzheimer's disease, and a project aiming to promote the development of actuarial science in Africa through the creation of a training network with the (ISFA of the University Claude Bernard in Lyon).

Besides, the SCOR corporate Foundation financially supports young scientists with a number of awards in several different academic areas. Beyond the actuarial prize above mentioned, the Foundation sponsors the Young European Researcher Prize on Alzheimer's disease in the frame of the above mentioned project. In 2016, the Foundation joined forces with the Foundation Institute Europlace de Finance through the Best Young Researcher Award in Finance which was awarded during the ninth financial risk international forum.

Commitment within local communities

Apart from the involvement described above in the development and diffusion of scientific knowledge, SCOR runs a number of sponsorship programs throughout the world which involve its offices and teams in the life of the local population. Steered locally in order to be as close as possible to the needs of the communities in question, the Group's offices strive to develop and roll out their own program of commitment to society, taking account of the specific cultural and/or regulatory features of the countries from which they conduct their activities.

By way of illustration, the SCOR Global Life Americas teams in North Carolina (Charlotte, United States), with the support of the executive management, are encouraged to volunteer and support a number of charity operations under the flagship "Esprit de Corps". This program which groups together a number of social and philanthropic activities, enables staff to devote four hours per month to voluntary work for the non-profit associations of their choice. This program also includes partnerships with various schools which have a very high proportion of underprivileged children. Other charity organizations such as United Way are also supported by SCOR Global Life America.

Moreover, SCOR employees, notably in the United States and Great Britain as well as in Asia, are also very active in terms of fundraising for various different causes. These funds, collected on the initiative of employees, may also be topped up by an equivalent contribution by the Company. In 2016, SCOR Global Life staff in collaboration with MSH China and the Yang Jing community foundation, joined forces to financially support the publishing and the editing of a book promoting awareness of Alzheimer's disease and outlining the benefits of prevention and early detection of this pathology.

In France, SCOR has been a supporter of the Ticket for Change program since it was founded in 2014 through its financial contribution and supply of volunteers. This initiative, renewed in 2015 and in 2016 which consists of encouraging young people to be entrepreneurs and agents of change, received the Google Impact Challenge prize in its second year. Apart from providing financial support, SCOR employees are encouraged to become personally involved by providing mentorship to young people in the process of developing their project. Furthermore, SCOR has decided to financially support one of the projects developed during the first year. "Stagiaires sans frontières", an innovative concept that proposes internships divided between private companies and not-for-profit organizations. Apart from providing financial support during the first year of this partnership, SCOR now regularly hires interns working within this framework. In 2016, three interns were able to divide their time between SCOR and the associative sector.

Support for the arts and culture

At the crossroads between research and support for the arts and culture, SCOR is partnering the Louvre museum in a research and exhibition program on the topic of catastrophe and how it is represented. Launched in 2013, this program culminated with a temporary monographic exhibition on the topic of ruins and entitled "Hubert Robert (1733-1808) – A visionary painter". Other research seminars and exhibitions were held over the period. From November 2015 to January 2016, an exhibition dedicated to Maarten van Heemskerck was held at the Institut national d'histoire de l'art (INHA) on destroyed cities and religious conflicts in the Netherlands in the 16th century. In 2014, the overarching theme of the program was the representation of prophecies in ancient and modern times.

SCOR is also a longstanding partner of culture and the arts, notably in France (Orchestre de Paris), Germany (Walfart Contemporary Art Museum) and the United States where the staff of SCOR Global Life America, based in Charlotte, North Carolina are involved in fundraising campaigns for the Art & Science Council.

3.3. OUTSOURCING AND SUPPLIERS

Consideration of societal and environmental challenges in purchasing policy

With regard to its worldwide activities, SCOR endeavors to adopt best practices in each of its locations.

Any employee who deals with a supplier must, before concluding a contractual partnership, ensure that said supplier gives an undertaking to comply with the requirements of the Code of Conduct established by the SCOR Group (or a commitment from the Company that it respects equivalent requirements). The framework agreement developed by the Group's Legal Department, which must be used by the Group's various different components, thus contains a specific section on the Code of Conduct. This framework agreement also contains an appendix, the sustainable development charter, which begins with a reminder of SCOR's adherence to the principles of the United Nations Global Compact, and sets out the Group's expectations with regard to its suppliers and subcontractors in the fields of labor relations, health and safety conditions, the environment, ethics and the way in which they must integrate these expectations into the design of their products and services.

The scope of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in relations with suppliers and subcontractors

SCOR's procurement chain is not complex. Assistance from external service providers mainly consists of IT development and maintenance as well as maintenance and operations of the buildings from which SCOR conduct its business. The diligences stated above are applied to these outsourcing contracts.

3.4. FAIR PRACTICE

Anti-bribery measures

SCOR is committed to carrying on its business in a manner reflecting a high degree of integrity, professionalism and responsibility. SCOR is a member of the United Nations Global Compact and is in line with this UN corporate initiative. SCOR's Code of Conduct forbids all forms of bribery to public officials, clients, business partners and others in the private sector and to government and other officials.

SCOR has implemented a group zero-tolerance anti-bribery policy, including making illegal facilitation payments, and gives guidance on banned activities, key principles and requirements regarding (i) gifts, entertainment and hospitality; (ii) dealing with business partners; (iii) interacting with public officials; (iv) charitable and political contributions and sponsorships; (v) payments and financial controls. The policy in question also highlights do's and don'ts and red flags indicating that the General Counsel or Compliance Officer must be contacted in case such red flags are identified, and also outlines the roles and responsibilities of SCOR's control functions to combat bribery.

SCOR maintains other relevant group policies and guidelines supporting the group anti-bribery policy including group guidelines on anti-fraud, group fraud incident management processes, group policy on conflicts of interest, anti-money laundering & combating terrorism financing guidelines, group guidelines on reporting concerns and further operational policies and guidelines such as group delegation of authority policy, group fees policy and group travel policy.

The group compliance framework is regularly updated to reflect tougher requirements or other developments. The breadth and scope of the anti-bribery program will be reviewed for accuracy, and completeness in light of the new requirements laid down by the so-called law Sapin 2 in France.

A Group Compliance Policy, annually revised was issued in 2013 summarizing SCOR's compliance approach. The Policy, which focuses on measured to prevent, detect and respond to the risk of non-compliance, consolidates the overarching principles, requirements, tools and processes stated in the Group Compliance Policies and Guidelines and also contributes to SCOR's efforts towards a more formalized/documented approach which regulators and others increasingly require. The Policy shall also contribute to the efficient coordination of compliance activities between Group and Hub/locations as it documents current practices on interactions and reporting of Group/Hub and local compliance functions.

To embed the Group Compliance Policy and other legal & compliance requirements (e.g. anti-fraud, anti-bribery, antimoney laundering and sanctions compliance, anti-trust/competition law) and latest developments in those areas into the organization, training sessions targeted for underwriters, claims and accounting staff were also held during 2016 in the Hubs.

Measures taken to protect consumers' health and safety

Not applicable given the activity of the Group's business to business services.

3.5. HUMAN RIGHTS *

The United Nations Global Compact, of which SCOR is a member, invites the Group to promote and respect the protection of international human rights law and to ensure that it is not a party to any human rights violations.

In light of technological developments, the protection of personal data is a crucial component of the respect of basic rights, as illustrated in Article 8 of the Charter of the Fundamental Rights of the European Union.

Aside from the processing of personal data relating to its employees, SCOR's activities may lead to the processing of other personal data, which notably implies compliance with European Directive 2005/68/EC and with the French Data Protection and Freedoms Act.

Pending the European Regulation 2016/679 on data privacy due to come into force in 2018, the Group set up a action plan and since 2011 has notably appointed a Data Protection Officer (DPO) in charge of personal data protection. The Group's four European Companies (SCOR SE, SCOR Global P&C SE, SCOR Global Life SE and SCOR Global Investments SE) have designated this DPO as an expert correspondent with the French Data Protection Authority (Commission nationale de l'informatique et des libertés – CNIL). This interlocutor is responsible for the relations of the Group with the French Data Protection Authority, as well as for the implementation of data processing within the Group; it independently monitors compliance with the law and is responsible for:

- providing information to, advising and making recommendations to those responsible for data processing;
- updating a list of processed data and the accessibility of this list;
- spreading a culture of data protection;
- sounding any alarms as necessary;
- mediation and coordination in terms of informing people of their rights regarding access, rectification and opposition.

Moreover, in the context of CRO Forum, SCOR participated in the drafting of a brainstorming paper in human rights and insurance. The purpose of this document published in 2014 is to build an understanding of why the insurance industry must make respect for human rights part of its risk management framework and how it can address human rights issues in its business relationships with other corporations.

* Other actions taken in support of human rights.

4 STATUTORY AUDITOR'S REPORT ON THE REVIEW OF SELECTED SCOR SE ENVIRONMENTAL AND SOCIAL INDICATORS

Report by the independent third party, on the consolidated CSR information included in the management report

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2016

To the shareholders,

In our capacity as independent third party, certified by COFRAC Inspection under number 3-1058 [1] and member of Mazars' network, SCOR SE's Statutory Auditor, we hereby report to you on the consolidated CSR information for the year ended December 31, 2016, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a Company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the protocols used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of Ethics (*Code de déontologie)* of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved 7 persons and was conducted between end of mid-November 2016 and end of January 2017 during a 5-week intervention period.

We performed our work in accordance with the professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 [2] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

(1) Whose scope is available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the sections "Methodological note" of the management report.

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [(1)]:

- At parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- At the level of a representative sample of entities selected by us [(2)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 20% of headcount and between 23% and 49% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris-La Défense, February 21, 2017

Jean-Claude PAULY	Guillaume WADOUX	Edwige REY
Partner	Partner	Sustainable Development Partner

(1) Headcount on the last day of the period by gender, Hub, status and type of contract; Hirings by contract type; Departures; Total compensation; Average fixed remuneration; Average bonus; Total granted shares; Distribution of Group employees on working time; Number of meetings with staff representatives; Number of European Committee meetings; Number of collective agreements signed; Number of meetings with staff representatives to discuss health and safety conditions; Number of collective agreements signed regarding health and safety at work; Number of training hours; Measures to promote equality between women and men; Number of employees with disability; Volume of sorted and recycled paper waste; Water consumption; Energy consumption; Greenhouse gas emissions; Actions to prevent corruption.

(2) Paris, Cologne, Zurich and Dublin sites.

APPENDIX E

GLOSSARY

This glossary is a list of selected reinsurance terms. It is not a complete list of terms used in this Registration Document in the insurance or reinsurance industry.

ACCOUNTING YEAR

The entity's financial year in which the accounts are recorded.

ACCUMULATION

The sum of all risks which are correlated such that a single insured event will affect these risks or all the underwritten lines relating to the same risk.

ADVERSE DEVELOPMENT

Losses recorded during the period for which initial estimates recorded in previous accounting periods proved insufficient.

ASSET LIABILITY MANAGEMENT (ALM)

Risk-management technique aimed at earning stable and adequate returns and protecting capital by simultaneously managing the duration and other relevant characteristics of assets and liabilities.

ASSUMED BUSINESS

Transaction whereby a reinsurer agrees to cover part of a risk already underwritten or accepted by an insurer.

ATTACHMENT POINT

The amount of losses above which an excess of loss reinsurance contract becomes operative.

BEST ESTIMATES

An actuarial "best estimate" refers to the expected value of future potential cash flows (probability weighted average of distributional outcomes) related to prior underwritten business. Best estimates are based upon available current and reliable information and take into consideration the characteristics of the underlying portfolio.

BIOMETRIC RISKS

Risks related to human life including mortality, disability, critical illness, health, long-term care and longevity.

CAPITAL SHIELD STRATEGY

The capital shield strategy articulates the Group's risk appetite. This strategy is based on an economic approach and aims to protect the Group against potential shock losses, some of which are not immediately recognized from a pure accounting view. The policy builds on the following four concepts: traditional retrocession, capital market solution, buffer capital and contingent capital.

CASUALTY INSURANCE

Insurance primarily concerned with the losses caused by injuries to third parties by the policyholder and the legal liability imposed on the insured resulting therefrom.

CATASTROPHE (CAT)

SCOR defines a natural catastrophe as events involving several natural risks including but not limited to flood, windstorm, earthquake, hurricane, tsunami, that give rise to an insurable loss. For reporting purposes, the Group separately considers catastrophes as events causing pre-tax losses, net of retrocession, totaling at least EUR 3 million.

CATASTROPHE (OR CAT) BOND

A high performance bond which is generally issued by an insurance or reinsurance company. If a predefined occurrence takes place (such as an earthquake, tsunami, hurricane etc.), the bondholder loses all or part of his investment in the bond. This type of insurance-linked security allows insurance and reinsurance companies to transfer peak risks (such as those arising from natural catastrophes) to capital markets, thereby reducing their own risks.

CEDING COMPANY (ALSO CALLED CEDENT)

Insurance company, mutual society or insurance provider that transfers (or "cedes") a part of the risk it has underwritten to a reinsurer.

CESSION OR CEDED BUSINESS

Transaction whereby an insurer (cedent or ceding company) transfers part of its risk to the reinsurer against the payment of a premium. The opposite of ceded business is assumed business.

COMBINED RATIO

Sum of the Non-Life net attritional ratio, natural catastrophe ratio, commission ratio and the management expense ratio.

COMMUTATION

A transaction through which insurers or reinsurers surrender all rights and are relieved from all obligations under the insurance or reinsurance contract in exchange for a single current payment.

CONTINGENT CAPITAL

Funds that would be available under a pre-negotiated agreement if a specific contingency (such as a natural disaster) occurs.

CREDIT AND SURETY INSURANCE

Credit insurance provides insurance coverage against loss to a supplier caused by customers' failure to pay for goods or services supplied. Surety insurance relates to sureties and guarantees issued to third parties for the fulfillment of contractual liabilities.

DECENNIAL INSURANCE

Decennial insurance provides insurance coverage to building owners and construction companies against losses caused by structural defects in new buildings resulting from inherent defects in design, construction or the materials used. In a number of countries, including France, such coverage is required as a matter of law. It is generally granted for a period of ten years following the completion of the construction.

DEFERRED ACQUISITION COSTS (DAC)

Costs associated with the acquisition of new contracts, mainly commissions, are recorded as assets and amortized on the basis of the residual term of the contracts for Non-Life business and on the basis of the recognition of future margins for Life contracts. DAC is subject to impairment testing conducted within the scope of the liability adequacy test.

DEFERRED TAX ASSET

Defined under IAS 12 as amounts of income tax recoverable in future accounting periods due to temporary differences or Net Operating Losses (NOL) carried forward.

DEPOSIT, FUNDS WITHHELD

Amounts which may be deposited with the ceding company to guarantee the reinsurer's liability. Income from securities deposited accrues to the reinsurer.

DIRECT INSURANCE

A policy taken out with an insurer by an individual or a company to cover a risk (property, service or person). This policy can either be underwritten directly with one of the insurer's agents or via a broker who receives a commission.

ELIGIBLE OWN FUNDS (EOF)

Amount of capital which is available and eligible to cover the Solvency II capital requirements (SCR). It is made of the addition of the IFRS shareholder's equity, the eligible hybrid debt and the impact of economic adjustments on the economic balance sheet. It is the numerator of the solvency ratio.

EMBEDDED VALUE

Frequently used measure of the value of expected future cash flows in life insurance and life reinsurance from the shareholder's point of view, expressed as the value of net assets plus the present value of expected profits on the insurance portfolio diminished by the cost of capital and administrative expenses.

ENTERPRISE RISK MANAGEMENT (ERM)

Enterprise Risk Management is a process, deployed by an entity's Board of Directors, Chief Executive Officer, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, in order to provide reasonable assurance regarding the achievement of the entity's objectives.

FACULTATIVE REINSURANCE

Reinsurance on an item-by-item or risk-by-risk basis. Facultative reinsurance is usually written for very large-line risks. It may be either proportional or non-proportional.

GROSS WRITTEN PREMIUMS

Actual and estimated premiums to be received for the period from the ceding companies. Gross premiums represent revenues for the accounting period.

GUARANTEED MINIMUM DEATH BENEFIT (GMBD)

The GMDB guarantees investors in a variable annuity that if the owner passes away while the market value is low, they would never get back less than their original principal.

INCURRED BUT NOT REPORTED (IBNR)

Provision for claims which have already occurred but have not been reported yet to the insurer at the reporting date.

INSURANCE LINKED SECURITIES (ILS)

Financial instruments whose values are driven by insurance loss events. Such instruments that are linked to property losses due to natural catastrophes represent a unique asset class, whose return is uncorrelated with the returns of the general financial markets.

INTERNAL MODEL

SCOR's internal model is used to quantify the risks that SCOR faces. In particular, it is used to calculate the Solvency Capital Requirement (SCR).

LIABILITY ADEQUACY TEST (LAT)

An assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets, such as VOBA, decreased), based on a review of future cash flows.

LIFE AND HEALTH REINSURANCE

Collective term for the lines of business in connection with the insurance of people, i.e. life, pension, health, critical illness, long-term care and personal accident insurance.

LOSS/CLAIM

Event that triggers insurance cover and reserves recognition.

LOSS ADJUSTMENT EXPENSES (OR CLAIM MANAGEMENT EXPENSES)

Amount related to the expenses for actual or estimated claims expenses (declared or not declared yet) that occurred in the accounting year.

MATHEMATICAL RESERVE

Amount that a Life insurance or capitalization company must set aside and capitalize in order to meet its commitments to the insured.

MORBIDITY

The probability that an individual in a given group develop a certain disease or disorder.

MORTALITY

The relative incidence of death of Life insureds or annuitants holding a Life insurance policy.

NET WRITTEN PREMIUM

Gross premiums diminished by the portion of premiums paid for retrocession, as opposed to gross written premiums.

NON-PROPORTIONAL (EXCESS OF LOSS) REINSURANCE

Reinsurance contract written to protect the ceding company from all or part of claims in excess of a specified amount retained (priority). This generally takes the form of excess of loss (or XL) or excess of annual loss reinsurance.

PERILS

PERILS provides index values which can be used in industry-loss-based ILS transactions. The underlying data for the index is thereby directly collected from insurance companies underwriting property business in the affected areas and is processed in a standardized procedure to estimate industry-wide insured losses, which then form the basis of the PERILS index service.

PREMIUMS EARNED

Premiums an insurance company has recorded as revenues during a specific accounting period.

PRIMARY INSURER

An insurance company that issues insurance contracts to the public generally or to certain non-insurance entities.

PROBABLE MAXIMUM LOSS (PML)

The estimated anticipated maximum loss, taking into account ceding company and contract limits, caused by a single catastrophe affecting a broad contiguous geographical area, such as that caused by a hurricane or earthquake of such a magnitude that it is expected to recur once during a given period, such as every 50, 100 or 200 years.

PROPERTY INSURANCE

Insurance that provides coverage to a person with an insurable interest in tangible property for that person's property loss, damage or loss of use.

PROPORTIONAL (PRO RATA) REINSURANCE

Reinsurer's share of claims carried by the reinsurer in proportion to its share of premiums received. Proportional reinsurance is generally written as a quota share of business or as surplus reinsurance.

PROVISION FOR CLAIMS PAYABLE

Reserve for claims reported but not settled yet. These are estimated by ceding companies and communicated to the reinsurer.

REINSTATEMENT PREMIUMS

Additional premiums charged under certain excess of loss reinsurance contracts to restore coverage amounts after a loss.

REINSURANCE

Procedure whereby an insurance company in turn insures itself with an outside company (the reinsurer) for part or all of the risks it covers, in return for payment of a premium.

REINSURANCE COMMISSION

Percentage of premiums paid by the reinsurer to the insurer in quota-share or facultative treaties as a contribution to the acquisition and administrative costs relating to the business ceded.

REINSURANCE POOLS

A reinsurance pool involves insurance and reinsurance companies as well as public authorities in order to spread the risks. It allows the Group to have limited and known commitments.

REINSURANCE TO CLOSE (RITC)

Lloyd's accounting practice based on a 3-year accounting process for Lloyd's syndicates. The syndicate underwriting account is closed at the end of the third year by means of reinsurance into the following year, which reinsures all future liabilities for the closed year and all previous years.

REINSURANCE TREATY

Reinsurance convention between an insurer and a reinsurer defining the terms under which the risks covered by the convention are ceded and accepted. The two main categories of treaty reinsurance are proportional and non-proportional.

RETENTION

Share of the risk retained by the insurer or reinsurer for its own account.

RETROCESSION

Transaction in which the reinsurer transfers (or cedes) all or part of the risks it has assumed to another reinsurer (the retrocessionaire), in return for payment of a premium.

RETURN ON EQUITY (ROE)

Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period, prorata temporis).

RISK APPETITE

Defines the target risk profile (assets and liabilities combined) that SCOR actively seeks in order to achieve its expected return.

RISK APPETITE FRAMEWORK

Consistently defines the four following concepts: SCOR's risk appetite, SCOR's risk preference, SCOR's risk tolerance and "footprint" scenario.

RISK-FREE (INTEREST) RATE

The rate of interest that remunerates assets with no counterparty risk. Usually, the weighted five-year daily interest rates of treasury bills (T-bills) in the Eurozone, the US, UK, Canada and Switzerland averaged over the period under consideration are used as proxies for the risk-free (interest) rate. The weighted average used for this calculation is based on the percentage of reserves denominated in the currency of each such reserve.

RUN OFF

The cessation of all underwriting of new business on a risk portfolio. As a result, all reserves are "run off" over time until their complete extinction. Run off may take up to several decades depending on the class of business.

SCOR GLOBAL LIFE (SGL) AND SCOR GLOBAL LIFE SE

SCOR Global Life refers to the operating segment recording all business underwritten by entities in the Life operating segment. SCOR Global Life SE refers to the legal entity.

SCOR GLOBAL P&C (SGP&C) AND SCOR GLOBAL P&C SE

SCOR Global P&C refers to the Non-Life operating segment and all business transacted by entities in this segment. SCOR Global P&C SE refers to the legal entity.

SCOR SE AND SCOR GROUP

SCOR SE refers to the legal entity SCOR SE, the issuer. SCOR SE and its consolidated subsidiaries are referred to as SCOR, SCOR Group or the Group.

SOLVENCY CAPITAL REQUIREMENT (SCR)

Solvency Capital Requirement, i.e. required capital, under the Solvency II framework, calculated by SCOR's internal model, ensuring the Group can meet its obligation over the following 12 months with a 99.5% probability. It is the denominator of the solvency ratio.

SPECIAL PURPOSE VEHICLE (SPV)

A legal entity created to fulfill specific or temporary objectives (conduct defined activities or hold assets, etc.). SPV's are typically used by companies to isolate the financial risk from the firm.

TAIL

The period of time that elapses between either the writing of the applicable insurance or reinsurance policy or the loss event (or the insurer's or reinsurer's knowledge of the loss event) and the payment in respect thereof. A "short-tail" product is one where ultimate losses are known comparatively quickly; ultimate losses under a "long-tail" product may remain unknown for several years.

TECHNICAL RESULT

The balance of income and expenses allocated to the insurance business and shown in the underwriting income statement.

UNDERWRITING CAPACITY

The maximum amount that an insurance or reinsurance company can underwrite. The limit is generally determined by the Company's retained earnings and investment capital. Reinsurance serves to increase a company's underwriting capacity by reducing its exposure to particular risks.

For Lloyd's, amount of gross written premiums net of acquisition costs underwritten by the Group through its investments in Lloyd's Syndicates.

UNDERWRITING EXPENSES

The aggregate of policy acquisition costs, including commissions, and the portion of administrative, general and other expenses attributable to underwriting activities.

UNDERWRITING RESERVES

Amounts that an insurer or reinsurer must place in reserves in order to pay out on claims insured, and on liabilities arising from policies written.

UNDERWRITING YEAR

The year starting with the effective date of a policy or with the renewal date of that policy; to be distinguished from the accounting year. For example, a claim may occur during the current accounting year, but relate to a policy commencing in a prior underwriting year.

UNEARNED PREMIUM RESERVES

For each reinsurance contract, these cover the portion of premiums written during the year relating to future periods (between the reporting date and the date at which the reinsurance contract expires).

UNIT-LINKED CONTRACT

Life insurance contract or capitalization certificate for which the amount guaranteed and bonus amounts are expressed, not in a specific Euro amount, but by reference to one or more units of account such as mutual fund units or real estate investment trust units. Contractual guarantees are directly linked to upward or downward variations in a security listed on a regulated market or in the value of a real estate asset.

VALUE OF BUSINESS ACQUIRED (VOBA)

This refers to life reinsurance portfolios acquired in a business combination. It is calculated as the present value of the stream of expected future cash flows including estimates of future technical results, future investment income less future administrative expenses. The present value calculation is based on assumptions and risk discount factors relevant at the date of acquisition. VOBA is amortized over the lifetime of the underlying reinsurance portfolio and is subject to impairment testing as part of the LAT.

VALUE OF IN-FORCE BUSINESS (VIF)

Present value of expected future income flows from the portfolio of in-force business, discounted by a currency-specific risk discount rate and determined in accordance with local accounting principles.

XXX (OR TRIPLE X)

A regulation in the US, (NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation) commonly referred to as Regulation XXX (or Triple X) which requires that US life insurance and life reinsurance companies must hold on their statutory financial statements a relatively high level of regulatory or statutory reserves for various types of life insurance business, primarily certain level term life products. The reserve levels required under Regulation XXX increase over time and are normally in excess of reserves required under IFRS.

APPENDIX F

ADDITIONAL INFORMATION RELATING TO THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

In accordance with the AMF Guide for compiling Registration Documents updated as at April 13, 2015, statements and information pertaining to the management report on the Company's and the Group's activities in 2016, as approved by the Board of Directors on February 21, 2017 (the "Report"), are included and presented in the 2016 Registration Document which will be submitted as such to the Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2016.

Therefore, the sections of the Registration Document referred to in the correspondence table set forth under Section 7 hereafter, are fully incorporated in this Report of which they are deemed to be an integral part.

Statements and information relating to:

- the resolutions submitted to the Shareholders' Meeting, pursuant to the provisions of Article R. 225-83, 4° of the French Commercial Code;
- the 2016 stock option plans; and
- the 2016 free share allocation plans,

are presented in separate reports of the Board of Directors.

1 OPERATING AND FINANCIAL REVIEW OF SCOR SE

1.1. YEAR 2016

1.1.1. OPERATING AND FINANCIAL REVIEW OF SCOR SE IN 2016

The total assets of SCOR SE as at December 31, 2016 amounted to EUR 11,274,418,934.

The total financial assets (investments) amounted to EUR 9,027,703,113.

Shareholders' equity stood at EUR 3,737,931,653 and other capital base at EUR 894,260,108. Liabilities amounted to EUR 1,541,338,302 including other loans of EUR 1,394,038,732.

The net amount of underwriting reserves was EUR 3,624,078,056.

The technical result of SCOR SE as at December 31, 2016 was EUR 98,867,187 while the financial result was EUR 643,659,288.

SCOR SE's net income amounted to EUR 646,598,995 in 2016.

For additional information on the operating and financial situation of SCOR SE and its subsidiaries, as well as on the development of their business in 2016, see Section 1.3, Section 4 and Appendix C of the Registration Document.

1.1.2. ADDITIONAL INFORMATION

Liabilities due to suppliers

Pursuant to the provisions of Article L. 441-6-1 of the French Commercial Code, except in specific situations (such as litigation regarding invoices received), suppliers' invoices are paid upon receipt or within 30 days of the end of the month.

Total amount of exceptional expenditures

Pursuant to Article 223 quarter of the French General Tax Code, we remind you that the amount of the expenses and charges referred to in Article 39.4 of said Code for 2016 totals EUR 89,211 and the amount of taxation borne by the Company due to the non-deductibility of such charges should amount to a total of EUR 30,715.

Add-back of general expenditures

In application of paragraph 5 of Article 39 of the French general tax Code, EUR 3,596,316 of expenses are considered as non-deductible for tax income 2016. The related amount of taxation due by the Company adds up to EUR 1,238,212.

1.2. OPERATING RESULTS OF SCOR SE IN PAST FINANCIAL YEARS

1.2.1. FIVE-YEAR FINANCIAL SUMMARY

Pursuant to the provisions of Article R. 225-102 of the French Commercial Code, the following table presents a summary of SCOR SE's operating results for each of the last five financial years:

Ratio nature	2016	2015	2014	2013	2012
I. Financial position at the end of the year					
a) Social Capital *(in EUR million)*	1,517	1,518	1,518	1,518	1,515
b) Number of issued shares	192,534,569	192,653,095	192,691,479	192,757,911	192,384,219
c) Number of convertible bonds to shares	-	-	-	-	-
II. Global Profit and loss of effectives transactions *(in EUR million)*					
a) Turnover without taxes	2,053	1,748	1,585	1,369	1,245
b) Net Profit before taxes, depreciations and reserves	507	802	355	240	188
c) Current income tax	46	-	14	1	10
d) Net Profit after taxes, depreciations and reserves	647	844	387	227	208
e) Allocated Net Profit amount	318 (1)	289	270	251	231
III. Profit and loss per share:					
a) Net Profit after taxes, and before depreciations and reserves	2.87	4.16	1.92	1.25	1.03
b) Net Profit after taxes, depreciations and reserves	3.36	4.38	2.01	1.18	1.08
c) Paid dividend per share	1.65 (1)	1.50	1.40	1.30	1.20
IV. Salaries:					
a) Number of salaries	744	716	648	591	566
b) Gross wages amount	132	124	105	77	79
c) Amount of paid employees benefits (Healthy contribution, others benefits, etc.	29	27	26	29	22

(1) Subject to adjustment based on 2017 Shareholders' Meeting's decision regarding the allocation of 2016 income.

1.2.2. DIVIDENDS DISTRIBUTED BY SCOR SE OVER THE LAST THREE FINANCIAL YEARS

Over the three previous financial years, the amounts distributed by SCOR SE as dividends were as follows:

Fiscal year ended on:	12/31/2015	12/31/2014	12/31/2013
Number of shares(1)	192,653,095	192,691,479	181,572,894
Net dividend per share	EUR 1.50	EUR 1.40	EUR 1.30
Amount eligible for the deduction allowance specified by Article 158-3 of the French General Tax Code(2)	EUR 1.50	EUR 1.40	EUR 1.30

(1) Number of shares of the Company, with a par value of EUR 7.8769723, outstanding at the time of distribution of the related dividend, including treasury shares.
(2) For natural persons only: the dividend paid in 2014, 2015 and 2016 for the financial years 2013, 2014 and 2015 gave entitlement to a 40% deduction (except where the beneficiary opted for fixed-rate taxation on dividends (prélèvement libératoire forfaitaire, where applicable)).

2 TRENDS IN THE SCOR SE SHARE PRICE THROUGHOUT 2016

The following table presents the volume of transactions and trends in the SCOR SE share price on the Euronext Paris stock market throughout the financial year 2016:

Month	Volume	Value *(in million EUR)*	Higher *(in million EUR)*	Lower *(in million EUR)*
January	11,696,935	367	34.06	30.05
February	10,578,469	327	32.38	28.89
March	11,415,970	363	33.24	30.65
April	10,521,227	328	33.48	29.33
May	8,900,350	262	30.59	27.66
June	10,778,895	297	30.00	24.77
July	7,533,569	199	27.64	25.11
August	7,351,857	190	26.68	24.79
September	9,704,121	267	28.68	26.32
October	7,466,907	213	30.27	27.15
November	7,597,472	225	30.82	27.62
December	8,113,941	256	33.09	29.12

3 SOCIAL IMPACT OF SCOR'S ACTIVITY

See Appendix D – Social and environmental information.

4 ENVIRONMENTAL IMPACT OF SCOR'S ACTIVITY

See Appendix D – Social and environmental information.

5 INFORMATION RELATED TO SOCIETAL COMMITMENTS IN SUPPORT OF SUSTAINABLE DEVELOPMENT

See Appendix D – Social and environmental information.

6 RELATED PARTY AGREEMENTS

See Section 2.3.2 – Related party transactions and agreements.

7 ADDITIONAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

The following information and statements are fully incorporated into this Report, of which they are an integral part, in the various sections of the Registration Document referred to in the correspondence table below:

Management report	Registration Document
STATEMENTS DEALING WITH THE MANAGEMENT OF THE COMPANY IN 2016:	
Analysis of the Group's business development, results and financial position (including the debt situation)	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Situation and activity of the Company and the Group during the past year	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Results of the activity of the Company, its subsidiaries and the companies under its control	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Major events for the Group and SCOR SE in 2016	Sections 1.2.2, 1.2.5, 1.3.3, 1.3.4, 1.3.5 and Appendix C – 1
Key financial performance indicators	Sections 1.1, 1.3.5 and 1.3.9
Research and development activities within the Group and the Company	Section 1.2.6
Social and environmental information	Appendix D
Progress achieved or problems encountered	Section 1.3.5
Main risk factors	Section 3
Indications on the use of financial instruments, and the Company's objectives and policy in terms of financial risk management and market risks	Sections 3.4 et 3.5
STATEMENTS DEALING WITH THE MANAGEMENT OF SCOR SE IN 2016:	
Company's securities:	
• Amount of issued capital, capital increase and additional information	Sections 2.3.1, 5.2 and Appendix C – Note 5
• Transactions performed by the Company in its own shares	Section 2.3.1
• Issuance of bonds and similar securities	Appendix C – 5 Note 4 and Section 4.6 Note 13
• Share capital ownership and structure	Section 2.3.1
• Cross shareholdings	-(1)
• Elements which could have an impact in case of a public offer	Sections 2.3.1, 5.1 and 5.2
• Risks related to changes in share price	Section 3
• Employee share ownership	Sections 2.1.5, 2.2.2, 2.2.3 and 2.3.1
• Adjustment of the conversion basis for securities granting access to the share capital	Section 2.3.1.5
Board of Directors:	
• Composition	Section 2.1.2
• List of the other functions and offices held by the Board members in 2016	Section 2.1.2
• Delegations of authority/powers granted to the Board	Section 2.3.1
Compensation and benefits granted to SCOR SE's corporate officers in 2016	Sections 2.2.1, 2.2.2 and 2.2.3
Undertakings of any kind made by the Company for the benefit of its executive officers, corresponding to items of compensation, indemnities or benefits due or expected to be due as a result of the commencement or termination of these duties or to changes in these duties, or post duties	Sections 2.2.1, 2.2.2 and 2.2.3
Securities held by corporate officers	Section 2.2.1.3
Recent developments and prospects	Sections 1.3.3, 1.3.4, 1.3.5 and Appendix C – 5 Note 16
Existing branches	Section 1.2.3.2

(1) The Company did not hold any cross shareholdings in 2016.

Management report	Registration Document
Collective agreements concluded within the Company and the impact on the economic performance and work conditions of the employees	Appendix D-1
Summary table of outstanding delegations regarding share capital increase	Section 2.3.1.5
Table of results of the Company in the last 5 years	Appendix F – 1.2.1
Amount of dividends distributed in the last 3 years and dividends eligible for the 40% tax rebate	Appendix F – 1.2.2
Loans of up to 2 years granted by the Company, as an incidental basis to the principal activity, to micro-enterprises, SMEs or medium-sized companies with which it maintains economic ties which justify it	None
Information on non-tax-deductible sumptuary expenses	Appendix F – 1.1.2
Details of trade payables	Appendix F – 1.1.2
SUBSIDIARIES AND AFFILIATES:	
Group organization chart	Section 1.2.3
Subsidiaries' business overview in 2016	Sections 1.2.3, 1.2.5, 1.3.1, 1.3.5, 1.3.6, 1.3.9 and Appendix C – 5 Note 2
Transfer or disposal of shares undertaken to regularize cross shareholdings	- (1)
Agreements concluded between an officer or a significant shareholder and a subsidiary of the Company	None
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REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	**APPENDIX A**

(1) The Company did not hold any cross shareholdings in 2016.

The report of the Board of Directors on the say on pay resolution required by article L. 225-37-2 of the French Commercial Code will be made available in the convening brochure of the shareholders' meeting.

APPENDIX G

COMMISSION REGULATION OF APRIL 29, 2004 – CORRESPONDENCE TABLE

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APPENDIX H

ANNUAL FINANCIAL REPORT – CORRESPONDENCE TABLE

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