UNIVERSAL REGISTRATION DOCUMENT 2019

INCLUDING **THE ANNUAL FINANCIAL REPORT**

SCOR
The Art & Science of Risk

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UNIVERSAL REGISTRATION DOCUMENT 2019

Including the Annual Financial Report

SCOR
The Art & Science of Risk

A European Company with share capital
of EUR 1,473,383,816.88
Registered Office:
5 avenue Kléber – 75116 Paris
Trade and Company register (RCS) Paris
No. 562 033 357

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Universal Registration Document has been filed on March 13, 2020 with the French financial markets authority (Autorité des marchés financiers – AMF), as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purpose of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The universal registration document has been filed with the French Markets Authority as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.

The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the French Markets Authority together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (UE) 2017/1129 of June 14, 2017 of the European Parliament and Council, the following information is included by reference in this Universal Registration Document (the "Universal Registration Document"):

- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2018 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, 2019 under number D.19-0092;
- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2017 and the report of the Statutory Auditors regarding said financial statements as presented in SCOR SE's registration document filed with the AMF on February 23, 2018 under number D.18-0072.

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

01

SCOR GROUP

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A TIER 1 REINSURER GLOBAL POSITION

WHAT IS REINSURANCE

Reinsurance is at 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 natural and man-made catastrophes: hurricanes, floods, volcanic eruptions, explosions, fire plane crashes, etc.), and Life biometric risks (mortality, longevity and 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.

RATING AGENCIES

S&P Global
AA- Stable outlook

A.M. BEST
A+ Stable outlook

FitchRatings
AA- Stable outlook

MOODY'S
Aa3 Stable outlook

16.3
billion euros of premium income in 2019

3,028
employees
of 65 nationalities accross
30 countries, equally distributed
(47% women / 53% men)

4TH
largest reinsurer in the world

+4,000
clients throughout the world

1.1. KEY FIGURES AND STRATEGIC PLAN

1.1.1. GROUP KEY FIGURES

SCOR SE ("the Company") and its consolidated subsidiaries (referred collectively as "SCOR" or the "Group"), form the world's fourth largest reinsurer [(1)] serving more than 4,000 clients. The Group is organized in three business units, SCOR Global P&C, SCOR Global Life and SCOR Global Investments, and three regional management platforms (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

In 2019, SCOR has delivered profitable growth, whilst absorbing the impact of a higher frequency and severity of natural catastrophe events that occurred for the third consecutive year. The Group has navigated 2019 successfully by continuing its franchise expansion, and by leveraging its balanced portfolio between Life and P&C while generating solid operating capital.

In EUR millions	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Consolidated SCOR Group			
Gross written premiums	16,341	15,258	14,789
Net earned premiums	14,058	13,611	13,281
Operating result	713	658	491
Consolidated net income – Group share	422	322	286
Consolidated net income – Group share – before U.S. tax reform (1)	422	390	286
Net investment income (2)	671	615	764
Group cost ratio (3)	4.7%	5.0%	5.0%
Return on invested assets (3)	3.0%	2.8%	3.5%
Return on equity (3)	7.0%	5.5%	4.5%
Return on equity – before U.S. tax reform (1)	7.0%	6.6%	4.5%
Basic earnings per share *(in EUR)* (4)	2.27	1.72	1.53
Book value per share *(in EUR)* (3)	34.06	31.53	33.01
Share price *(in EUR)* (5)	37.42	39.40	33.55
Operating cash flow	841	891	1,144
Total shareholders' equity	6,374	5,828	6,225
SCOR Global P&C			
Gross written premiums	7,147	6,175	6,025
Net combined ratio (3)	99.0%	99.4%	103.7%
SCOR Global Life			
Gross written premiums	9,194	9,083	8,764
Life technical margin (3)	7.5%	7.0%	7.1%

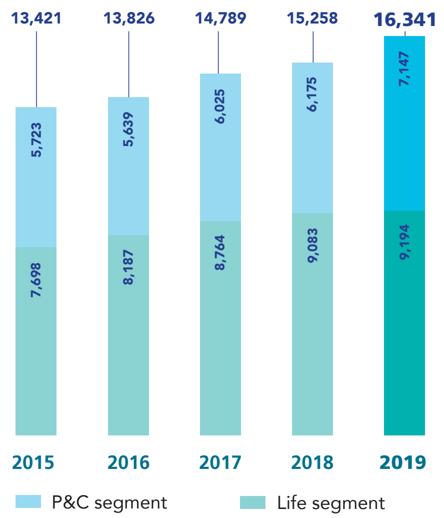
(1) Refer to the 2018 Registration Document Section 1.3.3. – Significant event of the year 2018 on the US tax reform (Tax Cuts and Jobs Act, the « TCJA »).
(2) See Section 1.3.5.4. – Net investment income and investment income on invested assets.
(3) See Section 1.3.9. – Calculation of financial ratios, for detailed calculation.
(4) 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 4.6.21. – Earnings per share for detailed calculation.
(5) Closing stock price on December 31, 2019 (December 31, 2018 and December 29, 2017).

(1) By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2019".

1.1.2. OVERVIEW

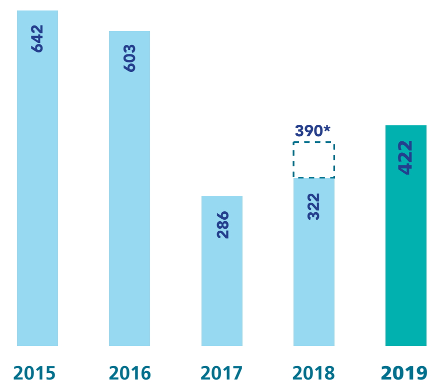
Gross written premium

In EUR millions



Consolidated net income – Group share

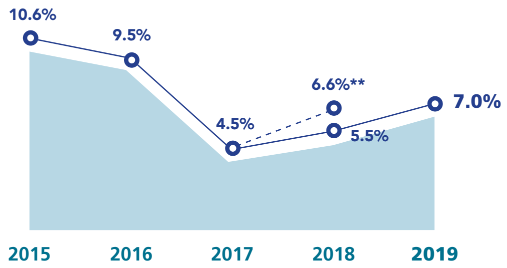
In EUR millions



* *Excluding the impact of US tax reform.*

Return on equity*

In %

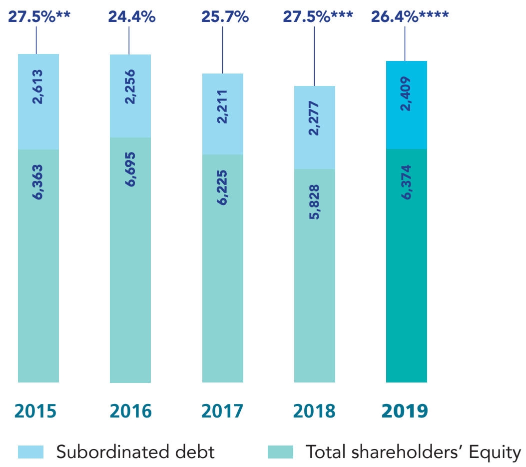


* *Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period using a prorata temporis method).*

** *Excluding the impact of US tax reform, return on equity would have been 6.6%.*

Shareholders' equity, debt and leverage ratio* (in %)

In EUR millions



* *The leverage ratio is calculated by dividing the subordinated debt by the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances. This ratio is expressed as a percentage. It is used to determine how much lenders are financing the Group's activities over shareholders.*

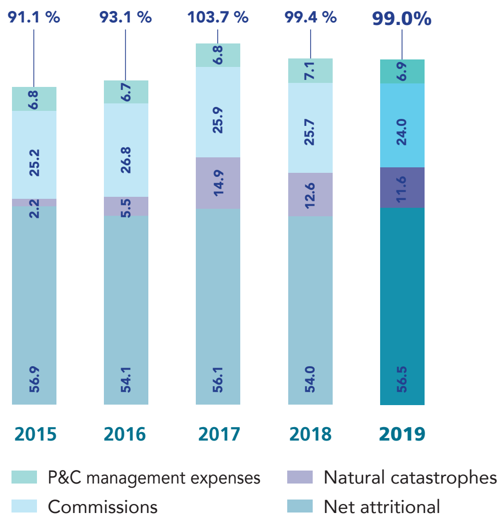
** *In September 2014 and December 2015, SCOR issued two subordinated notes for EUR 250 million and EUR 600 million, respectively, with the intention to refinance through the proceeds of these two notes the optional redemptions of the outstanding balance of the 6.154% undated deeply subordinated EUR 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.*

*** *In March 2018, SCOR placed a perpetual note in the amount of USD 625 million. In June and November 2018, SCOR redeemed the CHF 315 million and CHF 250 million undated subordinated notes line, using the proceeds of the new instrument.*

**** *In December 2019, SCOR issued a perpetual note in the amount of USD 125 million. These new notes are assimilated and form a single series with the existing USD 625 million perpetual deeply subordinated notes issued in March 2018. The new notes issue bears the same terms and conditions as the original notes.*

Net combined ratio *

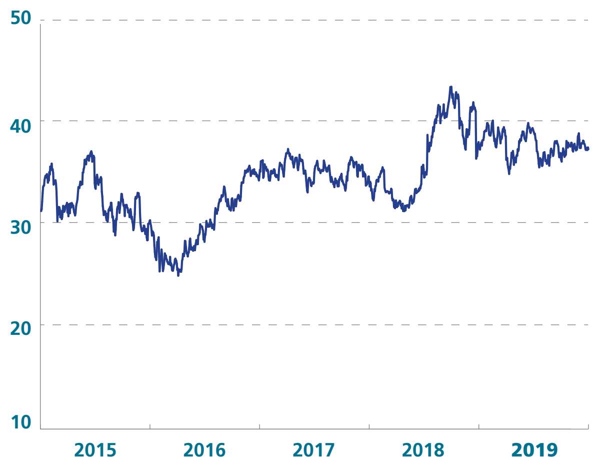
In %



* *The net combined ratio is calculated by taking the sum of Non-Life claims (including natural catastrophes), commissions and management expenses net of retrocession, divided by earned premiums net of retrocession. The net combined ratio calculation has been refined in 2017 to exclude some immaterial non-technical items that were previously included. Considering their potential growth, these items have been excluded to ensure they do not distort the net combined ratio in the future. The impact on the previously reported ratio is +0.26%pt and +0.22%pt as at December 31, 2016 and December 31, 2015, respectively.*

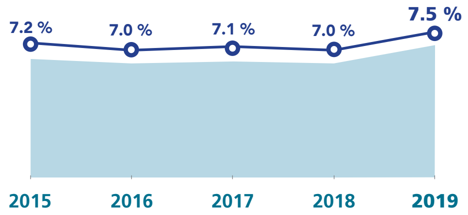
Share price

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 and the net of gross and ceded earned premiums. The net technical result represents the result of the net reinsurance operations of SCOR Global Life business unit including income and expenses either implied in the reinsurance and retrocession arrangements or fully related to these arrangements.*

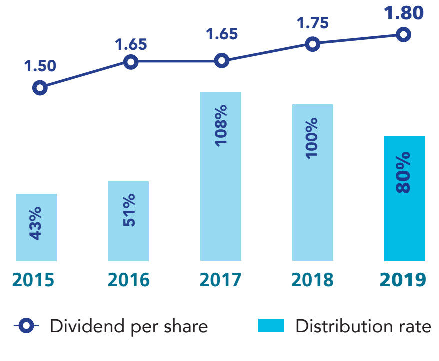
1.1.3. DIVIDEND DISTRIBUTION POLICY

A resolution will be presented at the Annual Shareholders' Meeting held during the first half of 2020, to approve the financial statements for the 2019 financial year, proposing the distribution of a dividend of EUR 1.80 per share for the financial year 2019.

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

Dividend per share and distribution rate

in EUR



1.1.4. CURRENT STRATEGIC PLAN

In September 2019, SCOR launched its new strategic plan, "Quantum Leap". This plan covers the period from mid-2019 to the end of 2021. 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 with recognized expertise and strengthening proactive client relationships through best-in-class services and product innovation;
- a high degree of diversification of Non-Life and Life business and geographical presence, providing more stable results and robust capital diversification benefits with the use of financial market instruments;
- a controlled risk appetite on both sides of the balance sheet; and
- a robust capital shield policy (see Section 3.3.3. – Retrocession and other risk mitigation techniques).

This plan aims to create the reinsurance company of tomorrow. To this end, SCOR is transforming profoundly, accelerating its use of new technologies – such as artificial intelligence, robots, big data, multi-cloud and e-business – to innovate, expand its product and services offering and increase its efficiency for the benefit of its clients throughout the world.

With "Quantum Leap", SCOR sets equally weighted profitability and solvency targets that are ambitious in the current financial and economic environment:

- a return on equity 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).

Across this new strategic plan, SCOR also sets the following underlying assumptions:

- SCOR Group: Gross written premium annual growth rate of ~4% to 7%, financial leverage of ~25%, Value of New Business (2) (VNB) annual growth rate of ~6% to 9%, cost ratio of ~5.0% and tax rate between ~20% to 24%;
- SCOR Global P&C: Gross written premiums annual growth rate of ~4% to 8%, net combined ratio of ~95 to 96% and Value of New Business (2) (VNB) annual growth rate of ~6% to 9%;
- SCOR Global Life: Gross written premiums annual growth rate of ~3% to 6%, net technical margin of ~7.2% to 7.4% and Value of New Business (2) (VNB) annual growth rate of ~6% to 9%;
- SCOR Global Investments: Average annualized return on invested assets in the range of ~2.4% to 2.9% (3).

"Quantum Leap" aims to increase the Group's efficiency and unlock value while transitioning SCOR towards IFRS 17, a more economic-based accounting framework for (re)insurance contracts than IFRS 4.

The use of new technologies will accelerate SCOR's proven cornerstones, and ideally position the Group to create even greater value for all its stakeholders.

It also affirms the Group's consistent shareholder compensation policy set by 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.

The Board of Directors' proposal to SCOR SE shareholders' annual general meeting will aim for a sustainable dividend per share from year to year by following the below steps:

- Step 1: Ensure the projected solvency position is in the optimal range.
- Step 2: Estimate and allocate capital to support future accretive growth.
- Step 3: Define the amount of a sustainable regular dividend accordingly.
- Step 4: Evaluate any excess capital for shareholder repatriation or future use.

(1) Ratio between the Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).
(2) After risk margin and taxes.
(3) Annualized RoIA on average over "Quantum Leap" under Summer 2019 economic and financial environment.

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

LEI Code: 96950056ULJ4JI7V3752

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 the 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 its registered office 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
Website: www.scor.com

It is specified that the information included in the Company's website is not part of this Universal Registration Document, unless such information is expressly incorporated by reference in this Universal Registration Document. In this respect, such information has not been reviewed or approved by the AMF.

E-mail: scor@scor.com

Listing

In 1989, the Company and UAP Réassurances, a subsidiary of the state-owned Société Centrale de l'Union des Assurances de Paris, combined their Non-Life 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 Réassurances 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 Universal 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.

The ordinary shares are included on the following indices: SBF 120, SBF TOP 80 EW, CAC Next 20, CAC Large 60, CAC Large 60 EW, CAC All-Shares, CAC All Tradable, CAC Financials, Euronext FAS IAS, Euronext 100, Euronext France Next 40 EW, Euronext Europe Sustainable 100 EW, Euronext France Energy Transition Leaders 40, Euronext Vigeo® Eurozone 120, Ethibel® Sustainability Index Excellence Europe (ESI EXC Europe and ESI EXC Europe VM), SBFT 50 ESG EW, CAC® Large 60 Responsible Investment SW, Euronext Europe 500, Euronext Eurozone 300, Euronext Eurozone 150 EW, Euronext Eurozone Next 100 EW, Euronext Eurozone 100 ESG and Euronext Core Europe 100 ESG EW.

The SBF 120 index consists of the 120 most actively traded French stocks. The SBF TOP 80 EW is an equal weighted index that reflects the performance of the 80 French stocks which are the most traded of the continuous segments not included in the CAC 40 index. 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 Large 60 EW is an equal weighted index that reflects the performance of the 60 largest and most actively traded shares listed on Euronext Paris. 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 conditions: at least 3% of the capital is controlled by employees, a minimum of 25% of the workforce in France shall own shares of the company and a minimum of 15% of the overall workforce shall own shares of the company. The Euronext 100 index comprises the 100 largest and most liquid stocks traded on Euronext. The Euronext France Next 40 EW is composed of companies ranked from 41 to 80 in the SBF 120 index in terms of free float market capitalization. The Euronext Europe Sustainable 100 EW is an equal weighted index that reflects the performance of the top 100 stocks based on their traded value, ESG performance and 1 year drawdown, out of the 500 Largest stocks in terms of free float market capitalization, admitted to listing on the main markets of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and of the United Kingdom. The Euronext France Energy Transition Leaders 40 is an index that reflects the performance of the top 40 stocks, based on their performance in terms of transition to a low-carbon economy, out of the CAC Large 60 Index. Euronext Vigeo® Eurozone indice is composed of the highest-ranking listed companies of Eurozone as evaluated by the Vigeo-Eiris agency in term of their performance in corporate responsibility. The ESI Europe indices universe is composed of companies included in the Russell Developed Europe Index that display the best performance in the field of Corporate Social Responsibility. The Ethibel family (ESI) consists of two variants: one regular and one "Multiplier" version whereby a factor between 0.5 and 1.5 is applied in order to align the sector weights of the ESI Europe index with the sector distribution of the Russell Developed Europe. Inclusion in the regular ESI Europe index means automatic inclusion in the 'Multiplier' version. The SBFT 50 ESG EW is an equal weighted index that contains the 50 highest-ranking companies based on their ESG performance, as evaluated by the Vigeo-Eiris agency, among the 80 highest ranking companies in terms of free float market capitalisation that are expected to be included in the SBF120. The CAC® Large 60 Responsible Investment SW consists of all the companies that are expected to be included in the CAC Large 60, whereby the weighting is based on the Responsible Investment score as provided by Mirova/ISS-oekom. The Euronext Europe 500 tracks the performance of a portfolio of 500 stocks in Europe, ranked by the highest free float in value as a percentage of market capitalization. The Euronext Europe 300 tracks the performance of a portfolio of 300 stocks in Eurozone, ranked by the highest free float in value as a percentage of market capitalization. The Euronext Eurozone 150 EW is an equal weighted index that reflects the performance of the top 150 stocks in Eurozone, based on the highest free float in value as a percentage of market capitalization. The Euronext Eurozone Next 100 EW is an equal weighted index that reflects the performance of the Eurozone stocks ranked from 51 to 150 ranked by the highest free float in value as a percentage of market capitalization. The Euronext Eurozone 100 ESG tracks the performance of the top 100 stocks in Eurozone, based on ESG score as determined by Vigeo-Eiris. The Euronext Core Europe 100 ESG EW is an equal weighted index that reflects the performance of the top 100 stocks, based on Vigeo ESG score, from Belgium, France, Germany, Luxembourg, and the Netherlands.

Applicable laws and regulations

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*, as far as that they are not contrary to the specific provisions applicable to European Companies.

The Group's business units' activities of insurance, reinsurance and asset management are subject to comprehensive regulation and supervision in each of the jurisdictions in which 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 French insurance and reinsurance regulator (*Autorité de contrôle prudentiel et de résolution* – ACPR). Although the scope and nature of regulations differ from country to country, most jurisdictions in which SCOR's insurance and reinsurance subsidiaries operate have laws and regulations governing solvency standards, reserve levels, 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. These holding company legislations typically require 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 intragroup 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 No. 2009/138/EC of November 25, 2009 named "Solvency II" transposed in French law in 2015 and entered into force on January 1, 2016, 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).

Prudential regulations

SCOR SE and its insurance and reinsurance subsidiaries are subject to regulatory capital requirements in the jurisdictions in which they operate, 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) differ 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 national law in all relevant European jurisdictions over the last years.

The Solvency II regulation 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 the assessment of the Group's risks and capital requirements are aligned more closely with economic capital methodologies.

SCOR Group is subject to supervision by the ACPR which has extensive oversight authority as Group supervisor but also as the local supervisor for 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 regulatory changes on the Group's operations and financial position, see Section 3.1.1.2.

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

Asset management regulations

SCOR Investment Partners SE (formerly known as SCOR Global Investments SE) is subject to strict 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 protection regulation

The General Data Protection Regulation (GDPR) (EU 2016/679) of April 27, 2016, applicable since May 25, 2018, has updated the principles of personal data processing within the European Union. The main objectives of the reform are (i) the strengthening of individuals' rights in order to give them more control over their personal data and facilitate their access to it, (ii) a 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 application regime under which data protection authorities will be able to pronounce fines of up to 4% of the annual global turnover of a company infringing the European regulation. The Group has terminated in 2018 its project aiming to globally comply with the Regulation and is closely monitoring the various local regulations across the world that are currently being developed.

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 disputes and associated costs, as a result of the introduction of class action.

Furthermore, the complexity and extraterritorial scope of many legislations on the fight against financial criminality (fight against money laundering, financing of terrorism and corruption, national and international financial sanctions and embargoes) create serious risks of significant penalties and reputational risks in case of non-compliance. As examples, see in particular the French Law of December 9, 2016 on transparency, fight against corruption and modernization of the economic life (called "Law Sapin II") and the European Market Abuse Regulation (called "MAR Regulation") which came into force on July 3, 2016.

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 group rapidly developed in various world markets, building up a substantial international portfolio.

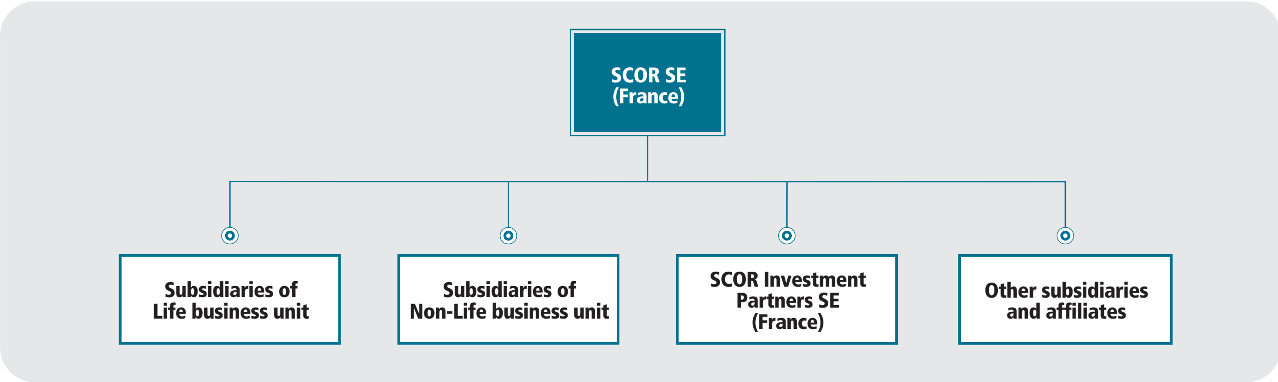
At the beginning of the 1980s, the French government's stake in the Company's share capital, held through the Caisse Centrale de Réassurance, was progressively reduced in favor of insurance companies that were active on the French market.

Since then, SCOR has mainly carried out the following operations:

- 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.
- 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 several regional management platforms, or "Hubs", which were phased in gradually.
- 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.
- 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 underwrote certain Transamerica Re's business risks.
- 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 USD 774 million.

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 business unit, operates worldwide through the insurance and reinsurance subsidiaries and branches of SCOR SE in the EMEA region, including Spain, Italy, Switzerland, the UK, Germany, Kenya, South Africa, Russia, the America region and the Asia-Pacific region, including Australia, China, India, South Korea, Hong Kong and Singapore.

SCOR Global Life, the Group's Life business unit, operates worldwide through the insurance and reinsurance subsidiaries and branches of SCOR SE in the EMEA region including Germany, the UK, Ireland, Italy, Spain, Switzerland, the Netherlands, Sweden, Belgium, South Africa, in the Americas region including Canada, the US, Latin America, and the Asia-Pacific region including Australia, New Zealand, China, Hong Kong, Japan, Singapore, Malaysia, South Korea and India.

SCOR Global Investments, the third business unit of the Group, operates the asset management activities of the Group. It is responsible for defining, implementing and controlling the asset allocation of the Group's legal entities investment portfolios in a centralized manner. It is organized around two areas: the Group's functions and a portfolio management company regulated by the AMF, SCOR Investment Partners SE, which manages directly the assets of many SCOR Group subsidiaries and manages also investment vehicles on 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 various locations of the Group, 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.

SCOR SE also makes loans to its subsidiaries and issues them guarantees so that they can underwrite under favorable conditions, particularly by benefiting from its credit ratings. SCOR SE provides actuarial, accounting, legal, administrative, IT, internal audit, investment, and human resources support to Group subsidiaries. Finally, SCOR SE acts, as needed, as retrocessionaire for its operational subsidiaries through annually renewed proportional and non-proportional treaties which constitute the Group's internal steering instrument 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 – 5.2.9. – 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 optimize the annual allocation of capital between operations under the Solvency I regime.

In the context of Solvency II, the SE reinsurance legal entities (SCOR Global Life SE and SCOR Global P&C SE) merged into SCOR SE on March 31, 2019. This reorganization enables SCOR to optimize its operational and legal structure and level of regulatory capital, thereby creating additional value for its shareholders, customers and partners.

The Hub structure

SCOR has structured its operations around three regional management platforms, or Hubs: the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

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

Each Hub has local, regional [1] and Group responsibilities, with the heads of each Hub reporting to the Group Chief Operating Officer, COO. Each Hub typically includes the following functions: Legal and Compliance, Information technology support, Finance, Human Resources and General Services. This organization enables:

- SCOR's operational structures and support functions to be optimized by creating service platforms in charge of managing pooled resources, including information technology, human resources, legal/compliance 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; and
- the Group to develop a global culture while keeping local specificities.

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 business unit. Hub-shared service costs are then allocated to the business unit.

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 proximity relationships with ceding companies.

1.2.3.2. List of issuer's significant subsidiaries and branches

See:

- Section 1.2.3. – Organizational structure of SCOR;
- 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 2.1.3. – Board of Directors (regarding the duties carried out in the subsidiaries by the managers of the Company);
- Section 2.1.6. – Executive Committee (regarding the duties carried out in the subsidiaries by the managers of the Company);
- Section 4.6. Note 2.1 – Significant subsidiaries, investments in associates and joint ventures;
- Section 4.6.3. Note 3 – Acquisitions and disposals;
- Section 4.6. Note 22 – Related party transactions;
- Section 4.7. – Information on holdings; and
- Appendix C – 5.2.1. – Investments.

1.2.4. RATINGS INFORMATION

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

At December 31, 2019, the relevant ratings for the Company were as follows [2]:

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

On September 25, 2019, A.M. Best affirmed SCOR's financial strength rating of "A+ (Superior)" and its Long-Term Issuer Credit Ratings of "aa-".

On September 9, 2019, SCOR was 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 17, 2019, Fitch Ratings affirmed SCOR's insurer financial strength rating at "AA-" (Very Strong) and long-term issuer default Rating at "A+". Fitch Ratings also affirmed the ratings of SCOR's core operating subsidiaries. The outlooks remain stable.

On March 20, 2019, Moody's affirmed SCOR SE's Aa3 insurance financial strength rating as well as its debt ratings (subordinated debt at A2(hyb) and preferred stock non-cumulative debt rating at Baa1(hyb). Moody's also affirmed the ratings of various SCOR SE subsidiaries. The outlook remains stable.

For more information on risks arising from credit ratings, please see Section 3.1.1.5. – Downgrade risk.

(1) EMEA Hub: European countries including Russia, Middle East and Africa; Asia-Pacific Hub: Asia and Australia; Americas Hub: North America and Latin America.
(2) Sources: www.standardandpoors.com; www.ambest.com; www.moodys.com and www.fitchratings.com.

1.2.5. BUSINESS OVERVIEW

Since 2002, SCOR has defined its strategy and principle orientations through the creation of seven successive plans: "Back on Track" (2002-2004), "Moving Forward" (2004-2007), "Dynamic Lift" (2007-2010), "Strong Momentum" (2010-2013), "Optimal Dynamics" (2013-2016), "Vision in Action" (2016-2019), and "Quantum Leap" (2019-2021). 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 US (in 2013), has 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.

See Section 1.1.4. – Current strategic plan for a description of the Quantum Leap plan (2019-2021).

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 a new strategic plan, 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.

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 business units (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which there are 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, which has responsibility for property and casualty insurance and reinsurance (also referred to in this Universal Registration Document as "Non-Life"); and the SCOR Global Life business, with responsibility for Life reinsurance (also referred to in this Universal 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 business unit 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 as a separate reportable operating segment for purposes of IFRS 8 – Operating segments.

The Group organizes its operations around three regional management platforms, or "Hubs" named EMEA Hub, Asia-Pacific Hub and Americas Hub. Each main location of the Hubs has local, regional and Group responsibilities, with the managing directors of each Hub reporting to the Group Chief Operating Officer. Each Hub includes the following functions: Legal and Compliance, Information Technology support, Finance, Human Resources and General Services. 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 main global reinsurance entity SCOR SE that merged with SCOR Global P&C SE and SCOR Global Life SE on March 31, 2019 (See Section 1.3.3. – Significant events of the year). In November 2018, SCOR Global P&C announced the creation of SCOR Europe SE, a Paris-based P&C specialty insurance company to ensure the continuity of services provided to clients after the effective date of the Brexit. Its business purpose is mainly direct insurance of major industrial risks across Europe. This subsidiary started its activities on January 1, 2019.

SCOR Global P&C is represented in three business regions, EMEA, the Americas and Asia-Pacific and operates in three business areas: Specialty Insurance (large corporate accounts underwritten through facultative insurance contracts, direct insurance and through the participation in Lloyd's syndicates, including SCOR Channel, for which SCOR is the sole capital provider), Reinsurance (including Property, Casualty, Motor, Credit and Surety, Decennial Insurance, Aviation, Marine, Engineering, and Agricultural risks) and P&C Partners (including Cyber and Alternative Solutions). 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 SCOR SE. *Via* this network SCOR Global Life is represented in three business regions, EMEA, the Americas 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 aims at having 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 aims 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 Universal 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, but those costs that are indirectly attributable are allocated to the operating segments based on suitable allocation keys. Group Functions includes the cost of departments fulfilling duties for the benefit of the whole Group, such as Group Internal Audit, Group Finance departments (Tax, Accounting, Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Operating Officer departments (Legal and Compliance, Communication, Human Resources, Information Technology, Cost Controlling and Budgeting) and Group Chief Risk Officer departments (Actuarial, Risk Management, Prudential Affairs, Internal Modeling).

Both business units P&C and Life, through the legal entity SCOR SE and its subsidiaries and branches, are leading global reinsurers, executing an underwriting policy focused on profitability, developing value-added services and adhering to a cautious financial policy. During the year ended December 31, 2019, 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 three business areas:

- Reinsurance;
- Specialties Insurance;
- P&C Partners.

Reinsurance

SCOR's P&C Reinsurance business area provides proportional and non-proportional reinsurance in many forms across:

- Property: covering damage to underlying assets and direct or contingent business interruption losses caused by fire or other perils, including natural catastrophes;
- Motor: covering original risks of motor property damage and bodily injury;
- Casualty treaties: covering general liability, product liability and professional indemnity.

The teams underwrite on the basis of sophisticated risk evaluation, seeking flexibility and innovative approaches for their clients, working closely with the following global business line experts.

Credit and Surety

SCOR has been a global leader reinsuring Credit, Surety and Political risks for more than 40 years, providing underwriting capacity for:

- Domestic and Export Credit Insurance;
- Various surety lines, like market surety and professional surety;
- Political Risks: Confiscation Expropriation Nationalization Deprivation (CEND), embargo and no currency transfer.

SCOR draws its expertise from a local presence in North Americas (Miami, New York), Europe (Paris, Zurich) and Asia (Singapore, Hong Kong).

Decennial Insurance

Committed to a consistent underwriting approach over the past 40 years, SCOR's leading global position enables the team to be involved in most IDI (Inherent Defect Insurance) initiatives launched by insurers, governments, professional organizations and financial bodies across the world, and to keep up to date with and reinsure almost all new IDI schemes.

SCOR provides customized products and solutions tailored to local situations:

- Basic cover of construction damage caused by inherent defects in structural works;
- Tailored cover, including material damage caused by inherent defects in waterproofing works and/or in other specific parts of construction;
- Additional extensions to IDI policies such as waiver of subrogation against builders and consequential third-party liability.

SCOR offers to its clients a global market vision on both established and emerging markets, from small residential to large industrial, as well as commercial buildings and public constructions such as hospitals, bridges, viaducts and tunnels.

Aviation

SCOR provides reinsurance and insurance solutions in all sectors of the Aviation market: airlines, aerospace and general aviation.

Marine and Energy

SCOR's dedicated Transport & Energy team combines local knowledge with global insights, in a line of business that requires constant monitoring of a rapidly changing global environment. SCOR offers flexible adequate solutions to its clients for all the segments of this sector, like hull and cargo as well as marine liability and energy.

SCOR's broad range of lines provides significant and stable capacity to cover standalone, specialized Marine risks and risks forming part of broader composite covers.

Engineering

With a consistent underwriting approach and substantial capacity, SCOR's engineering team offers a broad range of reinsurance and insurance cover: Construction All Risks (CAR) and Erection All Risks (EAR) insurance, as well as advance loss of profits or delay in start-up following a CAR or EAR loss, contractors' plant and machinery, electronic equipment, machinery, machinery loss of profits and combined machinery/electronic equipment and property.

Agricultural Risks

With a consistent, long-term approach to underwriting and pricing, SCOR's dedicated Agriculture team offers a broad and flexible range of reinsurance cover, underpinned by a strong natural catastrophe modeling and analytics infrastructure. SCOR P&C provides customized risk transfer solutions and innovative approaches in the field of crop/crop hail, aquaculture, forestry, greenhouse and livestock/bloodstock insurance.

Property Catastrophes

For more than 15 years, SCOR's Property Cat team has provided reinsurance solution to cover natural catastrophes events and property risks.

Specialties Insurance

The Group has announced in September 2018 the grouping of its existing insurance units under a newly formed Specialties Insurance division. It is composed of SCOR Business Solutions, SCOR Channel (SCOR's Lloyd's syndicate) and MGAs.

SCOR Business Solutions (SBS)

It is SCOR's large corporate risk insurance and facultative reinsurance unit. Taking a consistent and long-term approach, SBS combines risk management expertise and advanced technology with creativity and flexibility to support the strategies and needs of its clients, particularly in Energy, Construction, Property, Liability and Financial lines.

SCOR Channel

SCOR Channel is SCOR's Lloyd's syndicate, offering a full suite of insurance products, from core lines of business to specialist lines such as Political and Credit risks, Cyber and Environmental Impairment Liability.

SCOR is the sole capital provider of the SCOR Channel syndicate.

Managing General Agencies (MGA)

MGAs are a specialized type of insurance agent/broker vested with underwriting authority from an insurer. Accordingly, MGAs perform certain functions ordinarily handled only by insurers, such as underwriting, pricing and settling claims. MGAs are mainly involved with specialty lines of business in which specialized expertise is required.

SCOR has a very targeted approach, focused on North America, the London Market and Brazil (through Essor).

P&C Partners

To address the evolving needs of its clients and to reinforce its Tier 1 position in a rapidly changing risk ecosystem, P&C Partners, a global technical and expertise center, facilitates business development as well as synergies between underwriting teams.

Its dedicated decision-making committees provide rapid responses and promote consistency of the P&C underwriting approach:

- Alternative Solutions focuses on the development of customized, non-traditional, and new products/solutions;
- Cyber Solutions helps corporate and insurance clients to develop Cyber insurance coverage;
- Alternative Capital explores innovative retrocession facilities;
- P&C Ventures and Strategic Partnership focuses on InsurTech investments, technical partnerships and expertise sharing.

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 58% of the SCOR Global Life portfolio based on gross written premiums for the year ended December 31, 2019. 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 combine 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 3.3.2.1. – Management of underwriting risks related to the P&C business and Section 3.3.2.2. – 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, 2019, the Non-Life business unit wrote approximately 66% of gross written premiums through brokers and 34% through direct business, while the Life business unit wrote approximately 6% through brokers and approximately 94% through direct business.

For the year ended December 31, 2019, SCOR's largest brokers for the Non-Life business unit were MMC with approximately 22% of the Group's Non-Life gross written premiums, Aon Group with approximately 20% and Willis Group with approximately 12%. SCOR's largest brokers for the Life business unit were Aon Group with approximately 2% of the Group's Life gross written premiums and Willis Group with less than 1%.

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

Once the Board has defined risk tolerances in line with the Group's Strategic Plan, the Capital Shield Strategy sets mitigating mechanisms to ensure the protection of the Group's capital in line with its risk appetite. The Capital Shield Strategy is a key part of SCOR's ERM (Enterprise Risk Management) framework, forming one of the four cornerstones of SCOR Group's strategy and one of the pillars protecting the solvency of the Group.

The Capital Shield has the following objectives:

- ensuring protection of the Group's capital and solvency in line with SCOR's Risk Appetite Framework;
- balancing the portfolio and improving its diversification, hence using available capital more efficiently. It also contributes to avoiding undesired earnings volatility and providing liquidity in times of stress.

The Capital Shield Strategy builds on the following four concepts: traditional retrocession, capital market solutions, the solvency buffer and the contingent capital facility.

For more information on the capital, refer to Section 1.3.6.1. – Capital. For more information on the Capital Shield Strategy, refer to Section 3.3.3. – Retrocession and other risk mitigation techniques. For information on the Group's solvency scale, refer to Section 1.3.7. – Solvency and Section 4.6. – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves. For information on 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 Executive Committee 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 business unit 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, performance analysis of SCOR's investments, and for defining policies, governance and reporting on Environmental, Social and Governance matters within the investment portfolio.

SCOR Investment Partners

SCOR Investment Partners centralizes the management of all investment 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. Third-party assets under management of SCOR Investment Partners and its subsidiaries stood at EUR 5.0 billion as at December 31, 2019 (including undrawn commitments).

SCOR Investment Partners benefits from third-party asset management through management fees on the assets under management. SCOR Investment Partners has seven 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) and ILS.

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. – Research and development, patents and licenses.

1.2.6. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Research and development activities

In order to keep abreast of biometric trends and scientific developments, SCOR Global Life relies on five communities of expertise called chapters. In February 2019, the eight Research & Development (R&D) centers, which were designed to assess the key risks within mortality, longevity, morbidity and policyholder behavior, were replaced by chapters whose missions are aligned with those of the previous centers with a continuing focus on biometric risks such as mortality, longevity, disability and long-term care, which are at the heart of Life reinsurance, but more deliberately drawing on the full expertise of SCOR Global Life's employees while facilitating the dissemination of knowledge. These 5 chapters are:

- a chapter on biometric risk modeling, which is at the heart of the calculation of "best estimates" for pricing, reserve calculation and risk modeling. This is the key expertise needed by a Life reinsurer. It provides the best knowledge (methods, tools, etc.) for current and future biometric risk assessments;
- a chapter on medical expertise that is necessary to understand biometric risks and crucial for medical underwriting or claims assessment;
- a chapter on Data Science that is critical to extracting information and knowledge from experience;
- a chapter on Behavioral Science to better track policyholder behavior that is critical to achieving our goals of improving health status, simplifying underwriting and assisting in claims management, given that interactions with policyholders are growing exponentially (connected objects, applications, etc.);
- an Agility chapter with coaches who are needed to help members of previous chapters achieve their goals by providing them with a toolbox of organizational approaches to carry out their projects.

Supporting research and teaching is a core feature of the Group's corporate responsibility policy. SCOR has for many years developed relationships with different kinds of institutions (foundations, associations, schools and universities, research centers), in various forms (corporate sponsorship, scientific research partnerships) and in a number of fields linked to risk, uncertainty, and reinsurance, both in France and abroad.

SCOR has entered into many scientific partnerships over the years, the active ones in 2019 being with the ADERA (*Association pour le Développement de l'Enseignement et des Recherches auprès des universités, des centres de recherche et des entreprises d'Aquitaine* – INSERM) on LTC (EUR 100,000 annually) and the Pierre et Marie Curie University at the Pitié-Salpêtrière Hospital on HIV developments (EUR 30,000 annually). SCOR has also funded the Department of Demography at the University of California, Berkeley on the Human Mortality Database project (USD 20,000 per year), which serves the academic and actuarial community, to build predictive models of life expectancy for many countries.

The analyses and risk projections produced with the support of chapters 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 chapters 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 chapters are led by the Knowledge Department of SCOR Global Life. Their employees are based in Paris, Cologne, Dublin, Charlotte, Kansas City 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 internal research projects, conducted with the assistance of students from renowned schools and universities, the Group works to develop scientific research in the field of risk *via* corporate philanthropy operations supported by its corporate foundation (see Section 6.1.2. – Research and risk management), which has signed partnership agreements with the following institutions:

- a Research Chair on Risk, in cooperation with the Risk Foundation and Toulouse School of Economics of Toulouse 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 0.9 million spread over three years;
- a Research Chair in Finance and Insurance, in cooperation with the Toulouse School of Economics of Toulouse University, focuses on risk management, long-term investment, corporate governance and the links between insurance and financial markets. For SCOR, the related cost is EUR 1.5 million spread over five years;
- a Research Chair on Macroeconomic Risk in cooperation with the Paris School of Economics (PSE), is dedicated to the macroeconomic modeling of tail events, the consequences of uncertainty on the macroeconomic equilibrium and the contagion of extreme macroeconomic risks and crises. For SCOR, the related cost is EUR 900,000 spread over three years; and

SCOR Foundation for Science also supports research in key areas of risk analysis: climate risks and their insurability, coastal flood forecasting, natural risks to crops, modeling risks in general, Alzheimer's disease, pandemics, emerging infectious diseases, genetic treatment of tuberculosis, prevention of chickenpox, modeling of life expectancy and mortality, the risks of meteorites, car insurance, pension funds, best practices in risk management, predictability of earthquakes and the corresponding human behaviors following the event, biodiversity, mathematics of extreme events, building of economic and financial expectations, international financial imbalances. The Foundation also participates in the development of actuarial practice in Tunisia and within the CIMA (*Conférence Interafricaine des Marchés d'Assurance*) zone. Finally, every year, it awards three prestigious prizes in Paris: the best young researcher in finance and insurance, the best young actuary and the best PhD in actuarial science.

SCOR also finances 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.

SCOR and the SCOR Foundation for Science also organize 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 Institute of Actuaries, an actuarial symposium in Paris. In November 2015, the theme was centered around "Actuarial and Data Science", followed by "Scientific laws and mathematical models: from physics to actuarial science" in December 2016, "Will Artificial Intelligence revolutionize actuarial science?" in December 2017, "Macroeconomic and Financial instabilities" in December 2018, and most recently "Actuarial Science and Game Theory" in December 2019.

In addition to the above, scientific risk management techniques are promoted, and knowledge shared, *via* the 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 graduations, the masters and the Executive MBA supplied by the *École Nationale d'Assurance* (ENASS) of the Paris *Conservatoire National des Arts et Métiers* (CNAM)).

Information technologies

The investment in information technology is one of the key priorities of the "Quantum Leap" strategic plan. In this area, SCOR relies both on the strength and the consistency of its global information system, which is continuously enhanced through the development of an ambitious portfolio of projects, and on the transformation opportunities, enabled by the introduction of new technologies and especially the artificial intelligence, the big data, the multi-cloud, the development of e-business and Blockchain et the robotic process automation (RPA).

In accounting, consolidation and financial reporting area and through all entities of the Group, SCOR runs a global solution, SAP-based, embedding a unique chart of accounts and standard processes, and reinforced by the recent introduction of Hana technology to extend its real-time analytical capabilities. This platform is regularly enriched through the development of new modules, such as, Trace, a global treasury solution deployed in 2019, or Cost vision, managing expenses at a much granular level, to be deployed in 2020. In this financial area, the introduction of RPA has also provided opportunities to optimize several manual processes, this approach being now extended to other areas of the information system.

The Group’s Life and Non-Life reinsurance global back-office runs on a custom software package known as “Omega”. Omega was designed to manage the reinsurance contracts, including premiums and claims, analyze the technical profitability of contracts, and perform quarterly closings based on the latest estimated results. The unique Omega database reflects the reinsurance risk of SCOR Global P&C and SCOR Global Life’s portfolios worldwide. Fully modernized in 2016, OMEGA has since been enriched every year, especially by the addition of a global analytical solution “Reinsurance Analytics” and the integration with a cloud client management solution, Salesforce. OMEGA is currently being enhanced to comply with the new global accounting standard, IFRS 17. The preparation to IFRS 17 is a large effort impacting the entire information system, not only OMEGA but also upstream and downstream systems such as pricing, cash-flow modeling, general ledger, consolidation, reporting.

In 2019, a focus was again put on strengthening SCOR’s front office applications to improve risk selection, anticipation and reactivity in markets and products. Several projects have been launched in recent years which will continue through 2020 to develop Business Unit specific solutions fully integrated with the rest of the Information System.

Among these projects, to start with the P&C business unit, the ForePlan tool provides capability to build the underwriting plan and follow its execution. 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 an in-house solution ForeWriter and specialized modules in different expertise fields such as space, agriculture, cybersecurity. Control of exposure to natural catastrophes and pricing is under improvement through the development of the SCOR Cat Platform which monitors all the liabilities and accumulations through use and calibration, or the model combination deemed as most efficient. The new platform to monitor the MGA book of business through automatic underwriting controls that have been rolled-out to US portfolio, with other regions to follow. Norma, the P&C internal model, combines the risk assessment produced by these front-office tools to provide an overall P&C risk measure.

Life business unit has developed an IT roadmap which aims at preparing SCOR Global Life for the future by increasing its competitiveness, providing high level of service to clients, complying with all regulatory requirements (*ie*. IFRS 17, GDPR) and increasing the understanding of Life business. Other front-office solutions have been developed for SCOR Global Life to harmonize and further enhance the underwriting of substandard risks and develop tele-underwriting in different countries. The introduction of Artificial Intelligence completes these solutions. Underwriting solutions like Velogica are proposed to SCOR's Life clients, notably in the US market. The integration of Life Individual policy management systems is now completed in the US and is now being progressively extended to the rest of the world by the development of a new platform, named hElios, which will provide an even more accurate knowledge of the risks. These individual data are the basis for enhanced actuarial modeling, in which SCOR Global Life is also investing, through the development of a pricing and reserving technical platform and through the roll-out of a new experience analysis solution.

At the Group level, and in the frame of an integrated architecture, the various risk modeling tools are feeding the enterprise internal model which has been key in the Solvency II compliance process. This model now benefits from the scalability of the public cloud, providing enhanced analytical capabilities.

In all areas, the modeling and analysis methods are getting gradually richer in Machine Learning & Artificial intelligence innovative technologies that actuaries can test through a test platform “Sandbox” which is made available to them to assess their new algorithms. This platform will migrate in 2020 to a cloud environment to offer enhanced technological capabilities, to cope with the increasing volume of data and to reinforce the capacity to productionize the new services, shortening the innovation cycle.

In the asset management area, SCOR Investment Partners is now equipped with a global front-office solution, Bloomberg AIM, reinforcing the real-time monitoring of all investments. The record keeping of the portfolio managed by SCOR Global Investment and the investment accounting are managed through an integrated platform, Simcorp Dimension. All this asset management information is now available in real time through global analytical platforms. The asset management landscape is currently evolving to comply with the new accounting standard, IFRS 9, starting Jan 1st, 2022.

The Group is promoting a paperless environment. Internally, global document management and sharing processes have been set up for the Life and Non-Life business units. With its clients, SCOR can 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 actively participating to the B3i initiative which aims at exploiting the power of the Blockchain technology to ease exchanges between actors of the insurance value chain.

The SCOR technical environment is based on a secured international network, a private cloud-based global data center with a fully replicated dual site, providing a strong disaster recovery capability. This homogeneous technical environment is a solid ground to prepare for a global move to the public cloud, which starts in 2020 and aims at providing even more flexibility and scalability to SCOR IT operations. SCOR is also investing continuously in cybersecurity and data protection, reinforcing the physical and logical access controls, the network security through introduction of artificial intelligence monitoring, the data leakage prevention and the employee awareness through cybersecurity training programs.

SCOR’s IT Department is playing a key role in implementing the Group’s “Green SCOR” policy, and drives several elements of this multi-year plan, including data center consolidation, server virtualization, the purchase of 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.

1.2.7. INVESTMENTS

Principal investments made over the past three financial years

See Section 3.3.4. – 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. Note 3 – Acquisitions and disposals.

See Section 1.2.5.6. – Investments.

See Section 4.6.7.4. – Real estate investments.

See Section 4.6.9. – Miscellaneous assets.

Principal investments in progress

None.

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 estimated by various analysts at USD 160 to 190 billion of premium globally, covering property, casualty, financial, and specialty lines. The sector is exposed to volatility in the form of development of past reserves and large natural and man-made losses.

In 2019, losses from natural disasters were primarily driven by several large tropical cyclone events, notably hurricane Dorian in the Caribbean and typhoons Faxai and Hagibis in Japan. Overall demand for non-life reinsurance remained strong. Pricing is on an overall upward trend, albeit with differences across markets and lines of business according to their recent loss and profitability trends. The upward trend in pricing is also reflecting the current low interest rate environment which supports insurers' and reinsurers' focus on technical profitability.

1.3.2. FINANCIAL MARKET DEVELOPMENTS

The year 2019 has been drawing to close the ambitions for a normalization of monetary policies. Indeed, uncertainties surrounding US-China bilateral tariff negotiations coupled with weaknesses in the manufacturing sector have led to new accommodative policies to avoid an economic downturn. A benign inflationary environment permitted these new expansionary monetary policies. Indeed, while the US unemployment rate remained at its lowest level of 3.5% for the past 50 years, the CPI has been contained below 2.5%. In Europe, the low inflation environment is even more pronounced with a CPI of only 1.3%.

Hence, the FED has decreased, by steps of 25 basis points, its reference rate from 2.25% to 1.50% and has stopped its balance sheet reduction started in 2018. Indeed, its assets size is increasing again and represents now USD 4,166 billion. The European Central Bank has symbolically decreased its rate from -0.4% to -0.5% and announced the reinvigoration of its asset purchase program.

Hence, during the year, the 10-year rates have moved in the US from 2.7% to 1.9%. In the Eurozone, they decreased from 0.2% to -0.2% after reaching a record low -0.7% during the summer. The same phenomenon affected the UK, Canada and Australia with 10-year rates at respectively 0.8%, 1.7% and 1.4%. In Asia, rates were more stable with Japanese and Chinese 10-year rates at respectively 0.0% and 3.1%.

The prorogation of a low and even negative yield environment combined with subdued but positive economic forecasts enabled most financial assets to deliver positive performances. Growth consensus for 2020 is at 1.8% for the US, 1.0% for the Eurozone and 5.9% for China.

The bond indices have been positive with an overperformance of bonds carrying the highest credit risk. Hence, high yield bonds (bonds issued by companies with a high level of indebtedness) have delivered a 11.3% return for the European market and 14.4% for the US market *versus* respectively 6.8% and 7.0% for government bonds of the same currencies.

The main equity indices have followed the same trend, beating historical highs in the US. As a result, the S&P 500 total return was at 31.5% *versus* 27.7% for the European Stoxx 600.

1.3.3. SIGNIFICANT EVENTS OF THE YEAR

Covéa

On January 29, 2019, SCOR announced that it had decided to initiate legal actions against Thierry Derez and Covéa in relation to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa, on August 24, 2018, of its unsolicited takeover proposal for SCOR (these legal proceedings are described in Section 4.6. – Notes to the consolidated financial statements, Note 25 – Litigation). On the same day, Covéa announced that a transaction with SCOR was no longer part of its strategic options.

Completion of the merger of the three SE legal entities of the Group

SCOR Global Life SE and SCOR Global P&C SE merged into SCOR SE on March 31, 2019. This reorganization, which was announced by SCOR in September 2016 as part of its previous strategic plan "Vision in Action", enables SCOR to optimize its operational and legal structure and level of regulatory capital, thereby creating additional value for its shareholders, customers and other stakeholders.

The *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) confirmed its non-opposition to this merger on March 20, 2019, and the Group obtained all required regulatory authorizations for the Group's branches and foreign subsidiaries.

As of April 1, 2019, all assets, rights, obligations and liabilities of SCOR Global Life SE and SCOR Global P&C SE have been transferred to SCOR SE. This transfer has no impact on current contractual obligations and SCOR SE is automatically substituted for SCOR Global Life SE and SCOR Global P&C SE, without modifying any of the terms and conditions of the transferred contracts.

The solvency capital benefit of this merger on the Eligible Own Funds is approximately EUR 200 million. The merger was treated as a transaction under common control under IFRS and did not result in a merger profit at consolidated Group level.

Acquisition of Coriolis Capital Limited

On September 10, 2019, SCOR Investment Partners completed the acquisition of 100% of the capital of Coriolis Capital Limited (Coriolis Capital) and obtained all necessary approvals from relevant regulators, notably the Financial Conduct Authority (FCA) in the United Kingdom. Coriolis Capital is a pioneering fund manager in the Insurance-Linked Securities (ILS) field, investing in catastrophe bonds, collateralized reinsurance and climate derivatives.

With this first acquisition, SCOR Investment Partners is entering an important new phase in its development and expanding its capacity on the ILS market, reaching an aggregate sum of USD 2.1 billion of assets under management and operating in both, Paris and London.

The combined ILS platform will enable SCOR Investment Partners to provide its investors with strong value-added expertise and services, including improved market access, additional expertise in financial engineering and complementary fund infrastructure.

New catastrophe bond Atlas Capital UK 2019 PLC

SCOR sponsored a new catastrophe bond (“cat bond”), Atlas Capital UK 2019 PLC, which provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the U.S., earthquakes in the U.S. and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 runs from June 1, 2019, to May 31, 2023.

The transaction has received the approval of the Prudential Regulatory Authority (PRA) and the UK regulatory authorities.

Issuance of a new contingent capital facility

On December 3, 2019, SCOR issued 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. The facility enables the Group to protect its solvency in case of catastrophe events and is consistent with the “Quantum Leap” strategic plan. This is the fourth contingent capital facility launched by SCOR – its first, pioneering solution was launched on January 1, 2011. This new solution is consistent with the previous facilities.

The equity line facility will replace, as of January 1, 2020, the current contingent capital facility which comes to an end on December 31, 2019.

The solution also allows SCOR to extend its solvency and offers a very cost-effective alternative to traditional retrocession contracts and ILS.

Placement of USD 125 million deeply subordinated Tier 1 issuance

On December 11, 2019, SCOR successfully placed a perpetual deeply subordinated restricted Tier 1 notes issue on the Regulation S USD market in the amount of USD 125 million (hereinafter referred to as the “New Notes”). These New Notes will be assimilated (assimilées) and form a single series with the existing USD 625 million perpetual deeply subordinated Restricted Tier 1 Notes issued on March 13, 2018 (hereinafter referred to as the “Original Notes”). The New Notes issue will bear the same terms and conditions as the Original Notes.

SCOR intends to use the proceeds of the issuance for general corporate purposes. SCOR also confirms its current intention, subject to market conditions and regulatory approval, to redeem the CHF 125 million undated subordinated note lines, issued on October 20, 2014, and callable in October 2020 using the proceeds of the New Notes.

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, Berkshire Hathaway, Axis Capital, TransRe, Odyssey Re, Gen Re and Everest Re). Moreover, Lloyd's syndicates (where SCOR is also present *via* its fully-owned SCOR Channel) are recognized as competitors.

SCOR SE and its consolidated subsidiaries formed the world's fourth largest reinsurer [1] serving more than 4,000 clients.

(1) By Net Reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2019".

1.3.5. REVENUES & EARNINGS SUMMARY

The Group's financial data is presented in Section 1.1. – Key figures and strategic plan 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, 2019 was approximately 56% for Life reinsurance and 44% 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 (Specialties Insurance, Reinsurance and P&C Partners).

Gross written premiums

Gross written premiums for the financial year ended December 31, 2019 amounted to EUR 16,341 million, an increase of 7.1% compared to EUR 15,258 million in 2018. At constant exchange rates the growth is 4.1%. The overall increase in gross written premiums of EUR 1,083 million in 2019 is composed of an increase of EUR 972 million for SCOR Global P&C and of EUR 111 million for SCOR Global Life.

Gross written premiums for the financial year ended December 31, 2018 amounted to EUR 15,258 million, an increase of 3.2% compared to EUR 14,789 million in 2017. At constant exchange rates the growth was 7.1%. The overall increase in gross written premiums of EUR 469 million in 2018 was composed of an increase of EUR 150 million for SCOR Global P&C and of EUR 319 million for SCOR Global Life.

Gross written premiums for the financial year ended December 31, 2017 amounted to EUR 14,789 million, an increase of 7.0% compared to EUR 13,826 million in 2016. At constant exchange rates the growth was 8.6%. The overall increase in gross written premiums of EUR 963 million in 2017 was composed of an increase of EUR 386 million for SCOR Global P&C and of EUR 577 million for SCOR Global Life.

Breakdown of gross written premiums by segment

In EUR millions	2019		2018		2017	
By operating segment						
SCOR Global P&C	7,147	44%	6,175	40%	6,025	41%
SCOR Global Life	9,194	56%	9,083	60%	8,764	59%
TOTAL	**16,341**	**100%**	**15,258**	**100%**	**14,789**	**100%**
Non-Life reinsurance						
Specialties Insurance (1)	1,741	24%	1,516	25%	1,393	23%
Reinsurance (1)	5,406	76%	4,659	75%	4,632	77%
TOTAL SCOR GLOBAL P&C	**7,147**	**100%**	**6,175**	**100%**	**6,025**	**100%**
Life reinsurance						
Protection	7,412	81%	6,865	76%	6,756	77%
Financial Solutions	855	9%	1,354	15%	1,243	14%
Longevity	927	10%	864	10%	765	9%
TOTAL SCOR GLOBAL LIFE	**9,194**	**100%**	**9,083**	**100%**	**8,764**	**100%**

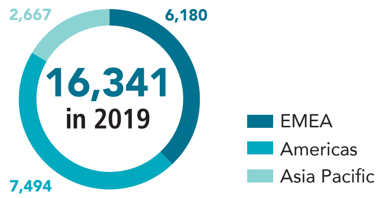
(1) P&C partners is a business unit supporting the development of Reinsurance and Specialties Insurance.

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

Distribution by geographical area

In 2019, SCOR generated approximately 38% of its gross written premiums in Europe, Middle East and Africa (EMEA) (2018: 38%), with significant market positions in France, Germany, Spain and Italy, 46% of its gross written premiums in the Americas (2018: 43%) and 16% in Asia (2018: 19%).

Breakdown of Group gross written premiums by geographical area *(in EUR millions)*



The following table shows the breakdown by volume of Life and Non-Life gross 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 millions	2019	2018	2017	2019	2018	2017	2019	2018	2017
EMEA [(1)]	6,180	5,995	5,782	3,141	3,181	3,023	3,039	2,814	2,759
Americas [(1)]	7,494	6,428	6,446	4,633	4,174	4,277	2,861	2,254	2,169
Asia Pacific	2,667	2,835	2,562	1,420	1,728	1,464	1,247	1,107	1,098
TOTAL	**16,341**	**15,258**	**14,790**	**9,194**	**9,083**	**8,764**	**7,147**	**6,175**	**6,025**

(1) In 2019, the market responsibility for one portfolio was reallocated from the Americas to EMEA in SCOR Global Life. The gross written premiums for SCOR Global Life previously reported in the 2018 Registration Document for Americas were EUR 4,375 million and EUR 4,567 million for the years ended December 31, 2018 and 2017, respectively. Gross written premiums previously reported for EMEA were EUR 2,980 million and EUR 2,733 million for the years ended December 31, 2018 and 2017, respectively.

Net earned premiums

Net earned premiums for the year ended December 31, 2019 amounted to EUR 14,058 million as compared to EUR 13,611 million and EUR 13,281 million for the years ended December 31, 2018 and 2017, respectively. The overall increase in net earned premiums of EUR 447 million from 2018 to 2019 and EUR 330 million from 2017 to 2018 is consistent with the evolution in gross written premiums.

Net investment income

Net investment income [(1)] for the year ended December 31, 2019 amounted to EUR 671 million as compared to EUR 615 million for the year ended December 31, 2018 and EUR 764 million for the year ended December 31, 2017, essentially driven by higher investment revenues and by the active portfolio management strategy implemented by SCOR Global Investments. The Group recorded realized capital gains of EUR 93 million in 2019, slightly lower compared to 2018 (EUR 123 million), mostly achieved on the real estate and the fixed income portfolio.

The return on invested assets in 2019 was 3.0% as compared to 2.8% in 2018 and 3.5% in 2017.

Gross benefits and claims paid

Gross benefits and claims paid were EUR 11,792 million, EUR 11,168 million and EUR 11,963 million in 2019, 2018 and 2017, respectively. The level of gross benefits and claims paid for SCOR Global P&C increased to EUR 4,576 million during 2019 from EUR 3,942 million in 2018 (2017: EUR 4,564 million). For SCOR Global Life the level of gross benefits and claims paid slightly decreased to EUR 7,216 million in 2019 from EUR 7,226 million in 2018 (2017: EUR 7,399 million).

Net retrocession result

The net result of the Group's retrocession program was a net cost of EUR (327) million in 2019 as compared to a net cost of EUR (264) million and a net gain of EUR 398 million in 2018 and 2017, respectively.

The impact of alternative retrocession coverage, Atlas IX 2015 (ended December 31, 2018) and 2016 and Atlas Capital UK 2019 PLC catastrophe bonds (SCOR Global P&C) and Atlas IX mortality risk transfer contract (SCOR Global Life; ended December 31, 2017) (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 under "other operating expenses" in 2019 is an expense of EUR 61 million (2018: EUR 35 million and 2017: EUR 38 million) mainly linked to the Atlas catastrophe bonds' depreciation and litigation expenses.

Other operating income and expenses include a recovery of USD 13 million (EUR 12 million) on Atlas IX 2015-1 related to 2017 hurricane Harvey, Irma and Maria (HIMM) events.

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

Expenses

The Group cost ratio [1], 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 4.7% for the year ended December 31, 2019, decreased from 5.0% in 2018 and 2017. Management expenses for the years ended December 31, 2019, 2018 and 2017 were EUR 937 million, EUR 893 million, and EUR 858 million respectively, on a comparative basis.

Operating income

Operating result before impact of acquisitions for the year ended December 31, 2019 amounted to EUR 713 million as compared to EUR 632 million in 2018 and EUR 491 million in 2017. The increase between 2018 and 2019 is notably due to the lower severity of natural catastrophes. For the year ended December 31, 2019, the operating segment SCOR Global Life contributed EUR 437 million (EUR 371 million and EUR 342 million in 2018 and 2017, respectively) and SCOR Global P&C EUR 407 million (EUR 393 million and EUR 265 million in 2018 and 2017, respectively) to the operating result. In 2019, 2018 and 2017, EUR (131) million, EUR (132) million and EUR (116) million respectively, related to Group functions.

Consolidated net income – Group share

SCOR generated a consolidated net income of EUR 422 million in 2019, compared to EUR 322 million and EUR 286 million for the years ended December 31, 2018 and 2017, respectively.

In a year marked by a significant series of natural catastrophes primarily driven by several large tropical cyclone events, notably hurricane Dorian in the Caribbean and typhoons Faxai and Hagibis in Japan, the results benefited from a positive underlying performance of SCOR Global P&C and SCOR Global Life and a prudent asset management policy which safeguarded shareholders' interests whilst delivering solid returns, albeit in a very low interest rates environment.

In 2019, the effective tax rate was 25.7% compared to 34.7% in 2018 which was notably impacted by the US tax reform with a negative impact of EUR 68 million and 16.7% in 2018. See Section 4., Note 17 – Income taxes, for further explanations on the effective tax rate.

Return on equity was 7.0%, 5.5% and 4.5% for the years ended December 31, 2019, 2018 and 2017 respectively. Basic earnings per share were EUR 2.27, EUR 1.72 and EUR 1.53 for the years ended December 31, 2019, 2018 and 2017, 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 the traditional reinsurance operations: Specialties Insurance and Reinsurance. SCOR Global P&C capitalizes on a long-standing franchise, experience, and an extensive data base comprising multi-line expertise.

SCOR Global P&C continued on a strong growth trend in 2019 benefitting from a robust underwriting performance following successive treaty renewals and facultatives' portfolio underwritings throughout the year. Despite a second half year marked by natural catastrophes, SCOR Global P&C confirms the objectives of its new strategic plan "Quantum Leap", in particular thanks to an efficient portfolio management policy.

SCOR Global P&C had a strong growth in 2018, supported by renewals in line with the Group's strategic plan "Vision In Action", benefiting from improved pricing for its reinsurance programs as well as improvements in the insurance market environment through its Reinsurance and Specialties Insurance activities. Despite a year marked by natural catastrophes, SCOR Global P&C confirmed its position as a leading reinsurer, in particular thanks to an efficient portfolio management policy.

2017 was marked by an exceptional series of large natural catastrophes that occurred during the 2nd half of the year. The in-force retrocession programs have responded as expected, bearing witness to the SCOR Global P&C efficient capital shield policy. Despite these events and an increasing competition in the market since last year, the "Vision in Action" objectives were confirmed thanks notably to January 2017 renewals and strengthening of initiatives undertaken in 2016.

Gross written premiums

In 2019, gross written premiums increased by 15.8% compared to 2018, from EUR 6,175 million to EUR 7,147 million. At constant exchange rates the growth is 12.7%, supported by both Reinsurance (US Property and Casualty treaties) and Specialties Insurance (MGAs and SBS Property) activities.

In 2018, gross written premiums increased by 2.5% compared to 2017 from EUR 6,025 million to EUR 6,175 million. At constant exchange rates the growth was 6.7% and was consistent with the trend indicated after January 2018 renewals.

In 2017, gross written premiums increased by 6.9% compared to 2016 from EUR 5,639 million to EUR 6,025 million. At constant exchange rates the growth was 8.8% and was consistent with the trend indicated after January 2017 renewals, driven by Property and Casualties treaties.

Net combined ratio

In 2019, the net combined ratio reflects large and extended natural catastrophes that occurred during the year, impacting mainly Japan and the Bahamas, partially absorbed by 1.9 percentage points of reserve releases (EUR 110 million). The natural catastrophe ratio stands at 11.6% compared to 12.6% in 2018 and 14.9% in 2017.

In 2018, the net combined ratio reflected severe and extended natural catastrophes that occurred, especially in Japan and the Americas, partially absorbed by 1.9 percentage points of reserve releases (EUR 100 million). The natural catastrophe ratio stands at 12.6% compared to 14.9% in 2017 and 5.5% in 2016.

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

In 2017, the net combined ratio reflected the severity of higher natural catastrophes that occurred compared to previous years, especially the American hurricanes, earthquake and wildfires. The natural catastrophe ratio stands at 14.9% compared to 5.5% in 2016 and 2.2% in 2015. The net combined ratio was also negatively impacted by 1.4 percentage points (EUR 71 million) due to the change in the Ogden discount rate, partially balanced by 0.9 percentage points of reserve releases (EUR 45 million).

Impact of natural catastrophes

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

The following table highlights losses due to natural catastrophes for the years 2019, 2018 and 2017:

	As at December 31		
	2019	2018	2017
CURRENT FINANCIAL YEAR EVENTS			
Number of catastrophes occurred during the financial year	24 (3)	24 (5)	17 (7)
In EUR millions			
Losses and loss adjustment expenses due to catastrophes, gross	779	901	1,363
Losses due to catastrophes, net of retrocession	616	681	768
PREVIOUS FINANCIAL YEAR EVENTS INCLUDED IN CURRENT LOSS RATIO			
Number of catastrophes occured during previous financial year	9 (4)	7 (6)	2 (8)
In EUR millions			
Losses and loss adju stment expenses due to catastrophes, gross	139 (4)	4 (6)	12 (8)
Losses due to catastrophes, net of retrocession	49 (4)	(25) (6)	11 (8)
TOTAL OF EVENTS INCLUDED IN CURRENT LOSS RATIO			
Number of catastrophes occured during current and previous financial years	33(4)	31 (6)	19 (8)
In EUR millions			
Losses and loss adjustment expenses due to catastrophes, gross	918 (4)	906 (6)	1,374 (8)
Losses due to catastrophes, net of retrocession (1)	665 (4)	656 (6)	779 (8)
Group net loss ratio (2)	68.1% (4)	66.6% (6)	71.0% (8)
Net attritional ratio	56.5% (4)	54.0% (6)	56.1% (8)

(1) Net of retrocession and reinstatement premiums (assumed and retrocession).

(2) The net loss ratio is calculated by dividing Non-Life claims (including claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession (See Section 1.3.9.5. – Net combined ratio).

(3) Including Typhoons Hagibis, Faxai, Hurricane Dorian, US Cyclone Bomb CAT 1919, Dallas Tornado – CAT 1961, Various Italian Storms 2019, Townsville flooding, Southern Peru flooding, Storm Eberhard, US Storm & Tornicadoes, Sao Paulo Flooding, Texas Hailstorm CAT, Cyclone Fani, US weather event cat, Nothern Peru Earthquake, Munich Hailstorm, Typhoon Lekima, India Floods and Luxembourg Tornado.

(4) Including developments on Italian Storms 2018, Typhoon Jebi and Trami, Hurricane Michael, Camp California Wildfire and Kuwait Flood.

(5) Including Typhoons Jebi, Trami, Mangkhut and Yutu in Saipan and Tinian, Hurricanes Michael, Florence and Leslie, Camp Califnornia Fire and Woolsey California Fire, Friederike storm, Papua New Guinea Earthquake, Ituango heavy rains, Italian Storms, Kilauea vulcanic eruption in Hawai, floods in Japan and Kerala, Cyclone Mekunu, Northern Osaka Earthquake, US storms in May and July, Carr Wildfire in California and Swedish wildfires, Ontatio windstorm and Sydney hailstorms.

(6) Including developments on Hurricane Harvey, Irma, Maria, Mexico Earthquakes, Northern and Southern California wildfires and Flash Flood N. Italia (Brescello). These figures did not take into account the late information received on typhon Jebi and that do not have any impact on the Group financial statements 2017 as mentioned in Section 4.6. – Notes to the consolidated financial statements, Note 15.1 – Net contract liabilities, SCOR Global P&C.

(7) Including Hurricane Harvey, Irma, Maria, Mexico Earthquakes, Northern and Southern California wildfires, Cyclone Debbie, South Africa climatic events, Typhoon Hato, Peru El Nino Costero events, Newcrest Mining Earthquake loss, US April and May Winds, Mumbai Floods, Portuguese Fires.

(8) Including developments on Hurricane Matthew and Kaikoura Earthquake.

In 2019, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 616 million as at December 31, 2019:

In EUR millions **Cat losses**	**Date of loss**	**Estimated loss net of retrocession as at December 31, 2019**
Kuwait Flood [1]	November 2018	28
US Cyclone Bomb CAT 1919	March 2019	10
Hurricane Dorian	September 2019	90
Typhoon Faxai	September 2019	156
Typhoon Hagibis	October 2019	227
Dallas Tornado – CAT 1961	October 2019	14
Various Italian Storms 2019 (5 events)	July 2019	31
Other natural catastrophes (less than EUR 10 million)		60
TOTAL		**616**

(1) Reported in Q2 2019 for the first time, but a 2018 event.

In 2018, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 681 million as at December 31, 2018:

In EUR millions **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at December 31, 2018**	**Adjusted estimated loss net of retrocession as at December 31, 2019**
Typhoon Jebi	September 2018	167	203
Hurricane Michael	October 2018	125	141
Camp California Wildfire	November 2018	110	61
Hurricane Florence	September 2018	60	55
Woolsey California Wildfire	November 2018	34	41
Typhoon Trami	September 2018	31	61
Friederike Storm	January 2018	26	26
Typhoon Mangkhut	September 2018	22	22
Papua New Guinea EQ	February 2018	18	18
Ituango heavy rain	April 2018	11	11
Italian Storms	October 2018	10	28
Other natural catastrophes (less than EUR 10 million)		68	58
TOTAL		**681**	**724**

In 2017, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 768 million as at December 31, 2017:

In EUR millions **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at December 31, 2017**	**Original estimated loss net of retrocession as at December 31, 2018**	**Adjusted estimated loss net of retrocession as at December 31, 2019**
Hurricane Irma	September 2017	245	270	285
Hurricane Harvey	August 2017	209	197	191
Hurricane Maria	September 2017	113	98	94
California wildfire	October 2017	73	44	40
Earthquake in Mexico	September 2017	24	18	20
Cyclone Debbie	March 2017	21	17	17
Southern California Wildfires	December 2017	18	28	28
Western Cape Storm & Fire	June 2017	15	13	13
Typhoon Hato	August 2017	12	12	12
Flash Flood N. Italy (Brescello)	December 2017	-	2	1
Other natural catastrophes (less than EUR 10 million)		37	55	56
TOTAL		**768**	**755**	**757**

1.3.5.3. SCOR Global Life

SCOR Global Life operates through its unified global organization with a macro market approach in three regions: Americas, EMEA (Europe, Middle East, Africa and Latin America) 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 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 2019, SCOR Global Life continued to grow profitably in a competitive life reinsurance market. The solid operating profitability of SCOR Global Life was increased thanks to a robust flow of new business and expansion of franchise in various key markets and product lines. The in-force book globally contributed positively to the results, despite the underlying US mortality claim experience being higher than expected, thanks to a strong overall reserve position, as well as successful premium rate increases on certain individual reinsurance treaties. Changes in estimates due to reserve harmonization across certain US portfolios in 2019 resulted in a one-off net reduction in reserves on these portfolios of EUR 159 million, largely offset by changes in estimates across various other portfolios. Both claim expenses and in-force management actions may vary over time.

Gross written premiums by product line

SCOR Global Life ranks among the top four life reinsurers worldwide [(1)] and has grown by 1.2% in gross written premiums from EUR 9,083 million in 2018 to EUR 9,194 million in 2019 (a -1.8% decrease at constant exchange rates [(2)]. The premium growth is affected by the renewal of certain Financial Solution deals as fee business in 2019. Excluding this change, normalized growth at constant exchange rates amounts to 4.5%. 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 (after adjusting the Financial Solution premium volume for the renewal of certain transactions in 2019 as fee business). Growth was recognized in the Protection product line mainly in Americas and Asia-Pacific, in the Financial Solutions product line in Americas and specific markets in EMEA and Asia Pacific, and in the Longevity product line in EMEA.

Protection

The Protection business accounts for 81% of total gross written premiums in 2019 and remains the main driver for premium growth (4.4% growth in gross written premiums in 2019 at constant exchange rates [(2)]. SCOR Global Life has maintained its leadership in the US Life reinsurance market [(3)], the largest life reinsurance market in the world. In the EMEA region, SCOR Global Life reinforced its franchises in key European markets such as France, the UK, and Nordic countries.

Asia Pacific remains a region with significant growth opportunities both in terms of premiums and profitability. Protection premium development in this region was driven by higher business volumes in China and North Asia.

Within the Protection product line, mortality was the main risk underwritten.

- Mortality protection: 58% of SCOR Global Life's portfolio is traditional mortality reinsurance business, based on 2019 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 (LTC): 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.
- Disability: SCOR Global Life has established strong market positions in disability in many continental Europe markets, Australia and New Zealand, and Canada.
- 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.
- Although Medical represents a rather small portion of SCOR Global Life's portfolio, it was a key growth driver within the Protection product line in 2019 due to new business volume in Asia.
- 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 and SCOR Telemed). SCOR Global Life has leadership positions in many markets in the EMEA and Asia Pacific regions.

Financial Solutions

In the Financial Solutions product line, accounting for 9% of 2019 gross written premiums, SCOR Global Life has built a recognized position in providing capital and solvency solutions. Since 2013, SCOR Global Life has signed landmark transactions in Europe, the US, Asia and Latin America. In 2019 SCOR Global Life expanded its footprint in the Asia Pacific region and in the US market. Due to the renewal and new acquisition of certain Financial Solution contracts as fee business, the business growth of this product line is not fully reflected in the development of gross written premium figures.

(1) Based on 2018 gross written premiums.
(2) At December 31, 2019 exchange rates.
(3) Source: 2018 SOA/Munich Re survey of US life reinsurance, published in 2019.

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 10% of SCOR Global Life's gross written premiums in 2019 and is one of the main drivers of premium growth (6.6% increase in gross written premiums in 2019 at constant exchange rate [1]. The main active market to date for SCOR Global Life is UK.

Life technical margin

Overall, the Life technical margin in 2019 was 7.5% compared to 7.0% in 2018 and 7.1% in 2017.

1.3.5.4. Net investment income and investment income on invested assets

Net investment income for the year ended December 31, 2019 amounted to EUR 671 million compared to EUR 615 million and EUR 764 million for the years ended December 31, 2018 and December 31, 2017, respectively.

The return on invested assets in 2019 was 3.0% as compared to 2.8% in 2018 and 3.5% in 2017. The evolution of investment income in 2019 is essentially driven by strong investment revenues and by the active portfolio management strategy implemented by SCOR Global Investments, which translated into substantial realized capital gains of EUR 93 million, mostly achieved on the real estate portfolio and to a lesser extent on the fixed income portfolio.

The following table presents a reconciliation of these figures with the IFRS figures as presented in Section 4.6. – Notes to the consolidated financial statements, Note 18 – Investment income.

	As at December 31		
In EUR millions	2019	2018	2017
Investment revenues on invested assets (1) (2)	**511**	**463**	**403**
Realized gains/(losses) on fixed income	34	5	66
Realized gains/(losses) on loans	-	-	-
Realized gains/(losses) on equities	2	107	-
Realized gains/(losses) on real estate (3)	48	10	192
Realized gains/(losses) on other investments	9	1	14
Realized gains/(losses) on invested assets (2) (3) (4) (5)	**93**	**123**	**272**
Impairment of fixed income	(9)	(2)	-
Impairment of loans	(1)	(1)	(1)
Impairment of equities (3)	-	-	-
Impairment/depreciation of real estate (6)	(20)	(22)	(20)
Impairment of other investments	(2)	(1)	(5)
Impairment/amortization on invested assets (2) (6)	**(32)**	**(26)**	**(26)**
Fair value through income on invested assets (4) (5) (7)	20	(24)	11
Financing costs on real estate (8)	(4)	(4)	(4)
TOTAL INVESTMENT INCOME ON INVESTED ASSETS	**588**	**532**	**656**
Net interest income on funds withheld and contract deposits	158	151	177
Investment management expenses	(75)	(68)	(69)
TOTAL NET INVESTMENT INCOME	**671**	**615**	**764**
Foreign exchange gains/(losses)	3	(13)	(27)
Income from other consolidated entities (9)	1	12	(12)
Income/(expenses) on technical items (10)	-	1	(1)
Financing costs on real estate	4	4	4
IFRS INVESTMENT INCOME NET OF INVESTMENT MANAGEMENT EXPENSES	**679**	**619**	**728**
Average invested assets	19,838	19,041	18,757
Return on invested assets *(ROIA as a %)*	**3.0%**	**2.8%**	**3.5%**

(1) Investment revenues on invested assets are presented net of EUR 3 million real estate revenues attributable to third parties and net of EUR 1 million revenues related to investments not held for investment purposes.

(2) Investment revenues on invested assets are presented net of EUR 8 million revenues on later impaired/sold securities, shown in impairments (EUR 5 million) and realized gains (EUR 3 million), respectively.

(3) Realized gains/(losses) on invested assets are presented net of EUR 1 million realized gain attributable to 3rd parties, included in realized capital gains/losses on investments under IFRS.

(4) Realized gains/(losses) on invested assets are presented net of EUR 6 million realized losses on derivatives shown under fair value through income on invested assets.

(5) Realized gains/(losses) on invested assets are presented net of EUR 1 million realized gain on a fair value security, shown under fair value through income on invested assets.

(6) Impairment/depreciation of real estate is presented net of EUR (2) million impairment/depreciation attributable to third parties.

(7) Fair value through income on invested assets includes EUR (1) million investment income from other consolidated entities.

(8) Real estate financing expenses relate to real estate investments (buildings held for investment purposes) only, net of financing expenses attributable to third parties.

(9) Includes (7).

(10) Income/(expenses) on technical items include (1), (3) and (5) amongst other technical items.

(1) At December 31, 2019 exchange rates.

During 2019, invested assets increased to EUR 20,571 million from EUR 19,153 at December 31, 2018, mainly as a result of positive mark-to-market development, positive foreign currency exchange impacts and positive income generated by the invested assets portfolio in 2019.

SCOR announced its new investment strategy in September 2019, as part of its "Quantum Leap" strategic plan. During the thirty-month period covered by the strategic plan SCOR Global Investments intends to provide a strong and recurring financial contribution from the invested assets portfolio. SCOR Global Investments' roadmap is built around the following pillars:

- Acting as a sustainable investor to better manage risks and generate superior long-term returns;
- Enhancing portfolio diversification towards value-creation assets to increase portfolio returns;
- Maximizing value creation while safeguarding portfolio value;
- Fully leveraging SCOR's positioning as a leading player in Insurance-Linked Securities (ILS) with the acquisition of Coriolis Capital; and
- Keeping SCOR Investment Partners' strong momentum in third-party asset gathering through a comprehensive product offering and best-in-class returns.

Liquidity, defined as SCOR's share of cash and cash equivalents and short-term government bonds (with maturities above three months and below twelve months) and bank overdrafts, is at 6% of invested assets as at December 31, 2019, slightly above the level of 5% observed as at December 31, 2018.

The fixed income portfolio continues to represent a significant portion of SCOR's invested assets with 81% invested within this asset class (82% at year end 2018). SCOR Global Investments has started to position its fixed income portfolio more cautiously. The exposure to corporate bonds decreased from 49% at the end of 2018 to 43% at the end of 2019. Conversely, the exposure to government bonds and assimilated increased from 24% to 27%, the exposure to covered bonds and Agency MBS increased from 8% to 9% and the exposure to structured and securitized products increased from 1% to 2%, over the same period. The fixed income portfolio remains of very high quality with an average rating at "A+" at the end of 2019, stable compared to the average rating at the end of 2018. The duration of the fixed income portfolio stands at 3.4 years at the end of 2019 compared to 4.3 years at the end of 2018.

SCOR's exposure to loans remained stable at 5% of invested assets as at December 31, 2019 (as at December 31, 2018: 5% of invested assets).

SCOR's exposure to equity securities remained stable at 2% of invested assets as at December 31, 2019 (as at December 31, 2018: 2% of invested assets). This exposure is essentially composed of convertible bonds and listed equities.

The real estate portfolio remained stable at 3% of invested assets as at December 31, 2019 (as at December 31, 2018: 3% of invested assets) after taking into account several real estate sales during 2019.

Other investments, comprising mainly ILS, private equity and infrastructure funds and non-listed equities remained stable at 3% of invested assets as at December 31, 2019 (as at December 31, 2018: 3% of invested assets).

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

As at December 31, 2019												
IFRS classification / Management classificatio	Cash	Fixed income	Loans	Equities	Real estate	Other invest-ments	Total invested assets	Funds withheld and other	Total invest-ments	Accrued interests	Tech-nical items (1)	Total IFRS classifi-cation
Real estate investments	**-**	**-**	**-**	**-**	**661**	**-**	**661**	**-**	**661**	**-**	**-**	**661**
Equities	-	34	93	209	88	122	546	55	601	-	-	601
Debt securities	-	16,796	1,308	5	-	-	18,109	-	18,109	133	-	18,242
Available-for-sale financial assets	**-**	**16,830**	**1,401**	**214**	**88**	**122**	**18,655**	**55**	**18,710**	**133**	**-**	**18,843**
Equities	-	-	-	250	-	1,099	1,349	-	1,349	-	-	1,349
Debt securities	-	-	-	2	-	-	2	-	2	-	-	2
Investments at fair value through income	**-**	**-**	**-**	**252**	**-**	**1,099**	**1,351**	**-**	**1,351**	**-**	**-**	**1,351**
Loans and receivables (2)	**-**	**97**	**891**	**-**	**-**	**-**	**988**	**8,228**	**9,216**	**4**	**-**	**9,220**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**208**	**208**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**16,927**	**2,292**	**466**	**749**	**1,221**	**21,655**	**8,283**	**29,938**	**137**	**208**	**30,283**
Cash and cash equivalents	1,435	-	-	-	-	-	1,435	-	1,435	-	-	1,435
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,435**	**16,926**	**2,292**	**466**	**749**	**1,221**	**23,090**	**8,283**	**31,373**	**137**	**208**	**31,718**
Less third parties' interests (3)	(211)	(141)	(1,332)	(11)	(62)	(941)	(2,698)	-	(2,698)	-	-	-
Other consolidated entities (4)	-	-	-	-	-	282	282	-	282	-	-	-
Direct real estate unrealized gains and losses (5)	-	-	-	-	141	-	142	-	142	-	-	-
Direct real estate debt (6)	-	-	-	-	(185)	-	(186)	-	(186)	-	-	-
Cash payable/ receivable	(59)	-	-	-	-	-	(59)	-	(59)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**1,165**	**16,786**	**960**	**455**	**643**	**562**	**20,571**	**8,283**	**28,854**	**-**	**-**	**-**

(1) Including Atlas CAT bonds and foreign exchange derivatives.

(2) Loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months.

(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.

(4) Certain consolidated entities held for investment purposes have been included in the scope of Invested Assets.

(5) Fair value less carrying amount of real estate investments excluding EUR 6 million attributable to third-party investors.

(6) Real estate financing related to real estate investments (buildings held for investment purposes) excluding EUR 31 million attributable to third-party investors.

As at December 31, 2018

Management classificatio / IFRS 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	**-**	**-**	**-**	**-**	**685**	**-**	**685**	**-**	**685**	**-**	**-**	**685**
Equities	-	46	61	137	117	110	471	41	512	-	-	512
Debt securities	-	15,821	1,142	-	-	-	16,963	-	16,963	136	-	17,099
Available-for-sale financial assets	**-**	**15,867**	**1,203**	**137**	**117**	**110**	**17,434**	**41**	**17,475**	**136**	**-**	**17,611**
Equities	-	-	-	266	-	979	1,245	-	1,245	-	-	1,245
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**266**	**-**	**979**	**1,245**	**-**	**1,245**	**-**	**-**	**1,245**
Loans and receivables [2]	**-**	**39**	**874**	**-**	**-**	**3**	**916**	**8,060**	**8,976**	**2**	**-**	**8,978**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**67**	**67**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**15,906**	**2,077**	**403**	**802**	**1,092**	**20,280**	**8,101**	**28,381**	**138**	**67**	**28,586**
Cash and cash equivalents	1,175	-	-	-	-	-	1,175	-	1,175	-	-	1,175
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,175**	**15,906**	**2,077**	**403**	**802**	**1,092**	**21,455**	**8,101**	**29,556**	**138**	**67**	**29,761**
Less third parties' interests [3]	(195)	(124)	(1,199)	(48)	(64)	(879)	(2,509)	-	(2,509)	-	-	-
Other consolidated entities [4]	-	5	-	-	-	273	278	-	278	-	-	-
Direct real estate unrealized gains and losses [5]	-	-	-	-	179	-	179	-	179	-	-	-
Direct real estate debt [6]	-	-	-	-	(218)	-	(218)	-	(218)	-	-	-
Cash payable/ receivable	(32)	-	-	-	-	-	(32)	-	(32)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**948**	**15,787**	**878**	**355**	**699**	**486**	**19,153**	**8,101**	**27,254**	**-**	**-**	**-**

(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) Certain consolidated entities held for investment purposes have been included in the scope of Invested Assets.

(5) Fair value less carrying amount of real estate investments excluding EUR 5 million attributable to third-party investors.

(6) Real estate financing related to real estate investments (buildings held for investment) excluding EUR 30 million attributable to third-party investors.

1.3.6. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The strength of the 2019 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

Shareholders' equity stood at EUR 6,374 million at December 31, 2019 compared to EUR 5,828 million at December 31, 2018 and EUR 6,225 at December 31, 2017. See Section 4.5. – Consolidated statement of changes in shareholders' equity for a description of this change.

Book value per share [(1)] stood at EUR 34.06 at December 31, 2019 compared to EUR 31.53 and EUR 33.01 at December 31, 2018 and 2017, respectively.

On December 15, 2016, SCOR arranged a contingent capital facility with BNP Paribas. Under this EUR 300 million arrangement, SCOR raised its level of protection by EUR 100 million. On June 29, 2018 BNP Paribas transferred all the warrants to UBS in agreement with SCOR. UBS has thus fully substituted BNP Paribas in relation to all the rights and obligations arising from the contingent capital facility. On December 2019, SCOR launched 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. This equity line facility replaces, as of January 1, 2020, the contingent capital facility which comes to an end on December 31, 2019. 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 3.3.3. – Retrocession and other risk mitigation techniques.

For information on the Group's solvency scale, refer to Section 1.3.7. – Solvency and Section 4.6. – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

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 to the Group's financial strength rating in its financial agreements.

For information on collateral requirements, see Section 3.1.5. – 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 increased to EUR 3,027 million from EUR 2,831 million in 2018 (2017: EUR 2,702 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

The total amount of subordinated debt increased to EUR 2,409 million from EUR 2,277 million in 2018 (2017: EUR 2,211 million).

On December 11, 2019, SCOR placed a perpetual deeply subordinated restricted Tier 1 Regulation S notes issue in the amount of USD 125 million. These New Notes will be assimilated (*assimilées*) and form a single series with the existing USD 625,000,000 perpetual deeply subordinated Restricted Tier 1 Notes issued on March 2018.

On March 6, 2018, SCOR placed a perpetual deeply subordinated notes issue on the "Regulation S" USD market in the amount of USD 625 million.

On June 8, 2018, SCOR redeemed the CHF 315 million undated subordinated notes (issued in 2012), and on November 30, 2018, SCOR redeemed the CHF 250 million undated subordinated notes callable in November 2018. The proceeds of the newly issued deeply subordinated Tier 1 Notes issued in 2018 were used to redeem those two subordinated CHF notes.

On May 24, 2016, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 500 million. On July 28 and August 2, 2016 respectively, SCOR completed the calls of the remaining balance of its EUR 350 million (issued in 2006) and CHF 650 million (issued in 2011) perpetual subordinated note lines.

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

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

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

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.

The Group has a leverage ratio of 26.4% at December 31, 2019, as compared to 27.5% at December 31, 2018 and 25.7% at December 31, 2017. 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.

Real estate debt and other financial liabilities

SCOR uses real estate debt and other financial liabilities mainly to finance real estate investments and for general corporate purposes. Real estate debts are non-recourse, the debtors' claims are limited to assets underlying the financing, and there is an asset and liability matching with little to no risk that the assets will be insufficient to service and settle the liabilities. They meet the conditions for operational leverage and can be classified as operational debts, and therefore excluded by the rating agencies from financial leverage calculations. As at December 31, 2019, real estate financing and other financial liabilities amounted to EUR 517 million and EUR 101 million, respectively (December 31, 2018: EUR 510 million and EUR 44 million, respectively). This includes the real estate debt of MRM for the amount of EUR 78 million (EUR 75 million as at December 31, 2018).

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 3.9 billion as at December 31, 2019. 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 total liquidity, defined as cash and cash equivalents (including cash and cash equivalents from third parties) [(1)], 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 1.5 billion at the end of 2019 (2018: EUR 1.2 billion and 2017: EUR 1.0 billion) supported by strong operating cash flow generation.

See Section 4.6. – Notes to the consolidated financial statements, Note 11.1 – Cash and cash equivalents.

Total investments, including cash and cash equivalents, amounted to EUR 31.7 billion at December 31, 2019 compared to EUR 29.8 billion and EUR 29.4 billion at December 31, 2018 and 2017, respectively.

(1) See Section 1.3.5.4. – Net investment income and investment income on invested assets.

1.3.7. SOLVENCY

The European "Solvency II" Directive applies to the Group since January 1, 2016. For more details on solvency regulations, see Section 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.

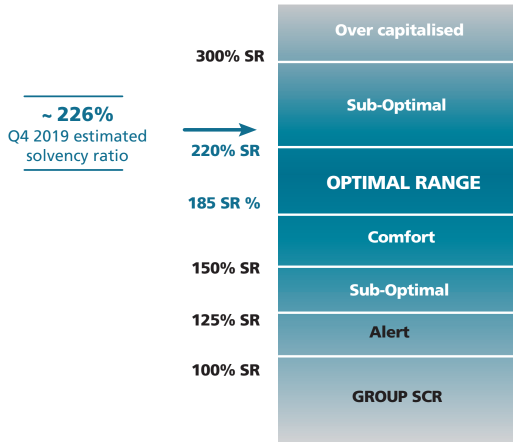
This comprehensive and holistic model was developed internally, on the basis of SCOR's experience and expertise. It covers all known material quantifiable risks to which the Group is exposed (Life and Non-Life underwriting risk, market and credit risk, operational risk) and reflects SCOR's risk profile and strategy. This model is based on high scientific standards, and advanced methodologies, systematically applying stochastic simulations and modeling dependencies between risks.

SCOR's internal model is used extensively in the preparation of management decisions which involve risk management or solvency considerations. The solvency position of the Group is monitored using SCOR's dynamic solvency scale which defines SCOR's strategic solvency target for"Quantum Leap" – the "Optimal Range" between 185% and 220% – as well as the various management actions to be taken depending on the solvency position, as shown below.

Solvency ratio

At year-end 2019, SCOR's solvency ratio stood at 226% (1), slightly above the Optimal Range.

Estimated solvency ratio *(in %)*



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 – Internal control and risk management procedures.

1.3.8. CASH FLOWS

Positive operating cash flows amounted to EUR 841 million in 2019 (2018: EUR 891 million and 2017: EUR 1,144 million, respectively). In 2019, SCOR Global P&C provided strong operating cash flows of EUR 740 million in increase compared to 2018 (EUR 592 million) following seasonality effects and natural catastrophe payments. The decrease of technical operating cash flows in 2019 compared to 2018 for SCOR Global Life is mainly due to higher claims payments in US and positive one-off impacts in 2018. In 2018, SCOR Global P&C provided strong operating cash flows globally in line with 2017. The decrease of technical operating cash flows for SCOR Global Life in 2018 compared to 2017 is mainly due to positive one-off impacts in 2017. In 2017, SCOR Global P&C provided strong cash flow in line with expectations, despite of having commenced payments on Q3 2017 cat events. SCOR Global Life showed elevated technical business cash flow in the last quarter of 2017 due to two large transactions.

Cash flow used in financing activities amounted to EUR (373) million in 2019, EUR (638) million in 2018 and EUR (467) million in 2017. This figure mainly includes dividend payments, and the issuance of a perpetual subordinated restricted Tier 1 note of USD 125 million.

Net investing cash flow amounted to EUR (219) million in 2019, EUR (101) million in 2018 and EUR (1,280) million in 2017. In 2019 cash flows used in investing activities were mainly composed of acquisitions of tangible and intangible assets and financial assets, while in 2018 they were mainly composed of acquisitions and disposals of other business investments.

The Group's total liquidity, defined as cash and cash equivalents (including cash and cash equivalents from third parties) (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 1.5 billion at the end of 2019 (2018: EUR 1.2 billion and 2017: EUR 1.0 billion), supported by a very strong operating cash flow generation.

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, and between cash and cash equivalents and Group's total liquidity.

(1) Solvency ratio based on Solvency II requirements. The Group solvency final results are to be filed to supervisory authorities by May 2020, and may differ from the estimates expressed or implied in this Universal Registration Document.
(2) See Section 1.3.5.4. – Net investment income and investment income on invested assets.

1.3.9. CALCULATION OF FINANCIAL RATIOS

1.3.9.1. BOOK VALUE PER SHARE

In EUR millions	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
Group shareholders' equity	**6,348**	**5,800**	**6,195**
Shares issued as at closing date	187,049,511	193,085,792	193,500,317
Treasury shares as at closing date	(668,058)	(9,137,286)	(5,866,249)
Basic number of shares	**186,381,453**	**183,948,506**	**187,634,068**
BASIC BOOK VALUE PER SHARE	**34.06**	**31.53**	**33.01**

1.3.9.2. RETURN ON INVESTMENTS AND RETURN ON INVESTED ASSETS

The return on investments (ROI) is used to assess the profitability of the Group's investments, including funds withheld by cedents and other deposits less cash deposits. This percentage return is calculated by dividing the total net investment income by the average investments (calculated as the quarterly averages of the total investments).

The return on invested assets (ROIA) is used to assess the return on the Group's invested assets excluding funds withheld by cedents. This percentage return is calculated by dividing the total investment income on invested assets by the average invested assets (calculated as the quarterly averages of the total invested assets).

In EUR millions	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
Average investments (1)	27,418	26,770	26,468
Total net investment income	671	615	764
Return on investments (ROI)	**2.4%**	**2.3%**	**2.9%**
Average invested assets (1)	19,838	19,041	18,757
Total investment income on invested assets	588	532	656
Return on invested assets (ROIA)	**3.0%**	**2.8%**	**3.5%**

(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 ceded funds withheld.

1.3.9.3. GROUP COST RATIO

In EUR millions	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Total expenses as per profit & loss account (1)	(874)	(831)	(801)
Unallocated loss adjustment expenses (ULAE) (2)	(63)	(62)	(57)
Total management expenses	**(937)**	**(893)**	**(858)**
Investment management expenses	75	68	69
Total expense base	**(862)**	**(825)**	**(789)**
Corporate finance	14	12	2
Amortization	75	43	42
Non controllable expenses	8	14	10
Total management expenses (for cost ratio calculation)	**(765)**	**(756)**	**(735)**
Gross written premiums	**16,341**	**15,258**	**14,789**
GROUP COST RATIO	**4.7%**	**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) Unallocated loss adjustment expenses are part of gross benefits and claims paid.

1.3.9.4. Return on equity

Return on equity (ROE) is based on the Group's share of net income divided by average shareholders' equity (calculated as time weighted average shareholders' equity).

In EUR millions	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Consolidated net income – Group share	**422**	**322**	**286**
Consolidated net income – Group share – before U.S. tax reform impact (1)	**422**	**390**	**286**
Opening shareholders' equity – Group share	5,800	6,195	6,661
Weighted consolidated net income(2)	211	161	143
Payment of dividends(3)	(218)	(208)	(204)
Weighted increase in capital(3)	(164)	(23)	5
Effect of changes in foreign exchange rates(4)	63	47	(261)
Revaluation of assets available-for-sale and others(2)	328	(261)	32
Weighted average shareholders' equity	6,020	5,911	6,376
Weighted average shareholders' equity – before U.S. tax reform impact (1)	6,020	5,945	6,376
ROE	**7.0%**	**5.5%**	**4.5%**
ROE – BEFORE U.S. TAX REFORM IMPACT (1)	**7.0%**	**6.6%**	**4.5%**

(1) Refer to the 2018 Registration Document, Section 1.3.3. – Significant event of the year 2018 on the U.S. tax reform (Tax Cuts and Jobs Act, the "TCJA")
(2) Pro-rata of 50%: linear acquisition throughout the period.
(3) Considers time weighted transaction based on transaction dates.
(4) A daily weighted average is applied used for the currency or currencies that experienced material foreign exchange rates movements, and simple weighted average is applied used for the other currencies.

1.3.9.5. Net combined ratio

The loss ratio is calculated by dividing Non-Life claims (including natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

The commission ratio is calculated by dividing Non-Life reinsurance commissions by Non-Life premiums earned. This ratio is net of retrocession.

The technical ratio is a Non-Life indicator and is calculated as the sum of the loss ratio and commission ratio. This ratio is net of retrocession and is used to assess the net performance of reinsurance transactions excluding P&C management expenses.

The P&C management expense ratio is calculated by dividing management expenses incurred for Non-Life reinsurance operations by Non-Life premiums earned. This ratio is net of retrocession.

In EUR millions	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Gross earned premiums	6,712	6,014	5,860
Ceded earned premiums	(991)	(798)	(618)
Net earned premiums	**5,721**	**5,216**	**5,242**
Gross benefits and claims paid	(4,576)	(3,942)	(4,564)
Ceded claims	682	472	844
Total Net claims	(3,894)	(3,470)	(3,720)
Loss ratio	**68.1%**	**66.6%**	**71.0%**
Gross commission on earned premiums	(1,543)	(1,454)	(1,422)
Ceded commissions	170	112	62
Total Net commissions	(1,373)	(1,342)	(1,360)
Commission ratio	**24.0%**	**25.7%**	**25.9%**
Total technical ratio	**92.1%**	**92.3%**	**96.9%**
Acquisition and administrative expenses	(270)	(262)	(256)
Other current operating expenses	(57)	(44)	(45)
Other income and expense from reinsurance operations	(70)	(64)	(54)
Total P&C management expenses	**(397)**	**(370)**	**(355)**
Total P&C management expense ratio	**6.9%**	**7.1%**	**6.8%**
TOTAL NET COMBINED RATIO	**99.0%**	**99.4%**	**103.7%**

1.3.9.6. Life technical margin

The Life technical margin is calculated as a percentage of the net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums.

In EUR millions	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Gross earned premiums	9,183	9,041	8,738
Ceded earned premiums	(846)	(646)	(699)
Net earned premiums	**8,337**	**8,395**	**8,039**
Net technical result	**472**	**444**	**406**
Interest on deposits	152	145	162
Technical result	**624**	**589**	**568**
LIFE TECHNICAL MARGIN	**7.5%**	**7.0%**	**7.1%**

1.3.10. EVENTS SUBSEQUENT TO DECEMBER 31, 2019

No material change has occurred in the Group's financial or commercial situation or in the Groups' financial performance since the end of the 2019 financial year.

The developments from the outbreak of the COVID-19 pandemic since early 2020 are closely monitored by management.

There is significant uncertainty about the potential impact of the pandemic based upon current information. SCOR will continue to regularly assess the COVID-19 impact on its business.

This underwriting risk and related risk management measures are described in the Universal Registration Document risk sections 3.1.2 – Underwriting risks related to the P&C and Life reinsurance businesses and 3.3.2 – Management of underwriting risks related to the P&C and Life businesses.

With respect to insurance business investments, the recent decline in stock prices and more general fall of market indices is being closely monitored (see section 3.3.4 – Management of Market Risks).

Moreover, as regards operational risks, section 3.1.6 – Operational risks describes a number of risk factors relating to systems and employees. SCOR has taken steps to lower the risks of infection for its employees, including a global travel ban, with only few exceptions, and the use of video- and teleconferencing instead of in-person meetings. Furthermore, the management of SCOR has business continuity plans in place that allow operations to continue even if some office locations are not accessible. Specifically, SCOR has infrastructure and tools in place that ensure that employees can work remotely. A recent global infrastructure test with all employees working from home and temporary office closures in affected countries, confirmed resilience of SCOR's infrastructure in such a scenario.

1.3.11. DOCUMENTS ON DISPLAY

Throughout the period of validity of the Universal 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, 75116 Paris, France.

The information published by SCOR within the last 12 months from March 4, 2019 to March 13, 2020 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.

02

REPORT ON CORPORATE GOVERNANCE

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2.1. CORPORATE GOVERNANCE PRINCIPLES, SHAREHOLDERS' MEETINGS, CORPORATE OFFICERS, EXECUTIVES, EMPLOYEES, INFORMATION REQUIRED BY ARTICLE L. 225-37-5 OF THE FRENCH COMMERCIAL CODE

2.1.1. CORPORATE GOVERNANCE PRINCIPLES

SCOR SE's shares are listed on the Eurolist from Euronext Paris SA and on the Six Swiss Exchange (previously SWX Swiss Exchange) in Zürich since August 8, 2007.

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 in compliance with best corporate governance practices in effect in France as per AMF recommendations.

In application of article L. 225-37-4 of the French Commercial Code, 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).

In accordance with the possibility offered by Section 8.4. of the AFEP-MEDEF Code, the Internal Regulations of the Board of Directors of SCOR provided, until February 26, 2020, the possibility for a director holding a mandate in a subsidiary of the Group to be qualified as independent provided that he abstains from participating 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 held his/her mandate. The Board of Directors' meeting held on February 26, 2020 removed this possibility, in order to align the independence criteria of SCOR's directors with those of the AFEP-MEDEF Code and thus taking into account the opinions expressed by the shareholders as part of the active dialogue held with them (Refer to Section 2.1.3.4. – Functioning of the Board of Directors - Independence of Directors).

2.1.2. 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 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).

2.1.3. BOARD OF DIRECTORS

2.1.3.1. Mission of the 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 define the strategic orientations of the Company and to ensure their implementation, in accordance with its corporate interest, taking into account the social and environmental aspects of its activity. It monitors management's performance and ensures the sound and prudent management of the Company. 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 Shareholders' Meeting for certain decisions as required by law and by the Company's bylaws *(statuts)* and subject to the *Code des assurances* which prescribes that at least two persons shall effectively run the Company ("four-eyes" principle).

2.1.3.2. Information concerning the members of the Board of Director

Denis Kessler

Chairman and Chief Executive Officer

Chairman of the Strategic Committee

Member of the Crisis Management Committee

Date of first appointment: November 4, 2002
Expiration of term: 2021

Independence: No
Attendance rate at the Board meetings: 100%

French – Age: 67 – SCOR SE, 5 avenue Kléber, 75116 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

- N/A

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 de l'Assurance (FFA), 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.*

Augustin de Romanet

Lead Independent Director

Chairman of the Compensation and Nomination Committee and Crisis Management Committee

Member of the Strategic Committee and Corporate Social and Societal Responsibility and Environmental Sustainability Committee

Date of first appointment: April 30, 2015
Expiration of term: 2023

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 58 – Aéroports de Paris, 1 rue de France, 95931 Roissy Charles de Gaulle, 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)
- Member of the Supervisory Board of le Cercle des économistes SAS (France)
- Chairman of the Fondation d'Entreprise Groupe ADP (France)
- Chairman of the Association Paris Europlace (France)
- Chairman of the Board of Directors of Etablissement public du domaine national de Chambord (France)
- Director of FONDACT (France)
- Director of l'Institut pour l'Innovation Economique et Sociale (France)
- Director of la Fondation de l'Islam de France (France) Member of the Board of Directors of Airport Council International (ACI) Europe (Belgium)

Positions that expired during the last five years

- Director and Vice-Chairman of the Board of Directors of TAV Havalimanlari 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 Insaat Ve Isletme A.S. (TAV Construction) (Turkey)
- Chairman of the Board of Directors of ACI Europe (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 JeanLouis 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 and Chairman of Paris Europlace since July 2018.

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

Marguerite Bérard

Director

Member of the Strategic Committee and Audit Committee

Date of first appointment: April 30, 2015
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 89%

French – Age: 42 – BNP Paribas, 20 avenue Georges-Pompidou, 92300 Levallois-Perret, France

Main position

- Head of French Retail Banking – BNP Paribas* (France)

Other positions

- Director of BNP Paribas Cardif and Cardif IARD (France)

Positions that expired during the last five years

- Director of Havas (France)
- Member of the Management Board in charge of the Group finance, strategy, legal affairs and Group company secretary of BPCE Group (France)
- 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)
- 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)
- Permanent representative of BPCE, director of COFACE (France)*
- Chairman of the SAS and Chairman of the Board of Directors of ISSORIA (France)
- Chairman of the SAS S-Money (France)
- Chairman of the Board of Directors of 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, a French citizen, is a graduate of the Institut d'Etudes Politiques de Paris, of Princeton University (Woodrow Wilson School of International and Public Affairs), and a former student at the Ecole 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. Then, she joined BPCE Group 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 May 2016, she was appointed member of the Management Board of BPCE, in charge of the Finance, Strategy, Legal Affairs and Group Company Secretary of BPCE Group. Marguerite Bérard joined the management team of BNP Paribas in January 2018. After an interim period, she is now in charge of the French retail banking and is a member of the Group Executive Committee. She is member of the Steering Committee of Institut Montaigne.

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

Fabrice Brégier

Director

Member of the Strategic Committee and Risk Committee

Date of first appointment: April 26, 2019
Expiration of term: 2022

Independence: Yes
Attendance rate at the Board meetings: 75%

French – Age: 58 – Palantir Technologies, 5 rue Charlot, 75003 Paris, France

Main position

- Chairman of Palantir France (France)

Other positions

- Director of Engie (France)*
- Chief Executive Officer of FB Consulting SAS (France)

Positions that expired during the last five years

- Chief Operating Officer of Airbus and Chairman of Airbus Commercial Aircraft (France)

Fabrice Brégier, a French citizen, is a graduate of the École Polytechnique and a Chief Engineer of the Corps des Mines. He began his career at the DRIRE Alsace (Ministry of Industry and Trade) before being appointed Sub-Director of Economic, International and Financial Affairs at the Ministry of Agriculture (Directorate-General for Food) in 1989. After serving as an Advisor to several French Ministers from 1989 to 1993, Fabrice Brégier was appointed Chairman of Franco-German joint ventures at Matra Défense, Director of Standoff activities at Matra BAe Dynamics, and then CEO of MBD/MBDA. Before becoming a member of the EADS Executive Committee in 2005, he was Chairman and CEO of the Eurocopter Group. Fabrice Brégier has over twenty years of experience in Aerospace and Defense. He has spent a large part of his professional career at the Airbus group, successively holding the positions of Airbus COO between 2006 and 2012, Airbus President and CEO between 2012 and 2017, and finally COO and Chairman of Airbus Commercial Aircraft between 2017 and 2018. Fabrice Brégier has been Chairman of Palantir France since October 2018.

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

Fiona Derhan

Employee representative

Date of first appointment: April 26, 2019
Expiration of term: 2020

Independence: No
Attendance rate at the Board meetings: 100%

French – Age: 30 – SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- SCOR Group Chief Information Officer's Personal Assistant

Other positions

- N/A

Positions that expired during the last five years

- N/A

Fiona Derhan, a French citizen, studied foreign languages at Paris-Sorbonne University where she graduated with a bachelor's degree and then a Master of Science degree in Tourism Management. Fiona Derhan began her career in 2013 as a Personal Assistant for a tour operator manager in San José (Costa Rica). She later worked as a Personal Assistant for a music manager in Atlanta (USA), as well as for VIPs in a French concierge service. Fiona Derhan joined SCOR in 2015 as the SCOR Group Chief Information Officer's Personal Assistant.

Vincent Foucart

Employee representative

Member of the Compensation and Nomination Committee and Corporate Social and Societal Responsibility and Environmental Sustainability Committee

Date of first appointment: April 26, 2018
Expiration of term: 2020

Independence: No
Attendance rate at the Board meetings: 100%

French – Age: 41– SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- Deputy CEO of P&C Partners

Other positions

- Director of Crédit Logement Assurance (France)
- Director of l'Association pour la promotion de la retraite et de l'épargne des français (PERF) (France)

Positions that expired during the last five years

- Director of Remark Group BY (Netherlands)
- Director of Asefa SA (Spain)
- Director of SCOR Perestrakhovaniye (Russia)
- Director of SCOR Africa Ltd (South Africa)

Vincent Foucart, a French citizen, graduated from ENSTA, HEC and CHEA. He is also a certified Financial Analyst and Actuary. After having contributed to Société Générale's Asian operations reorganization, he joined in 2001 the French insurer AGF as an Investor Relations Officer. As of 2005, he was responsible for the management of the AGF Chairman's Office. He then became in charge of the Alternative Equity Strategies portfolio in 2006, and of Tocqueville Finance asset management in 2007. Since he joined SCOR in 2009 at the Chairman's Office, he worked as General Secretary until 2014. More recently, he contributed to the development of ILS Strategies for SCOR and in May 2014, he became the Chief Underwriting Officer of the Alternative Solutions Specialty Line. In 2018, he was appointed Deputy CEO of SCOR Global P&C Partners.

Vanessa Marquette

Director

Member of the Strategic Committee, Risk Committee, Audit Committee, Compensation and Nomination Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: April 30, 2015
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 100%

Belgian – Age: 48 – Loyens & Loeff, 2 Avenue de Tervueren, 1040 Brussels, Belgium

Main position

- Partner of the law firm Loyens & Loeff (Belgium)

Other positions

- Director of Erasme Hospital (Belgium)
- Teacher 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 Banking and Finance Law, Corporate Law, Insolvency Law and Security Interests and Private International Law. She is a partner at the business law firm Loyens & Loeff since March 2020 after having been partner at the business law firm Simont Braun from 2005 until February 2020 and after having practised law at the Brussels offices of Stibbe Simont Monahan Duhot and Freshfields Bruckhaus Deringer. Vanessa Marquette is an independent director of the Erasme Hospital. She also teaches international financial law at the Université Libre de Bruxelles.

Bruno Pfister

Director

Chairman of the Risk Committee

Member of the Strategic Committee, Audit Committee, Compensation and Nomination Committee, Crisis Management Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: April 27, 2016
Expiration of term: 2021

Independence: Yes
Attendance rate at the Board meetings: 100%

Swiss – Age: 60 – SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- N/A

Other positions

- Chairman of the Board of Directors of Crédit Suisse Asset Management (Switzerland) Ldt (Switzerland)
- Chairman of the Board of Directors of Assepro AG (Switzerland)
- Director of Assura (Switzerland)

Positions that expired during the last five years

- Director of Gottex Fund Management Holdings Limited (Guernsey)
- Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co Group
- Chairman of the Board of Directors of Rothschild & Co Bank AG (Switzerland) *

Bruno Pfister, a Swiss citizen, lawyer at the Geneva Bar and MBA graduate from UCLA Anderson School of Management, was from December 2014 to September 2019 Chairman of the Board of Directors of Rothschild & Co Bank AG. He was Vice-Chairman of the Swiss Insurance Association, Group Chief Executive Officer and Chairman of Swiss Life AG, member of the Executive Committee of Crédit Suisse Banking and Chief Financial Officer and member of the Executive Board of LGT Groupe AG.

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

Jean-Marc Raby

Director

Member of the Strategic Committee

Date of first appointment: April 30, 2015
Expiration of term: 2023

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 61 – SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- N/A

Other positions

- Treasurer of the Fédération Française de l'Assurance (France)

Positions that expired during the last five years

- Chief Executive Officer of Macif Group (France)
- Chief Executive Officer of Macif Sgam (France)
- Chief Executive Officer of UMG Macif Santé Prévoyance (France)
- Chief Executive Officer of Macif SAM (France)
- Chief Executive Officer of GIE Macif Finance Epargne (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 Mutualistes (AAM) (France)
- 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)
- Chairman of Inter Mutuelles Solutions ex Macifilia Courtage (France)
- Chief Executive Officer of Macifilia (France)
- Chief Executive Officer of Sferen (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)
- Manager of GEIE Euresa (Belgium)

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. He holds his position until May 2019.

Malakoff Médéric Assurances
(Holding Malakoff Humanis since January 1st, 2020)
Represented by Thomas Saunier
Director

Member of the Strategic Committee

Date of first appointment: April 27, 2017
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 89%

French – Age: 53 – Malakoff Humanis, 21 rue Laffitte, 5317 Paris Cedex 09, France

Main position

- Chief Executive Officer of Malakoff Humanis Group (France)

Other positions

- Chief Executive Officer of Holding Malakoff Humanis (France)
- Director of Quatrem (France)
- Director of Auxia (France)
- Director of Auxia Assistance (France)
- Permanent Representative of Malakoff Humanis Prévoyance at the Board of Directors of OPPCI Vivaldi (France)
- Chief Executive Officer of SGAM Malakoff Humanis (France)
- Chief Executive Officer of la Caisse Mutuelle Assurance sur la Vie « CMAV » (France)
- Chief Executive Officer of Malakoff Humanis Prévoyance (France)
- Chief Executive Officer of Institution Nationale de Prévoyance des Représentants « INPR » (France)
- Chief Executive Officer of Capreval (France)
- Chief Executive Officer of Malakoff Humanis Agirc-Arrco (France)
- Chief Executive Officer of Malakoff Humanis Groupement Assurantiel de Protection Sociale (France)
- Chief Executive Officer of l'Association Sommitale Malakoff Humanis (France)
- Chief Executive Officer of l'Association de Moyens Assurance de Personnes (France)
- Chief Executive Officer of l'Association de Moyens Retraite Complémentaire (France)
- Chief Executive Officer of Malakoff Humanis Innovation Santé (France)
- Chief Executive Officer of l'UGM Agilis (France)Chief Executive Officer of Malakoff Humanis International Agirc-Arrco (France)
- Operational Manager of Mutuelle Malakoff Humanis (France)
- Operational Manager of Energie Mutuelle (France)
- Operational Manager of MHN, Malakoff Humanis Nationale (France)
- Director of la Fondation Malakoff Humanis Handicap (France)

Positions that expired during the last five years

- Chairman of the Board of Directors of Quatrem SA (France)
- Chairman of the Board of Directors of Viamedis 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 Viamédis (France)
- Director of GIE Karéo Services (France)
- Member of the Executive Committee of Cofifo SAS (France)
- Chairman of SAS Totem MM 1, now SA MM retraite Supplémentaire (France)
- Chairman of SAS Totem MM 2, now MM INNOV' (France)
- Permanent Representative of Malakoff Médéric Assurances at the Board of Directors of La Banque Postale Asset Management (France)
- Chief Executive Officer of l'Association Sommitale du Groupe Humanis (France)
- Chairman and Chief Executive Officer of l'Association Totem 1 (France)
- Chairman and Chief Executive Officer of l'Association Totem 2 (France)
- Chairman and Chief Executive Officer of l'Association Totem 3 (France)
- Chairman of SAS Totem MM3 (France)
- Chairman of SAS Totem MM4 (France)
- Sole director of GIE SI2M (France)
- Chief Executive Officer of SGAM Malakoff Médéric Humanis (France)
- Chief Executive Officer of l'AS2M (France)
- Chief Executive Officer of Association de Moyens Assurances (France)
- Chief Executive Officer of Association de Moyens Retraite (France)
- Chief Executive Officer of SGAPS Humanis Développement Solidaire (France)
- Chief Executive Officer of Humanis Prévoyance (France)
- Chief Executive Officer of Humanis Retraite AGIRC (France)
- Chief Executive Officer of Malakoff Médéric AGIRC (France)
- Chief Executive Officer of l'instiution de retraite des cadres et assimilés de France et de l'extérieur (IRCAFEX) (France)
- Permanent Representative of Malakoff Médéric Assurances at the Supervisory Board of la Foncière Hospi Grand Ouest (France)

Thomas Saunier, a French citizen, is a graduate of the Ecole Polytechnique, ENSAE and the French Institute of Actuaries. Actuarial Director and Director of Steering and Management Control at CNP Assurances from 2000 to 2003, he spent more than 10 years at Generali France, initially as Deputy Chief Executive Officer in charge of products, operations and information and finance systems. In 2005, he was promoted to Chief Executive Officer in charge of the individuals' market, IT and services, before taking charge of the companies, professionals and individuals markets in 2011. Appointed CEO of the Malakoff Médéric group in an environment characterized, for all players in the social protection sector, by unprecedented challenges in the management of supplementary pensions and in the development of life and health insurance business, he took up his post within the group on June 1, 2016. Following the merger of Humanis and Malakoff Médéric groups, Thomas Saunier became Chief Executive Officer of the Malakoff Médéric Humanis group on January 1st, 2019, now known as Malakoff Humanis group.

Kory Sorenson

Director

Chairman of the Audit Committee

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

Date of first appointment: April 25, 2013
Expiration of term: 2023

Independence: Yes
Attendance rate at the Board meetings: 100%

British – Age: 51 – SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- N/A

Other positions

- Director of Pernod Ricard (France)*
- Director of Phoenix Group Holdings (UK)*
- Director of SGS (Switzerland)*
- Member of the Supervisory Board of Bank Gutmann AG (Austria)
- 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)
- Director of Aviva Insurance Limited (UK)
- Director of Uniqa Insurance Group AG (Austria)*
- Director of Prometic (Canada)*

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'Etudes 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 from INSEAD. Kory Sorenson has over twenty-five 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.*

Claude Tendil

Director

Member of the Strategic Committee, Risk Committee, Compensation and Nomination Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: May 15, 2003
Expiration of term: 2021

Independence: No
Attendance rate at the Board meetings: 89%

French – Age: 74 – 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 Europ Assistance Holding (France)
- Director of Generali France (France)
- Director of Generali Vie (France)
- Director of Generali IARD (France)
- Director of Eramet (France)*
- Chairman of RVS (association) (France)
- Member of the Executive Committee of MEDEF (France)
- Chairman of the Institut pour l'innovation économique et sociale (2IES) (France)
- Chairman of the Foundation ARC contre le cancer (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)
- Chairman of the Board of Directors of Generali France (France)
- Chairman of the Board of Directors of Europ Assistance Holding (France)
- Chief Executive Officer of Generali France (France)
- Chief Executive Officer of Generali Vie (France)
- Chief Executive Officer of Generali IARD (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.*

Zhen Wang

Director

Member of the Strategic Committee and Risk Committee

Date of first appointment: April 26, 2018
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 100%

Chinese – Age: 63 – SCOR SE, 5 avenue Kléber, 75116 Paris, France

Main position

- N/A

Other positions

- Director of Bank of China Insurance Company (China)
- Director of Trust Mutual Life Insurance Company (China)

Positions that expired during the last five years

- Director of Munich Re Greater China Advisory Board (China)

Wang Zhen, a Chinese citizen, holds a BA degree from the Beijing Normal University, and is a Fellow of the Chartered Insurance Institute (FCII). She began her insurance career in 1982 by joining PICC, the insurance monopoly then, and became the General Manager of International Department in 1996 upon PICC becoming PICC Group. From 1997 to 2016, she worked for Munich Re, was the Chief Representative of MR Beijing, the Chief Executive of MR Beijing Branch, the Board member of MR Greater China Advisory Board respectively. From 2014, she has been an Independent Director of Bank of China Insurance Company in China. From 2017, she has also been an Independent Director of Trust Mutual Life Insurance Company in China.

Fields Wicker-Miurin

Director

Chairman of the Corporate and Social Responsibility and Environmental Sustainability Committee

Member of the Strategic Committee, Audit Committee, Risk Committee, Compensation and Nomination Committee and Crisis Management Committee

Date of first appointment: April 25, 2013
Expiration of term: 2023

Independence: Yes
Attendance rate at the Board meetings: 89%

American and British – Age: 61 – Leaders' Quest Ltd, 11/13 Worple Way, Richmond Upon Thames, Surrey – TW 10 6DG, United Kingdom

Main position

- Partner of Leaders' Quest Ltd (UK)

Other positions

- Director of BNP Paribas (France)*
- Director of SCOR UK (UK)**
- Non-executive Member of the Board of the Department of Digital, Culture, Media and Sport of the UK Government (UK)
- Director of Prudential plc (UK)*

Positions that expired during the last five years

- Director of Control Risks International Ltd (UK)
- Director of CDC Group Plc (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'Etudes Politiques de Paris, in the United States and Italy. She graduated from the University of Virginia (BA) and the School of Advanced International Studies of the Johns Hopkins University (MA). 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, a social enterprise that works with leaders from all sectors and across the globe who want to make a responsible, positive difference through their leadership. In 2007 she was awarded the OBE (Officer of the British Empire) and in 2011 she was awarded Fellow of King's College London. She is also a director of BNP Paribas and of Prudential plc and is a nonexecutive Member of the Board of the Department of Digital, Culture, Media and Sport of the UK Government where she chairs the Audit and Risk Committee.

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

	PERSONAL INFORMATION					POSITION ON THE BOARD				PARTICIPATION IN BOARD COMMITTEES
	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations (excluding SCOR)	Indep-endence	Initial date of appoint-ment	Term of office expires	Length of service on the Board	
Denis KESSLER (Chairman and Chief Executive Officer)	67	Male	French	1,546,040	2	No	November 4, 2002	2021	17 years	• Chairman of the Strategic Committee • Member of the Crisis Management Committee
Augustin DE ROMANET (Lead independent director)	58	Male	French	1,469	1	Yes	April 30, 2015	2019	4 years	• Chairman of the Compensation and Nomination Committee • Chairman of the Crisis Management Committee • Member of the Strategic Committee • Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Marguerite BÉRARD	42	Female	French	1,469	1	Yes	April 30, 2015	2020	4 years	• Member of the Strategic Committee • Member of the Audit Committee
Fabrice BRÉGIER	58	Male	French	266	1	Yes	April 26, 2019	2022	< 1 year	• Member of the Strategic Committee • Member of the Risk Committee
Vanesse MARQUETTE	48	Female	Belgian	1,469	0	Yes	April 30, 2015	2020	4 years	• Member of the Strategic Committee • Member of the Risk Committee • Member of the Audit Committee • Member of the Compensation and Nomination Committee • Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Bruno PFISTER	60	Male	Swiss	1,159	0	Yes	April 27, 2016	2021	3 years	• Chairman of the Risk Committee • Member of the Strategic Committee • Member of the Audit Committee • Member of the Compensation and Nomination Committee • Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee • Member of the Crisis Management Committee
Jean-Marc RABY	61	Male	French	1,119	0	Yes	April 30, 2015	2019	4 years	• Member of the Strategic Committee
Malakoff Médéric Assurances, (Holding Malakoff Humanis since January 1, 2020), represented by Thomas SAUNIER	53	Male	French	5,484,767	0	Yes	April 27, 2017	2020	2 years	• Member of the Strategic Committee
Kory SORENSON	51	Female	British	3,659	3	Yes	April 25, 2013	2019	6 years	• Chairman of the Audit Committee • Member of the Strategic Committee • Member of the Risk Committee • Member of the Crisis Management Committee

	PERSONAL INFORMATION						POSITION ON THE BOARD			PARTICIPATION IN BOARD COMMITTEES
	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations (excluding SCOR)	Indep-endence	Initial date of appoint-ment	Term of office expires	Length of service on the Board	
Claude TENDIL	74	Male	French	5,526	1	No	May 15, 2003	2021	16 years	• Member of the Strategic Committee • Member of the Risk Committee • Member of the Compensation and Nomination Committee • Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Zhen WANG	63	Female	Chinese	512	0	Yes	April 26, 2018	2020	1 year	• Member of the Strategic Committee • Member of the Risk Committee
Fields WICKER-MIURIN	61	Female	American and British	2,251	2	Yes	April 25, 2013	2019	6 years	• Chairman of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee • Member of the Strategic Committee • Member of the Audit Committee • Member of the Risk Committee • Member of the Compensation and Nomination Committee • Member of the Crisis Management Committee
Fiona DERHAN (employee director)	30	Female	French	75	0	No	April 26, 2019	2020	< 1 year	• N/A
Vincent FOUCART (employee director)	41	Male	French	34,610	0	No	April 26, 2018	2020	1 year	• Member of the Compensation and Nomination Committee • Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee

The mandates of four of the twelve directors (not including the directors representing the employees) on the Board will expire at the end of the 2020 Annual General Meeting.

It is reminded that, on the basis of proposals made by the Compensation and Nomination Committee, the Board of Directors has established a number of guiding principles including, in particular: maintaining a broad expertise within the Board, its international character, the diversity of the director profiles and genders and a predominant share of independent Directors. These guiding principles led the Board of Directors, during its meeting held on February 26, 2020, based on the recommendation of the Compensation and Nomination Committee, to propose to the 2020 Annual General Meeting the renewal of the mandates of Mrs. Vanessa Marquette, Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1st, 2020) and Mrs Zhen Wang. These directors have also been re-assessed regarding their knowledge, skills and experience, honorability and independence. As part of its decision, the Board of Directors also noted that these directors had an attendance rate close to 100% since their respective first appointments.

In order to take into account the opinions expressed by some shareholders as part of the active dialogue held with them, and in particular their reservations on what they consider to be cross links between SCOR and BNP Paribas SA, Mrs Marguerite Bérard did not ask for the renewal of her mandate at the 2020 Annual General Meeting. It is however reminded that Mrs Marguerite Bérard, as she is not an executive corporate officer of BNP Paribas SA and as she is in charge of the retail banking activities in France which have no link to SCOR, was able to maintain her quality of independent director pursuant to the internal regulation of the Board of Directors of SCOR SE and the AFEP-MEDEF Code.

In addition, the Board of Directors, during its meeting held on February 26, 2020, based on the recommendation of the Compensation and Nomination Committee, decided to submit to the 2020 Annual General Meeting the appointment of a new woman director.

As at December 31, 2019, the skills represented on the Board of Directors were as follows:

	Insurance and reinsurance market	Financial markets	SCOR's strategy and economic model	System of governance	Financial and actuarial analysis	Legislative and regulatory requirements applicable to insurance and reinsurance companies	Accounting	Risk manage-ment	Governance	Digital	CSR
Denis KESSLER (Chairman and Chief Executive Officer)	X	-	X	-	X	-	-	X	X	-	-
Augustin DE ROMANET (Lead indepedendent director)	X	X	-	-	X	-	-	X	X	-	-
Marguerite BERARD	-	X	X	-	-	-	X	-	X	X	-
Fabrice BREGIER	-	-	X	X	-	-	-	X	X	X	-
Vanessa MARQUETTE	-	X	-	X	-	X	-	-	X	-	X
Bruno PFISTER	X	X	X	X	-	-	-	X	-	-	-
Jean-Marc RABY	X	X	-	-	-	X	-	X	X	-	-
Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), represented by Thomas SAUNIER	X	X	-	X	X	X	-	-	-	-	-
Kory SORENSON	X	X	X	X	-	-	-	X	-	-	-
Claude TENDIL	X	X	X	X	-	X	-	-	-	-	-
Zhen WANG	X	-	-	X	-	X	-	X	X	-	-
Fields WICKER-MIURIN	-	X	X	X	-	-	-	-	X	-	X
Fiona DERHAN (employee director)	X	-	-	-	X	-	X	-	X	-	X
Vincent FOUCART (employee director)	X	X	X	X	X	-	-	-	-	-	-

2.1.3.3. Composition of the Board of Directors

Number of directors

SCOR SE's bylaws provide that the Board of Directors shall comprise no fewer than nine and no more than eighteen 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 a natural person or a corporate 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 corporate 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 corporate entity he or she represents. Of the fourteen members of the Board of Directors, thirteen are natural persons and one, Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), is a corporate entity (represented by Thomas Saunier as permanent representative).

Composition principles

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;
- professional experience;
- diversity of nationalities;
- high proportion of female Board members.

As of December 31, 2019, the membership of the Board of Directors is as follows:

- 83.3% are independent directors (excluding the employee directors) (81.8% as at December 31, 2018). The Audit Committee is fully composed of independent directors, the Risk Committee is composed of 85.7% of independent directors and the Compensation and Nomination Committee is composed of 80% of independent directors (excluding the employee directors) as is the Corporate Social and Societal Responsibility and Environmental Sustainability Committee;
- 64.3% are directors with past experience in the insurance or reinsurance industry, (58.3% as at December 31, 2018). The other directors work in the banking, financial and digital sector, legal advisory services and other services;
- 35.7% are non-French directors (41.7% as at December 31, 2018) with directors who are American, British, Belgian, Swiss and Chinese; and
- 41.6% are women (excluding the employee directors) (45.4% as at December 31, 2018). The composition of the Board of Directors is therefore compliant with applicable law.

Thus, for several years now, SCOR has been complying with the legal requirements and those of the AFEP-MEDEF Code in terms of diversity. Indeed, in its composition, the Board of Directors of SCOR makes sure to maintain a balanced representation between men and women, as well as a balance between age and seniority of the members on the Board. It also ensures, on the basis of a skills matrix, that directors have varied and complementary experience and skills. This allows a great openness during debates and a high degree of quality in the decision-making process at the board level. Given the global dimension of the Group, a strong diversity of nationalities is also sought.

Since the Shareholders' Meeting held on April 27, 2017, the employee directors are now elected by the employees of SCOR SE and its direct and indirect subsidiaries whose head office are in France. Under French law, one of the two employee directors must belong to the French *"cadre"* category, and the other to the *"non-cadre"* category. In the interest of implementing a democratic process for the election of the employee directors, while being compatible with applicable legal provisions, and in line with the process put into place for the elections of the current SCOR SE employee directors, the Company wishes to continue to involve all employees in the process from all offices throughout the world, by holding a "primary", which will give them a chance to express their preference before the actual election.

The terms of office of the two employee directors expiring at the 2020 Shareholders' Meeting, a "primary" was held in January 2020 after which the actual election of the two employee directors took place end of February 2020. The mandate of the two newly elected employee directors, Mrs Lauren Burns-Carraud for the "*cadre*" category and Mrs Fiona Derhan for the "*non-cadre*" category, will be effective as from the end of the 2020 Shareholders' Meeting.

Changes in the composition of the Board of Directors during the year

The following table displays the changes in the composition of the Board of Directors, during the year:

Name	1st nomination	Renewal	Departure	Sex	Nationality	Reason of the change
Fabrice Brégier	April 26, 2019			M	French	Beginning of mandate
Fiona Derhan	April 26, 2019			F	French	Beginning of mandate
Jean-Marc Raby	April 30, 2015	April 26, 2019		M	French	Renewal
Augustin de Romanet	April 30, 2015	April 26, 2019		M	French	Renewal
Kory Sorenson	April 25, 2013	April 26, 2019		F	British	Renewal
Fields Wicker-Miurin	April 25, 2013	April 26, 2019		F	American and British	Renewal

Terms of office duration

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. Except the employee directors, the 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. The appointment is then submitted for ratification at 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.

2.1.3.4. Functioning of the Board of Directors

Internal Regulations of the Board of Directors

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 with the last one being dated February 26, 2020. 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 defines the strategic orientations of the Company's business activities and ensures their implementation in accordance with its corporate interest, taking into consideration the social and environmental aspects of its activity. Without prejudice to the powers expressly invested in Shareholders' Meetings, and within the objects of the Company, the Board of Directors deals with all matters relating to the conduct of the Company's business and decides all pertinent issues through its deliberations. It ensures the sound and prudent management of the Company. It regularly reviews, in relation to the strategy it has defined, the opportunities and risks, as well as the measures taken accordingly. To this end, the Board of Directors receives all of the information needed to carry out its tasks, notably from the executive officers. 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. The Board examines and takes decisions on major operations, possibly after review by an *ad hoc* committee. 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 beyond those set forth by applicable laws and regulations 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 who has been, during the last five (5) years, director of a subsidiary which is consolidated by the Company can be qualified as an independent director of the Company if the mandate in the subsidiary was terminated before April 15, 2020;
2. must not have received, in any form, compensation greater than EUR 100,000 from the Company within the last five years, except for compensation received as a director;
3. must not be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive corporate officer of the company (current or in the last five years) holds a directorship;
4. must not be a significant customer, supplier, investment or commercial banker, consultant 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 qualify 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);
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;
9. if the person is a non-executive corporate officer, he or she cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the group.

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 February 2020, 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	9	Independent
Denis Kessler, Chairman of the Board	No	No	No	Yes	No	Yes	No	Yes	Yes	No
Marguerite Bérard	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fabrice Brégier	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fiona Derhan	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Vincent Foucart	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Vanessa Marquette	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bruno Pfister	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jean-Marc Raby	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Augustin de Romanet	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thomas Saunier (1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kory Sorenson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Claude Tendil	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Zhen Wang	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fields Wicker-Miurin	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(1) Representing Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), director.

The Board of Directors, upon the recommendation of the Compensation and Nomination Committee, has especially studied the criteria relating to any significant business ties that directors might have with the Company as a customer, supplier, investment or commercial banker or consultant. The Board of Directors has noted that the directors listed below have direct or indirect relations with companies having business relationships with the SCOR Group:

- Marguerite Bérard, member of the Executive Committee of BNP Paribas SA;
- Fabrice Brégier, Chairman of Palantir France;
- Thomas Saunier, Chief Executive Officer of Malakoff Humanis Group;
- Claude Tendil, Chairman of the Board of Directors of Generali IARD;
- Zhen Wang, director of Bank of China Insurance Company;
- Fields Wicker-Miurin, director of BNP Paribas SA.

The Board of Directors has noted that none of the companies mentioned above have business activities with SCOR that generate revenues higher than the threshold indicated in the Internal Regulations of the Board of Directors of SCOR SE and that the business relations were not significant. During its analysis, the Board of Directors also took into account the criteria of continuity, economic dependence and the exclusivity of the business relationships. It is specified that Marguerite Bérard, member of the Executive Committee of BNP Paribas SA, is in charge of the retail banking sector in France and that there is no business relationship between SCOR and BNP Paribas SA in this area.

Moreover, the Board of Directors has checked whether a director represents a significant shareholder of the Company. It has noted that the three following directors are either a shareholder (Malakoff Médéric Assurances, Holding Malakoff Humanis since January 1, 2020) or directly related to a shareholder of SCOR SE:

- Malakoff Humanis Group, represented by its Chief Executive Officer Thomas Saunier;
- Marguerite Bérard, member of the Executive Committee of BNP Paribas SA;
- Claude Tendil, Chairman of the Board of Directors of Generali IARD, Generali Group.

The participation of these companies in the share capital and voting rights of SCOR SE being significantly below the 5% threshold set by the Internal Regulations of the Board of Directors of SCOR SE, the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, stated that:

- Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), represented by Thomas Saunier and Marguerite Bérard can be considerered as independent;
- Claude Tendil cannot be considered as independent. Indeed, Claude Tendil has been a director of the Company for more than twelve years.

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.

With the approval of the Chairman and CEO, he may represent the Company. In particular, he can answer to questions from shareholders, on behalf of the Board of Directors, on corporate governance topics. These meetings or contacts will be conducted in close coordination with the General Secretary which will be informed beforehand. He shall report on this mission to the Board of Directors.

Rights and obligations of directors

Directors may receive training, if they feel it is necessary, on the specific aspects of the Company, its lines of business, its area of activity and its challenges in terms of social and environmental responsibility. 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 applicable 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 influence on the stock market price. In this regard, any director must refrain from (a) performing or attempting to perform insider dealing, in particular by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates or by cancelling or amending orders already placed concerning a financial instrument to which the information relates; (b) recommending, inducing or attempting to recommend or induce that another person engage in insider dealing on the basis of a privileged information; (c) unlawfully disclosing or attempting to disclose privileged information to another person, except where the disclosure is made in the normal exercise of an employment, a profession or duties;
- 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 stock market price. In all cases, the following periods are considered sensitive: the thirty (30) calendar days before the publication of semi-annual and annual results; the fifteen (15) calendar days before the publication of quarterly results and the announcement of the dividend.

Lastly, directors are required to inform the Company and the AMF, in accordance with the procedure in force, 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. The declaration also applies to the transactions carried out by the persons closely associated with the directors, as defined by applicable laws and regulations.

2.1.3.5. 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 complemented by a policy defining the alert procedures ("whistleblowing") available for employees, which are reported to the Audit Committee;
5. the systematic addition of an item to the agenda of each meeting of the Board of Directors on the potential conflict of interest of a director related to a topic on the agenda.

Should there be any doubt as to the existence of a conflict of interest, Directors may consult with the Lead Independent Director, the Chairman of the Compensation and Nomination Committee or the General Secretary, who shall advise them.

In the event a characterized punctual conflict of interest should arise on a specific topic submitted for discussion at a Board of Directors meeting, the Director in question shall (i) disclose the conflict to the Board prior to the meeting and (ii) abstain from taking part in the Board's debate or decision on the topic (in this case, he/she shall be excluded from quorum and voting calculations); it being specified that any Director also director of a consolidated company must abstain from taking part in the decisions of the Board in the event of a conflict of interest because of his/her quality of director with the concerned subsidiary.

In the event of characterized general conflict of interest, each Director must immediately notify the Chairman of the Compensation and Nomination Committee and if the situation has not been cured within one (1) month following the notification, resign from the Board of Directors.

Any Director may, in the event a conflict of interest is likely to continue beyond the time period mentioned above, ask to be heard by the Compensation and Nomination Committee.

2.1.3.6. Meetings of the Board of Directors

The Company's Board of Directors held nine meetings in 2019 and they lasted on average two hours and a half.

During its meetings in 2019, the main topics which were discussed were:

- financial and compliance matters: review and approval of the quarterly, half-year and annual financial statements, review and approval of the half-year interim report, 2019 budget and operating plan, review of the 2018 Registration Document, annual review of the system of governance, of the Group Policies and of the Corporate Governance Manual of the Group and SCOR SE;
- risk matters: quarterly review of the risk dashboard, approval of the regulatory reports (RSR and SFCR), update on Solvency II and update on the prudential developments, review of the Group internal model results, review and approval of the 2019 ORSA report, hearing of the actuarial key function holder report;
- governance and human resources matters: review of the Group compensation policy and of the related recommendations of the Compensation and Nomination Committee, review and approval of stock-options and free shares allocation plans, compensation of the executive corporate officer, review of the "say on pay", human resources briefing and outlook, assessment of the operations of the Board of Directors, annual review of the independence, fitness and properness of directors and persons effectively running the Company, composition of the Board of Directors and of its specialized Committees;
- review of the corporate and social responsibility matters: annual deliberation on professional gender equality and equal pay, review and approval of the Company's statement with regard to the UK Modern Slavery Act;
- annual shareholders' meeting: convening of the annual shareholders' meeting and approval of the related reports, review of a draft resolution proposed by a shareholder, answer to written questions;
- strategic matters: review and approval of the new Quantum Leap strategic plan;
- business matters: 2019 investment strategy, demonstration of tools used by the business units;
- other various topics: annual review of the related party agreements, review and approval of the modifications made to the Internal Regulations of the Board of Directors, review and approval of the merger of SCOR SE, SCOR Global P&C SE and SCOR Global Life SE, review and approval of the creation of a branch in South Africa.

The average attendance rate of the members of the Board was 95%. The following table displays the attendance of the members of the Board of Directors during 2019:

Board members	Attendance rate (%)
Denis Kessler, Chairman of the Board	100
Marguerite Bérard	89
Fabrice Brégier*	75
Fiona Derhan*	100
Vincent Foucart	100
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Thomas Saunier**	89
Kory Sorenson	100
Claude Tendil	89
Zhen Wang	100
Fields Wicker-Miurin	89

** Director appointed by the Shareholders' Meeting on April 26, 2019 or director whose term of office began at the end of the Sharerholders' Meeting on April 26, 2019. Fabrice Brégier was absent and excused to one Board of Directors meeting due to other commitments made prior to his appointment.*
*** Representing Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), director.*

Moreover, two training sessions were held in 2019 for Board members on the following topics:

- Capital allocation within the Group on February 19, 2019;
- Natural Catastrophes and their modelization on October 22, 2019.

During the 2019 financial year, the Chairman of the Board of Directors participated in numerous national and international events, during which he represented the company. In May, he spoke on the subject of cyber risks at the G7 conference on cyber security, which was held at the Banque de France and which brought together experts in the field as well as high-level officials from the public and private sectors. He also spoke on the subject of climate change and its associated risks on two occasions: first, at the Geneva Association's General Meeting held in Buenos Aires in May, which brought together 30 (re)insurance company chairmen and CEOs from all over the world, and second, at a conference held at the annual September gathering of the reinsurance industry in Monte Carlo. During the IMC (International Monetary Conference) in June, he also spoke at a round table on the refragmentation of the world, *i.e.* the increasing sharpening of political, international and social tensions – a key topic for a global reinsurer like SCOR. During the Investor Day held in September, he presented the Group's new strategic plan "Quantum Leap". During this event, he also affirmed the Group's ambitions and specified the ways and means used by SCOR to pursue its strong value-creating strategy over the coming years. In September, the Chairman of the Board of Directors also spoke at a conference in London organized by a major investment bank, during which he detailed the fundamental principles on which SCOR's risk management is based and which enable the Group to absorb shocks and create value from the raw material of risks. In October, during SCOR's Annual Conference, he shared with around 150 Group clients his vision of the development of insurability, as driven by the growth of the "network effect", *i.e.* the intensification and multiplication of interconnections between risks, which make them increasingly serial and global. The Chairman of the Board of Directors also expressed himself on several occasions in the national and international media. In addition, he met with many of the Group's clients, investors and shareholders.

2.1.3.7. Assessment of the Board of Directors

Pursuant to the recommendations of the AFEP-MEDEF corporate governance code and to the provisions of the Board Internal Charter of SCOR SE, an assessment of the Board of Directors and of its Committees was conducted between December 2019 and January 2020.

Fields Wicker-Miurin, member of the Compensation and Nomination Committee and independent director, agreed to lead this evaluation by means of a detailed questionnaire sent to the directors and in-depth interviews with them. The questionnaire focused in particular on the organization, operation and fields of activity of the Board, as well as on the operation and work of the Committees and on the compensation of Committee and Board members.

The conclusions of the assessment were presented by Fields Wicker-Miurin during the meeting of the Compensation and Nomination Committee on February 25, 2020, the non-executive directors' session on February 26, 2020 and the Board of Directors meeting held on the same day.

In addition to this questionnaire, Augustin de Romanet, Lead Independent Director and Chairman of the Compensation and Nomination Committee, conducted interviews with each director in order to discuss in particular their individual contribution to the work of the Board of Directors.

The directors expressed a consistently high level of satisfaction with the overall quality and functioning of SCOR's governance. They consider that Board meetings are effective and well organized, that Committees function efficiently and that management is responsive to suggestions from directors. The directors also consider that the information, the timing and the access to the people in charge of the issues are appropriate for the decision-making within the Board. They also welcomed the relevance of the agendas with respect to the Board's missions and the Company's current challenges, the independence of spirit of the directors and the respect of the freedom of speech.

Directors appreciated the continuous improvement approach driving the Board's operations and the consideration given to the requests made during the Board's previous assessment, in particular, the request to appoint to the Board a director with expertise in new technologies, following the appointment the previous year of a Chinese director. They welcomed the strengthening of the Company's conflict of interest policy.

Directors also welcomed the nature and quality of the analysis carried out by the Corporate Social and Societal Responsibility and Environmental Sustainability Committee, which enabled social and environmental issues to be taken into account in their decision-making process.

They also appreciated having access to the details of the opinions expressed by the shareholders in the context of the shareholder dialogue held with them, in particular after the Annual General Meeting held in 2019, in order to be able to respond to shareholders' expectations, particularly in relation to subjects concerning both governance and compensation of the Chief Executive Officer.

Among the areas for improvement highlighted in this evaluation, directors, conscious that the ever-increasing volume of documents is linked to legislative and regulatory developments, expressed their desire that a summary of the presentations be systematically included. They also mentioned the possibility of using external experts on some training sessions in order to save management's time.

2.1.3.8. Negative disclosures about members of the Board of Directors and the Executive Committee

As at the issuance date of the Universal Registration Document, and to SCOR's knowledge, there are no family relationships between the directors or between a director and a member of the 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 affected by the bankruptcy, receivership, liquidation or placing under administration of a company, having been a member of an administrative, management or supervisory body;
- no director and no member of the Executive Committee has been incriminated by and/or received an official public sanction by the statutory or regulatory authorities;
- no director and no member of the Executive Committee has ever been stripped by a court of the right to act as a member of the administrative, management, or supervisory body of an issuer or from being involved in the management or conducting of business of an issuer.

2.1.3.9. 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 has been appointed.

To SCOR's knowledge, with exception of the case mentioned below, there are no conflicts of interest between the duties of the directors and Executive Committee members to SCOR and their own private interests.

Pursuant to the provision of the Internal Regulations of SCOR's Board of Directors, Marguerite Bérard informed the Chairman of the Board and the Lead Independent Director, on February 18, 2019, of a potential punctual conflict of interest situation due to private interests with one of the financial institutions against which SCOR announced the launch of legal actions on January 29, 2019. She therefore abstained from taking part in the Board's discussions and any decisions of the Board of Directors of SCOR and its specialized Board Committees in relation to these legal actions.

2.1.3.10. Information on service contracts of members of the Board of Directors and the executive committee

To SCOR's 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.

2.1.4. BOARD OF DIRECTORS' COMMITTEES

SCOR's Board of Directors has established six 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.

2.1.4.1. The Strategic Committee

The Strategic Committee is composed of Denis Kessler (Chairman), Marguerite Bérard, Fabrice Brégier, Vanessa Marquette, Bruno Pfister, Jean-Marc Raby, Augustin de Romanet, Thomas Saunier (as representative of Malakoff Médéric Assurances, Holding Malakoff Humanis since January 1, 2020), Kory Sorenson, Claude Tendil, Zhen Wang 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 Strategic Committee may call upon outside experts.

The Strategic Committee met on five occasions in 2019, each meeting lasting approximately two hours (including two strategic seminars).

Its work dealt with various aspects of the strategy of the Group, especially the preparation of the Strategic Plan *Quantum Leap*.

The average attendance rate of the Committee members was 94%. The following table states the attendance rates of the members of the Strategic Committee in 2019:

Board members	Attendance rate (%)
Denis Kessler, Chairman	100
Marguerite Bérard*	100
Fabrice Brégier**	66.7
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Thomas Saunier***	80
Kory Sorenson	100
Claude Tendil	80
Zhen Wang	100
Fields Wicker-Miurin	100

** Attendance rate taking into account Marguerite Bérard's potential punctual conflict of interest situation.*
*** Member of the Strategic Committee since April 26, 2019. He was absent and excused to one meeting of the Strategic Committee due to other commitments made prior to his appointment.*
**** Representing Malakoff Médéric Assurances (Holding Malakoff Humanis since January 1, 2020), director.*

2.1.4.2. The Audit Committee

The Audit Committee is composed of Kory Sorenson (Chairman), Marguerite Bérard, 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 (for further detail, see Section 2.1.3.2. – Information concerning the members of the Board of Directors).

The Audit Committee has two main missions:

- accounting, financial and non-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 offbalance 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.

If applicable, the Audit Committee ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of the information needed for this purpose and reports, if applicable, to the Board of Directors. 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 the Chairman and CEO. It may also call upon outside experts. During the 2019 financial year, and for each meeting, it met with the Statutory Auditors and the Group Chief Financial Officer (during the review of the financial statements), in the absence of the Chairman and CEO. 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 2019, each meeting lasting approximately two hours and a half. The Chairman and Chief Executive Officer attended all the meetings in 2019. Moreover, three joint sessions of the Audit Committee and Risk Committee were held in 2019.

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 review of the 2019 budget and operating plan, the review of the Statutory Auditors' reports, the review of the 2018 Registration Document, the review of the financial resolutions for the Annual Shareholders' Meeting, the review of some authorizations prior to their submission to the Board of Directors;
- ethical, internal control and compliance responsibilities: the review of the quarterly internal audit reports and of the 2019 internal audit plan, the annual review of the Group Policies (especially those required by Solvency II), the actuarial key function holder report, the 2019 compliance plan and the annual review of compliance activities, the annual review of related party agreements, the annual reporting of the Audit Committees of SCOR subsidiaries, the review of the main litigation files, the review of the quarterly legal and compliance dashboard.

The average attendance rate of the Committee members was 95%. The following chart states the attendance of the Audit Committee's members in 2019:

Board members	Attendance rate (%)
Kory Sorenson, Chairman	100
Marguerite Bérard	75
Vanessa Marquette	100
Bruno Pfister	100
Fields Wicker-Miurin	100

2.1.4.3. The Risk Committee

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

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 may call upon outside experts.

The Risk Committee met four times in 2019, each meeting lasting approximately two hours and a half. Moreover, three joint sessions of the Audit Committee and Risk Committee were held in 2019.

The Committee mainly discussed the following matters: the quarterly review of the main risks exposures of the Group, the Group risk appetite, the capital shield policy and its effectiveness, the compliance with Solvency II, the review of the RSR and SFCR regulatory reports, the review of the Group Policies required by Solvency II, the review of the US mortality portfolio, the internal model results of the Group, the review of the 2019 ORSA report and the update on prudential developments.

The average attendance rate of the Committee Members was 93%. The following chart states the attendance of the members of the Risk Committee in 2019:

Board members	Attendance rate (%)
Bruno Pfister, Chairman	100
Fabrice Brégier*	50
Vanessa Marquette	100
Kory Sorenson	100
Claude Tendil	100
Zhen Wang	100
Fields Wicker-Miurin	100

** Member of the Risk Committee from April 26, 2019. He was absent and excused to one meeting of the Risk Committee due to other commitments made prior to his appointment.*

2.1.4.4. The Compensation and Nomination Committee

The Compensation and Nomination Committee is composed of Augustin de Romanet (Chairman), Vincent Foucart (employee director), Vanessa Marquette, Bruno Pfister, Claude Tendil and Fields Wicker-Miurin.

Except for the employee director and Claude Tendil, the members are independent.

The Committee presents to the Board of directors any questions related to the compensation of the executive corporate officer, share allocation plans and stock option plans 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 the sections of the Compensation and Nomination Committee's meetings dealing with appointments and those dealing with compensation matters not related to him.

The Compensation and Nomination Committee may call upon outside experts.

The Compensation and Nomination Committee met five times in 2019, each meeting lasting approximately two to three hours.

The Committee mainly discussed the following matters:

- compensation matters: analysis of the votes at the Shareholders' Meeting of April 26, 2019 and the opinions expressed by the shareholders as part of the active dialogue held with them, review and evolution of the Group compensation policy, review of the shares and stock-options allocation plans, compensation of the Chairman and Chief Executive Officer, of the other members of the Executive Committee and of the 4 key function holders of SCOR SE and the Group, review of the "say on pay", HR review and outlook, compensation of the directors and review of the cost of the governance within the Group;
- governance matters: renewal of the Board of Directors of SCOR SE and review of the composition of its Committees, annual review of the independence, fitness and properness of the directors and of the persons effectively running SCOR SE, assessment of the Board and its Committees, review of the corporate manual of governance of SCOR SE and the Group, review of the amendments made to the Internal Regulations of the Board of Directors, in particular to reflect legislative, regulatory and governance developments and review of the succession plan of the key executives of the Group.

In particular, the Compensation and Nomination Committee devoted a significant portion of its time in 2019 to the succession of the Chairman and Chief Executive Officer. A leading recruitment firm has been mandated to assist the Committee. As part of its work, the Committee focused in particular on defining the expected profile with regard to the challenges facing the Company and the reinsurance industry over the next few years and on the persons likely to correspond to this profile. The Committee also discussed the opportunity of separating the functions of Chairman and Chief Executive Officer as of the 2021 General Assembly Meeting. This topic was also discussed during the non-executive directors' session, under the chairmanship of the Lead Independent Director.

The attendance rate of the Committee members was 100%. The following chart states the attendance of the members of the Compensation and Nomination Committee in 2019:

Board members	Attendance rate (%)
Augustin de Romanet, Chairman	100
Vincent Foucart	100
Vanessa Marquette	100
Bruno Pfister	100
Claude Tendil	100
Fields Wicker-Miurin	100

2.1.4.5. The Corporate Social and Societal Responsibility and Environmental Sustainability Committee

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee is composed of Fields Wicker-Miurin (Chairman), Vincent Foucart (employee director), Vanessa Marquette, Bruno Pfister, Augustin de Romanet and Claude Tendil.

Except the employee director and Claude Tendil, the other members are independent.

Its mission is to:

- examine the main corporate social, societal responsibility and environmental sustainability issues faced by the Company;
- examine the corporate social and societal responsibility and environmental sustainability strategy and actions plans, including commitments made by the Company in this regard, to monitor their implementation and to propose any actions in this respect;
- submit to the Board of Directors any proposals designed to take the corporate social and societal responsibility and environmental sustainability issues faced by the Company into consideration when determining its business orientations;
- examine the corporate social and societal responsibility and environmental sustainability related reports submitted to the Board of Directors in accordance with applicable laws and regulations, particularly the extra-financial performance declaration referred to in Article L. 225-102-1 of the French Commercial Code;
- study the extra-financial ratings obtained by the Company and to define, if necessary, objectives in this area;
- ensure that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies and reports to the Board of Directors.

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee may call upon outside experts.

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee met four times in 2019, each meeting lasting approximately two hours.

The Committee mainly discussed the following matters: the 2019 CSR action plan and its implementation including the deployment of sectoral policies in the coal and tobacco sector, the initiatives undertaken to limit the Group's environmental footprint, the review of the reduction and carbon neutrality objectives set out in the *Quantum Leap* Strategic Plan, the examination of an experimental analysis of the impact of climate change on the investment portfolio by 2025, the review of the non-financial performance declaration, the review of the ESG report on investments as well as the review of the 2018 activity and CSR report, the follow-up on a project study to develop forest in an emerging country, the review of the stakeholders' expectations in CSR matters and of the subsequent materiality analysis, the review of the declaration on the UK Modern Slavery Act, the review of the non-discrimination and diversity policy, the review of the annual declaration on the gender equality and the review of a project to encourage the involvement of Group employees in the communities and territories where the Group operates.

The average attendance rate of the Committee members was 92 %. The following chart states the attendance of the members of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee in 2019:

Board members	Attendance rate (%)
Fields Wicker-Miurin, Chairman	100
Vincent Foucart	100
Vanessa Marquette	100
Bruno Pfister	100
Augustin de Romanet	100
Claude Tendil	50

2.1.4.6. The Crisis Management Committee

The Crisis Management Committee is composed of Augustin de Romanet (Chairman), Denis Kessler, Bruno Pfister, Kory Sorenson and Fields Wicker-Miurin.

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

Its mission is to assist and advise the Board of Directors and propose 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. Moreover, the Chairman and Chief Executive Officer must be disqualified from such discussions if the crisis is linked to a subject that personally concerns him.

The Crisis Management Committee may call upon outside experts.

The Crisis Management Committee meeting met four times in 2019, each meeting lasting approximately two hours.

The Committee mainly discussed the follow-up of the criminal and civil actions brought by SCOR against Thierry Derez and Covéa following Covéa's unsolicited offer in 2018.

The average attendance rate of the Committee members was 95%. The following chart states the attendance of the members of the Crisis Management Committee in 2019:

Board members	Attendance rate (%)
Augustin de Romanet, Chairman	100
Denis Kessler	100
Bruno Pfister	100
Kory Sorenson	75
Fields Wicker-Miurin	100

2.1.4.7. Non-executive directors' session

The non-executive directors' session involves all the directors, with the exception of the employee directors 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.

These sessions were held four times in 2019, under the chairmanship of the Lead Indepenant Director. The non-executive directors discussed the results of the votes at the General Meeting as well as the opinions expressed by the shareholders as part of the active shareholder dialogue held with them. The non-executive directors were informed by the Lead Independent Director of the various measures envisaged by the Compensation and Nomination Committee to meet the expectations expressed regarding the remuneration policy. They were also informed of the work carried out by the Compensation and Nomination Committee on the succession plan for the members of the Executive Committee and the Chairman and Chief Executive Officer, and especially about the discussions regarding a possible separation of the offices of Chairman and Chief Executive Officer.

In addition, the non-executive directors raised a number of areas for improvement following the annual assessment of the functioning of the Board, the results of which were presented to the Board of Directors during its meeting of February 19, 2019. In particular, they discussed strengthening the rules relating to potential conflicts of interest for directors. As such, at the beginning of each Board meeting, directors are now formally asked to confirm that they have no potential conflict of interest with an item on the agenda. Otherwise, they must abstain from participating in discussions on the topic in question. As part of these discussions on conflicts of interest, the non-executive directors also discussed the situation that led to the resignation of Mr. Thierry Derez, at the request of the Board of Directors, following the opinion of the *Haut Comité de Gouvernement d'Entreprise* on November 13, 2018, as well as the legal actions against him.

2.1.5. CORPORATE OFFICERS AND THEIR POWERS

2.1.5.1. 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. 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. On April 27, 2017, the Shareholders' Meeting renewed Denis Kessler's director term for a four-year duration and the Board of Directors held on April 27, 2017 re-appointed him as the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer has executive authority to manage SCOR's business, subject to the prior authorization of the Board of Directors or the Shareholders' Meeting 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 SCOR must be effectively run by at least two persons. 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 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 submitted to 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. Moreover, the Board of Directors appoints the persons effectively running SCOR SE, in compliance with the French Insurance Code.

2.1.5.2. Powers of the corporate officers

The Board of Directors of the Company also 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 over the last two years must be submitted to the Shareholders' Meeting.

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 by the Board of Directors, pursuant to the requirements of the French Insurance Code: Jean-Paul Conoscente, Chief Executive Officer of SCOR Global P&C, and Paolo De Martin, Chief Executive Officer of SCOR Global Life.

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

Thus, in 2019, all of the directors were independent, except the Chairman and Chief Executive Officer, the employee directors and Claude Tendil who has been a director for over 12 years.

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 a 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 in order to hear them, if necessary, on topics related to the performance of their functions in the absence of the Chairman and Chief Executive Officer.

Lastly, as per the French insurance code and to requirements of the Solvency II Directive, four key functions holders (compliance, risk management, actuarial, internal audit) have been appointed for SCOR SE and the Group. They are heard at least annually by the Board or one of its committees, and may raise any issues directly to the Board.

2.1.6. 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.

See Section 2.1.5.2. – Powers of the corporate officers.

2.1.6.1. Biographical information on the members of the Executive Committee

Denis Kessler

See Section 2.1.3.2. – Information concerning the members of the Board of Directors.

Jean-Paul Conoscente

Jean-Paul Conoscente, an American and French citizen, is a graduate of the University of California Berkeley (Master of Science in Structural Engineering) and the *École des Travaux Publics*, Paris (Engineering Diploma in Civil Engineering). He started his career in earthquake engineering in California and then in CAT Modeling as the European head of the Modeling firm EQECAT. He subsequently held several senior positions with AON Benfield as a reinsurance broker in London and Paris and then with AXA Re in Paris as the Global Head of Property. In 2008, he joined SCOR in New York as Chief Underwriting Officer for the Americas for SCOR Global P&C and helped transform SCOR's team and portfolio in the Americas, before taking on the role of CEO of SCOR's P&C U.S. Operations in 2016. Following SCOR Global P&C's restructuring in September 2018, he became its CEO of Reinsurance globally. In April 2019, he was appointed Chief Executive Officer of SCOR Global P&C, and a member of the Executive Committee and a person effectively running SCOR SE.

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 was appointed Chief Executive Officer of SCOR Global Life.

Frieder Knüpling

Frieder Knüpling, a German citizen, has been Group Chief Risk Officer of SCOR since January 2014, responsible for Risk Management, Actuarial, Risk Modeling, and Prudential and Regulatory Affairs. He became a member of SCOR's Group Executive Committee in 2010, after having held various actuarial, finance and risk management roles at Gerling Global Re, Revios and SCOR. Frieder Knüpling holds academic degrees in Mathematics and Physics, and a PhD in Economics. He is a fellow of the Deutsche Aktuarvereinigung (DAV), a Chartered Enterprise Risk Analyst (CERA) and Chairman of the CRO Forum since December 2019.

Mark Kociancic

Mark Kociancic, a dual citizen of Canada and the USA, 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 successively 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 Chief Financial Officer in June 2008 and was promoted to Executive Vice-President in July 2010. He was appointed Deputy Chief Financial Officer of SCOR Group in October 2012 before being appointed Group Chief Financial Officer of SCOR SE and joining the SCOR Group Executive Committee on May 15, 2013.

Romain Launay

Romain Launay, a French citizen, is a graduate of the *École Polytechnique*, of the *Corps des Mines* and 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 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.

Brona Magee

Brona Magee, an Irish citizen, holds a Bachelor of Actuarial and Financial Studies degree from University College Dublin. She is also a Fellow of the Society of Actuaries in Ireland. From 2006 to 2011, she was General Manager for Transamerica International Reinsurance Ireland, which was acquired by SCOR in 2011. She became Chief Financial Officer for SCOR Global Life Reinsurance Ireland from 2011 to 2013. In 2013, Brona moved to the United States to take the position of Chief Financial Officer of SCOR Global Life Americas and in 2015, she was promoted to Deputy Chief Executive Officer, SCOR Global Life Americas where she had oversight for all technical aspects of the business, including finance, actuarial reserving, pricing, risk management and medical underwriting. In February 2017, she returned to Ireland and became Chief Actuary for SCOR Global Life with global responsibility for reserving, pricing and risk management as well as responsibility for the Irish entities. In November 2017, Brona took the position of Head of Client Solutions for SCOR Global Life, focused on the development of a suite of innovative solutions for clients around the world. Since September 2018, Brona has been appointed Deputy CEO of SCOR Global Life and has joined the Group's Executive Committee.

Laurent Rousseau

Laurent Rousseau, a French citizen, is a graduate of HEC (*École des hautes études commerciales*). He started his career in 2001 as an equity analyst at Credit Suisse First Boston in London, covering European insurers and reinsurers. In 2005, he joined J.P. Morgan in the insurance Investment Banking team, executing M&A, capital raising and restructuring transactions for European insurers and reinsurers. He joined SCOR in 2010 as Advisor to the CEO and became Head of SCOR Global P&C's Strategy and Business Development in 2012. In July 2015, he became Chief Underwriting Officer of SCOR Global P&C's treaty business in Europe, Middle East & Africa. In April 2018, he was appointed Deputy Chief Executive Officer of SCOR Global P&C, member of the Group's Executive Committee and since September 2018, CEO for Specialty Insurance (SCOR Business Solutions, the Channel Managing Agency and MGAs).

François de Varenne

François de Varenne, a French citizen, is a graduate of the *École polytechnique* and a civil engineer of the *École nationale des 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 and Chief Executive Officer of SCOR Investment Partners.

2.1.7. NUMBER OF EMPLOYEES

The total number of employees of the Group increased from 2,811 as at December 31, 2018 to 3,028 (including 125 SCOR Channel employees) as at December 31, 2019. The distribution of personnel covers the various geographical areas to meet the strategic needs of the Group.

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

Distribution by Hub [(1)]

	2019	2018	2017
EMEA[(2)]	1,848	1,694	1,695
Americas[(3)]	775	725	727
Asia-Pacific[(4)]	405	392	379
TOTAL	**3,028**	**2,811**	**2,801**

Distribution by business unit

	2019	2018	2017
SCOR Global P&C	1,141	981	972
SCOR Global Life	981	960	959
SCOR Global Investments	85	78	81
Group Functions and Support[(5)]	821	792	789
TOTAL	**3,028**	**2,811**	**2,801**

(1) Each Hub covers a region and may have employees in several countries.

(2) The EMEA Hub covers employees in France, Spain, Italy, Belgium, the Netherlands, Russia, South Africa, Kenya, the United Kingdom, Ireland, Sweden, Switzerland, Israel and Germany.

(3) The Americas Hub covers employees in the United States, Mexico, Brazil, Canada, Chile, Colombia and Argentina.

(4) The Asia-Pacific Hub covers employees in China, Hong Kong, India, Japan, South Korea, Malaysia, Singapore, Taiwan and Australia.

(5) The "Group Functions and Support" division includes the departments reporting to the CFO, CRO and COO of the Group as well as the departments directly managed by the Chairman and Chief Executive Officer. ReMark (158 employees, fully consolidated entity), MRM (4 employees, fully consolidated entity), Château Mondot SAS (19 employees, fully consolidated entity), Les Belles Perdrix de Troplong Mondot EURL (9 employees, fully consolidated entity), Telemed (41 employees), ESSOR (79 employees) and Coriolis (7 employees) are all wholly-owned subsidiaries of SCOR SE excepting MRM of which SCOR SE has 59.9% of the capital. Due to their specific activities, their business models and their organizations, they are managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.

By the end of 2019, women held about 19% of the 10% of positions with the highest responsibilities (based on the highest levels of the Partners program). The policy to build a more mixed talent pool as well as the related 2019 achievements, are described in Section 6.2.1. – The human capital as key success factor for the group.

2.1.8. INFORMATION REQUIRED BY ARTICLE L. 225-37-5 OF THE FRENCH COMMERCIAL CODE

The information referred to in Article L. 225-37-5 of the French Commercial Code is made public in the Report on corporate governance which is included in this Universal Registration Document (refer to Section 2).

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 benefits in kind attributable to Mr. Denis Kessler as Chairman and Chief Executive Officer for the 2019 reporting period

For the principles and rules stated for the determination of the compensation and benefits in kind attributable to Mr. Denis Kessler as Chairman and Chief Executive Officer for the 2019 reporting period, please refer to the 2019 Shareholder's Meeting brochure to the combined general meeting.

2.2.1.2. Approval of the compensation items due or attributed to Mr. Denis Kessler as Chairman and Chief Executive Officer for the financial year ended December 31, 2019

In accordance with article L. 225-37-3 of the French Commercial Code, the compensation elements due or attributed to the executive corporate officer for the financial year ended December 31, 2019 are presented below. Those compensation items are compliant with the principles and rules stated for the determination of the compensation and benefits in kind attributable to Mr. Denis Kessler, Chairman and Chief Executive Officer for the 2019 reporting period as approved by the 2019 Shareholders' Meeting.

In accordance with Article L. 225-100, II of the French Commercial Code, at the 2020 Shareholders' Meeting, the shareholders will vote on the aforementioned compensation items (fixed, variable and exceptional elements) paid or awarded to Mr. Denis Kessler in respect of the financial year ended December 31, 2019.

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 2019, 2018 and 2017:

	2019		2018		2017	
	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)	1,084,200	1,184,400	1,184,400	1,120,020	1,120,020	1,419,600
Director's compensation	76,000	76,000	70,000	70,000	55,000	55,000
Exceptional compensation	0	0	0	0	0	0
Additional benefits	0	0	0	0	0	0
Gross compensation	**2,360,200**	**2,460,400**	**2,454,400**	**2,390,020**	**2,375,020**	**2,674,600**
Value of shares granted (2)	4,122,500		3,878,750		3,545,000	
Value of stock options granted (2)	218,000		188,000		400,000	
TOTAL	**6,700,700**		**6,521,150**		**6,320,020**	

(1) The variable annual compensation related to the 2019 financial year has been determined by the Board of Directors based on a percentage of achievement for the objectives of 90.35%. This variable annual compensation amount is paid in one instalment, pending the approval of the Shareholders' Meeting.

(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). 100% of shares and stock options granted are subject to performance conditions.

The benchmark study conducted by Mercer in 2019 for the Compensation and Nomination Committee concludes that the compensation package of the Chairman and Chief Executive Officer (all compensation items included) is aligned with market practice. More specifically, the Chairman and Chief Executive Officer's 2018 total compensation was equal to 114% of the median (among a list of peers including the main global reinsurers selected by premium income and for which information on the pay of top management is available, *i.e.* Alleghany, Arch Capital Group, Axis Capital Holdings Limited, Everest Re, Great West Lifeco, Hannover Re, Munich Re, Reinsurance Group of America and Swiss Re).

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, 2019 are presented below.

Those compensation items are compliant with the principles and rules stated for the determination of compensation and benefits in kind attributable to Mr. Denis Kessler, Chairman and Chief Executive Officer for the 2019 reporting period as approved by the 2019 Shareholders' Meeting.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional items comprising the total remuneration and benefits in kind paid or allocated to the Chairman and Chief Executive Officer for the past financial year are subject to approval by the Shareholders' Meeting.

In accordance with article L. 225-37-2 of the French Commercial Code, the payment of the variable and exceptional compensation items needs to be approved by the Shareholders' Meeting.

Compensation elements due or attributed for the financial year ended December 31, 2019	Amounts or accounting valuation	Description
Fixed gross annual compensation	EUR 1,200,000	Following the recommendation of the Compensation and Nomination Committee on its meeting of February 19, 2019, the Board of Directors on February 19, 2019 decided that the Chairman and Chief Executive Officer would receive a fixed gross annual compensation of EUR 1,200,000, payable in 12 monthly instalments. The fixed compensation of the Chairman and Chief Executive Officer has not changed since January 1, 2008.
Variable annual compensation	EUR 1,084,200 (amount paid or payable)	Following the recommendation of the Compensation and Nomination Committee at its February 19, 2019 meeting, the Board of Directors at its February 19, 2019 meeting decided that the Chairman and Chief Executive Officer could receive a target variable annual compensation of EUR 1,200,000 (100% of his fixed gross annual amount), unchanged since 2015. This variable annual compensation is determined as follows: • 50% on the basis of the achievement of a financial objective, set 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 quantitative and qualitative personal objectives, set 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 the financial objective (capped at a maximum of 130% of the target of the financial objective portion) and the personal objectives (capped at a maximum of 150% of the target of the personal objectives portion) which may increase the variable annual compensation of the Chairman and Chief Executive Officer up to a ceiling of 140% of his target variable annual 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 165% of his fixed annual compensation. The variable compensation for any given year is paid in year y+1, after the financial statements of the Company for such given year are approved by the Board of Directors and is subject, as of 2020 for the variable compensation relating to 2019, to the approval of the Shareholders' Meeting. For 2019, 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 of 800 bps above the five-year risk-free-rate ("Vision In Action" target); • 50% based on the achievement of personal objectives: maintaining a solvency ratio equal or higher than the lower limit of the optimal range defined in the strategic plan, achievement of the strategic plan "Vision in Action", preparation and communication to the market of a new strategic plan in line with the Group's challenges and stakeholder expectations, preparing the Group for the risks and opportunities related to the new IFRS 9 and IFRS 17 accounting standards, deepening the integration of ESG issues (in particular related to the climate) in the Group's activities and operations, strengthening the Group's talent pool particularly through training and active management of careers and skills. The Board of Directors determined, on the proposal of the Compensation and Nomination Committee a percentage of achievement for the objectives of 90.35%. The objectives, their respective assessments and achievement rates are detailed in a table below. It should be noted that, in order to take into account the results of the votes at the Shareholders' meeting of April 26, 2019, as well as the opinions expressed by the shareholders as part of the active shareholders dialogue held with then, the Board of Directors has decided, on the Compensation and Nomination Committee's recommendation, the replacement of the linear scale for calculating the achievement rate of the financial objective relating to the ROE target by a stepwise scale that is systematically less favorable, particularly in the event of ROE achieved below the ROE target (minimum threshold raised from 30% to 50% of the target): refer to section 2.2.1.4.2. – Compensation policy of Mr. Denis Kessler as Chairman and Chief Executive Officer for the 2020 reporting period. 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 shall be paid in one instalment.

Compensation elements due or attributed for the financial year ended December 31, 2019	Amounts or accounting valuation	Description
Variable deferred compensation	NA	The Group compensation policy does not provide for variable deferred compensation.
Multi-year variable compensation	NA	The Group compensation policy does not provide for multi-year variable compensation.
Exceptional compensation	EUR 0	No exceptional compensation was granted during the year, as in previous years.
Stock option and free share allocation plans or other long-term compensation	Stock options EUR 218,000 Shares EUR 4,122,500 (accounting valuation under IFRS)	In accordance with the authorization by the Shareholders' Meeting on April 26, 2018 in its 23rd resolution, the Board of Directors decided at its February 19, 2019 meeting, on a proposal from the Compensation and Nomination Committee at its February 19, 2019 meeting, to allocate on March 7, 2019, stock options to the Chairman and Chief Executive Officer and to the other members of the Executive Committee. On this plan, 100,000 stock options have been granted to the Chairman and Chief Executive Officer. These stock-options are 100% subject to performance conditions. The performance conditions are defined as follows and are assessed and validated annually by the Compensation and Nomination Committee: Half of the options will be exercisable from March 8, 2023, provided: (1) that the conditions set out in the plan of March 7, 2019 are met and in particular that the beneficiary remains a corporate officer of SCOR Group until March 7, 2023 inclusive, except as otherwise stated 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 stock options (clawback policy); (3) that the training obligation in terms of corporate social responsibility (CSR) is met; (4) that the average SCOR ROE over three years (from January 1, 2019 to December 31, 2021) is equal to the average of SCOR ROE strategic target (the "Target ROE") over the period. Aside from the mandatory conditions (1), (2) and (3), if the observed average ROE (condition (4)) is lower or higher than the Target ROE, the options will be exercisable according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options that can be exercised under 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%

In any case, if the average ROE is lower than 5%, the portion of options that can be exercised based on this criterion will be at 0%.

The other half of options will be exercisable from March 8, 2023, provided:

(1) that the conditions set out in the plan of March 7, 2019 are met and in particular that the beneficiary remains a corporate officer of SCOR Group until March 7, 2023 inclusive, except as otherwise stated 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 stock options benefits (clawback policy);

(3) that the training obligation in terms of corporate social responsibility (CSR) is met;

(4) that the average solvency ratio over three years (from January 1, 2019 to December 31, 2021) is at least equal to the average of SCOR's solvency ratio target over the period (the "Target Solvency Ratio").

Compensation elements due or attributed for the financial year ended December 31, 2019	Amounts or accounting valuation	Description
		Aside from the mandatory conditions (1), (2) and (3), if the observed average solvency ratio (condition (4)) is lower than the "Target Solvency Ratio" *, the options will be exercisable according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the "Target Solvency Ratio"*	Proportion of the options that can be exercised under this criterion
higher than or equal to 0 percentage point	100%
between 0 and up to -35 percentage points	linear sliding scale
lower than or equal to -35 percentage points	0%

** If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.*

		The achievement of performance conditions is assessed by the Compensation and Nomination Committee and the Board of Directors. In accordance with the authorization by the Shareholders' Meeting on April 26, 2018 in its 24th resolution, the Company's Board of Directors decided at its February 19, 2019 meeting, on a proposal from the Compensation and Nomination Committee of February 19, 2019, 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 was granted 125,000 performance shares. These performance shares will be acquired on February 20, 2022, provided that he remains a corporate officer of SCOR Group until February 19, 2022 inclusive, except as otherwise stated by the Plan, and are 100% subject to the same conditions as those for the stock options. The stock options and performance shares granted to the executive corporate officer in 2019 represent 0.120% of the share capital, 7.37% of the total allocations in 2019, and 64% of 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. In particular, SCOR's policy is to systematically neutralize, as far 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 buy-back 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 buy-back program, and not *via* the creation of new shares. Thus, there is no capital dilution due to the granting of stock options and performance shares. Finally, in compliance with the recommendations of the AFEP-MEDEF corporate governance code applicable to the executive corporate officer, he made a formal commitment not to use hedging instruments on the stock options and/or performance shares granted to him for the whole duration of the term of his office.
Directors' compensation	EUR 76,000	In 2019, the Chairman and Chief Executive Officer received directors' compensation 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 2019, he attended nine Board meetings (a single amount of EUR 3,000 was paid for the two Board meetings held on February 18 and February 19, 2019, and for the two Board meetings held on April 26, 2019), five Strategic Committee meetings and four Crisis Management Committee meetings, leading to a variable amount of EUR 48,000.
Benefits in kind	EUR 6,868 In addition to the deferred amount, an amount of EUR 111,438 was paid by the Company in 2019 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 also benefits 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 in an amount equivalent to three years of fixed and variable compensation; this insurance policy is taken out by the Company. To this end, an individual insurance policy 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 for which the latest version is compliant with the collective compulsory welfare plan, specific to SCOR, which benefits to 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

Compensation elements due or attributed for the financial year ended December 31, 2019	Amounts or accounting valuation	Description
		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 financial year ended	The Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, in its 5th resolution, approved, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the commitments made by the Board of Directors for the benefit of the Chairman and Chief Executive Officer.
Non-competition indemnity*	NA	There is no non-competition clause.
Supplementary pension plan*	No amount is payable in respect of the financial year ended	The Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, in its 4th 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. As the plan is closed to new entry since June 30, 2008, only the Group's senior executives based in France and employed by the Group before this date benefit from this supplementary retirement plan. As he joined SCOR in 2002, the Chairman and Chief Executive Officer is entitled to a guaranteed pension plan of 50% of his reference income, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the reference income, 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 has reached the ceiling of 45% set by the plan. The Chairman and Chief Executive Officer has not acquired any additional right since 2011. Consequently, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary has no practical implications in his case. Since 2014, he has had the option of exercising his rights under this plan in the event of retirement. This guarantee is calculated according to a reference income 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 this supplementary pension plan, subject to still being in the Company as a corporate officer or an employee of the Company when he retires. The commitments made by SCOR concerning the defined benefit supplementary pension scheme of its Chairman and Chief Executive Officer represent, as at December 31, 2019, an estimated annual gross pension amount of EUR 1,066,796 based on seniority as at December 31, 2019. This amount represents 44.0% of the Chairman and CEO's reference compensation, which corresponds to the average of his annual compensation over the five last years, including the fixed and the variable annual compensation. It is a reduction compared to the estimation as at December 31, 2019 of the annual gross pension amount, which was 1,142,573 euros. . No retirement benefit (or commitment) has been paid to the Chairman and Chief Executive Officer in 2019. The total pension benefits provision relating to the Chairman and CEO amounts to EUR 24.7 million based on his reference compensation. This amount breaks down as follows: 19.9 million euros excluding employer social contributions and 4.8 million euros corresponding to employer social contributions. Despite the reduction of the estimated annual gross pension amount, the provision has increased by EUR 2.2 million from December 31, 2018. This increase reflects notably the impact of lower interest rates.

**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.*

Table of the objectives of the Chairman and Chief Executive Officer

Category	2019 Objectives description	Achieved result	Achievement rate
Profitability (Weight: 50%)	Achieving profitability in line with the objective defined in the strategic plan	The ROE achieved in 2019 is 7.0%. The target ROE for 2019 is 800 basis points above the 5-year risk-free rate, *i.e.* 8.65%. The achieved ROE / target ROE ratio is therefore 80.9%. Given the decision by the Board of Directors to retroactively apply the new tiered scale for 2019 (which is systematically less advantageous than the linear scale previously used) as proposed in the remuneration policy for the 2020 financial year (see section 2.2.1.4.2.), the achievement rate for achievement of this objective is 80%.	80%
Solvency (Weight: 10%)	Solvency ratio equal to or higher than the lower limit of the optimal range defined in the strategic plan	The solvency ratio, as defined by the internal model, is estimated at 226% at the end of 2019, *i.e.* 41 percentage points above the lower limit of the optimal range defined in the strategic plan (185%).	141%
Strategy (Weight: 10%)	Achievement of strategic plan "Vision in Action".	The "Vision in Action" strategic plan, launched in July 2016 for a period of three years, was executed during a period marked by many headwinds. A high frequency of catastrophes, a P&C reinsurance cycle that has only recently recovered, a persistently low interest rate environment, regulatory shocks such as the Ogden reform in the United Kingdom, the tax reform in the United States and geopolitical uncertainties are all factors that weighed on the sector's performance. In this environment, SCOR has achieved the targets of its strategic plan on a standardized basis: • average normalized ROE (1) of 876 basis points above the 5-year risk-free rate over the duration of the plan, against a target of 800 bps (average non-normalized ROE of 683 bps); • average solvency ratio of 219% over the course of the plan against a target range of 185% - 220%; • P&C: average annual premium growth of 8.0% at constant exchange rates, against a target of 5% - 8%, and average normalized net combined ratio (1) of 94.6%, against a target of 95% - 96% (average non-normalized net combined ratio of 95.8%); • Life: average annual premium growth of 5.9% at constant exchange rates, against a target of 5% - 6%, and average net technical margin of 7.1%, against a target of 6.8 % - 7.0%; • investments: average return on invested assets of 3.1%, against a target of 2.5% - 3.2%; • cost ratio: average ratio of 5.0%, against a target of ~ 4.9% - 5.1%. During this period, the Group considerably extended and deepened its presence worldwide, both geographically and by sector, in targeted markets and business lines. The Board of Directors notes that the strategic plan targets have been achieved or exceeded (however, on a standardized basis only with regard to ROE).	80%

(1) The average normalized ROE and normalized net combined ratio have been adjusted for the following items: the difference between the actual and budget natural catastrophe claims, the reserve releases, the impacts from Ogden rate adjustments, and, for the normalized RoE only, the U.S. Tax reform impact in 2018.

Category	2019 Objectives description	Achieved result	Achievement rate
Strategy (Weight: 10%)	Preparation and communication to the market of a new strategic plan in line with the Group's challenges and stakeholder expectations	The "Quantum Leap" plan was presented on September 4, 2019, following approval by the Board of Directors on July 24, 2019. With this plan, SCOR pursues strong growth of around 4 to 7% per year, and sets equally weighted profitability and solvency targets that are ambitious in the current financial and economic environment: • a high return on equity, above 800 basis points over the 5-year risk-free rates over the cycle; • an optimal solvency ratio of between 185% and 220%. This plan is also a transformational plan that aims to create the reinsurance company of tomorrow by accelerating, via an investment of EUR 250 million, SCOR's use of new technologies – such as artificial intelligence, robots, blockchain, big data, multi-cloud and satellite imagery – to innovate, expand its product and services offering and increase its efficiency, for the benefit of its clients throughout the world. This new plan has been well received by analysts and investors • 4.5% increase in the share price between September 3 and September 24, 2019; • recommendation to buy or hold from nearly 90% of analysts; • positive comments from analysts: "SCOR is well-placed to grow and continues to invest in the future" (Bank of America Merril Lynch), "solid continuation of the previous ViA plan" (Deutsche Bank), "unchanged profitability and solvency targets offering an attractive risk rewards in the current environment" (HSBC), "the plan is very rational laying out a path for closer cooperation with primary insurers combined with realistic financial ambitions "(Goldman Sachs). The Board of Directors considers that the preparation and communication to the market of the "Quantum Leap" plan has been a success and that its positive reception demonstrates its alignment with the challenges of the Group and the expectations of stakeholders. The Board therefore considers that the objective has been achieved.	100%
Risk Management (Weight: 5%)	Preparing the Group for the risks and opportunities related to the new IFRS 9 and IFRS 17 standards	The IFRS17 project is currently the most complex project implemented by SCOR. Its objective is to enable the Group to comply with this standard in 2022 while using this opportunity to continue to invest heavily in its information systems for even more granular risk management. Under the leadership of the President and CEO, nearly 200 people have been mobilized to work actively on this project throughout the world. The general design phase of the project is almost complete and implementation work has started to meet the regulatory deadline. IFRS9 brings fundamental changes to the accounting of financial instruments, replacing IAS39. Here too, the Group has committed significant resources to ensure compliance with the standard and to actively take advantage of it. This notably involves the establishment of a new application platform and the integration of middle-office teams capable of managing the entire administration. These two projects are regularly monitored by the Group's Executive Committee, and in particular by the Chairman and Chief Executive Officer. The Board of Directors notes that the two projects are in line with the objective of compliance in 2022, while enabling the digitalization of the Group to continue. It considers that the objective has been achieved at 95%.	95%

Category	2019 Objectives description	Achieved result	Achievement rate
Corporate Social and Environmental Responsibility / Fight against climate change (Weight: 7.5%)	Deepening the integration of ESG issues, particularly in relation to the climate, in the Group's activities and operations	In 2019, the Chairman and Chief Executive Officer pursued a very active policy in favor of the fight against climate change, marked in particular by his support for the French Business Climate Pledge and his intervention during the General Assembly of the Geneva Association on the role of insurance with regard to climate, alongside the leaders of the world's largest (re)insurers. Under his leadership, SCOR has reached significant new milestones (see in particular Section 6.4. - Taking social and environmental issues into account in the Group's activities). Regarding the Group's investments: • formalization of a sustainable investment policy; • zero-net carbon commitment by 2050; • strengthening of the exclusion policy in the coal sector and extension of the exclusions to other fossil fuels (oil sands and arctic drilling) over the course of the "Quantum Leap" plan; • provision of climate experts to European authorities (Technical Expert Group of the European Commission, EFRAG Lab, EIOPA). With regard to the Group's underwriting activities: • formalization of ESG integration guidelines in insurance activities and strengthening of KYC (Know Your Customer) for sensitive sectors / themes; • ESG quality assessment of insurance activities; • reinforcement of the exclusion policy in the coal sector (exclusion of new coal-fired power plants); • commitment to support by 2025 the development of (re)insurance solutions for countries highly exposed to climate change via the Insurance Development Forum and Insuresilience. Regarding Group operations: • 100% offsetting of the emissions measured in 2019 (compared to around 40% in 2018) via the acquisition of carbon credits and commitment to pursue this policy as part of the "Quantum Leap" plan; • 34.7% reduction in emissions per employee relating to office operations and car fleet compared to 2014; • effective rollout of initiatives to reduce the use of plastic in Group offices; • continued efforts to reduce paper consumption: 14% decrease in purchases compared to 2018; • ISO 14001 certification for Paris offices and renewal of Breeam in use certifications in London. The Board of Directors notes compliance with the Group's Climate Policy as well as the momentum set in motion by the Chairman and Chief Executive Officer on this subject. It considers that the objective has been achieved at 95%.	95%

Category	2019 Objectives description	Achieved result	Achievement rate
Corporate Social and Environmental Responsibility / Human Capital Management (Weight: 7.5%)	Strengthening the Group's talent pool, particularly through training and active management of careers and skills	In 2019, all employees completed at least one training course. In particular, leadership programs for high-potential employees have been rolled out both at global level, for Global Partners (Stepping Up to Leadership) and at regional level, for Associate Partners (Aspire), these regional programs having been introduced in 2019. These programs, whose participants reflect the diversity of the Group's employees, aim to create a pool of tomorrow's leaders and to strengthen transversality within the company through the development of internal networks. In terms of training, SCOR has entered a new phase with the worldwide rollout of a new training platform (Learning Management System) that gives all Group employees access to an extensive training offering (13,000 online courses and 5,000 video tutorials). With this new tool, SCOR strengthens its expertise-based culture, by enabling its employees to become agents of their own development and by allowing its best experts to share their knowledge through the creation of specific contents. In terms of career management, active career management facilitated more than 180 internal mobility transfers in 2019, covering more than 33% of recruitments (compared with 30% in 2018 and 20% in 2017). 80% of employees were covered by Leadership & Organization Reviews, during which the emphasis was placed on succession plans. However, the objective of establishing a succession plan covering all staff reporting to Executive Committee members down to level N-3 was not achieved. In order to attract the best talent, an innovative campaign to promote the employer brand was carried out on social media through video testimonials from 60 employees who played the role of ambassadors. It generated 10% more LinkedIn followers, 2,100 likes on Instagram and a rise in the Glassdoor rating to 3.8 at the end of 2019 (+0.9 compared to July 2018). Co-optation of new recruits by employees has been encouraged, notably with the rollout of a dedicated platform in France. 16% of recruitments finalized in 2019 were filled by cooptation, compared to 12% in 2018, which translates into lower recruitment costs and better integration of new hires. In view of these elements, the Board of Directors considered that the objective was partially achieved.	85%

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 the performance shares that became available during the financial year.

Stock 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	Performance conditions
Denis Kessler	March 7, 2019	Subscription	100,000	218,000	38.66	March 8, 2023 March 7, 2029	Yes, see above

Stock options exercised by the executive corporate officer

	Number of options exercised during the period	Date of plan	Exercise price
Denis Kessler	0	n.a.	n.a.

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	Performance conditions
Denis Kessler	February 19, 2019	125,000	4,122,500	February 20, 2022	February 20, 2022	Yes, see above

Performance shares becoming available for the executive corporate officer

	Number of shares becoming available during the period	Date of plan	Vesting conditions
Denis Kessler	118,750	September 1, 2011	Presence condition until September 1, 2017 and performance conditions
Denis Kessler	125,000	March 4, 2015	Presence condition until March 4, 2017 and performance conditions
Denis Kessler	106,250	February 23, 2016	Presence condition until February 23, 2019 and performance conditions

Achievement of performance conditions

In 2019, the Compensation and Nomination Committee acknowledged the partial achievement of the performance conditions attached to the February 23, 2016 performance share plan, bringing the share acquisition rate to 85%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance conditions – February 23, 2016 plan

	Achieved result	Achievement rate
Ratio between the observed average ROE over 2015-2017 and the average target ROE	72.7%	70%
Difference between the average Solvency Ratio over 2015-2017 and the average Target Solvency Ratio	+33 percentage points	100%

Furthermore, the Chairman and Chief Executive Officer acquired performance shares in 2017, but they became available only in 2019. These performance shares were granted as part of the plan of March 4, 2015 and the LTIP plan of September 1, 2011.

In 2017, the Compensation and Nomination Committee acknowledged the achievement of all the performance conditions attached to the March 5, 2015 performance share plan, bringing the share acquisition rate to 100%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance conditions – March 4, 2015 plan

	Achieved result	Achievement rate
Solvency ratio at the end of each quarter ≥150% for 2015 and 2016 years	Ratio above 150% each quarter	100%
SCOR Global P&C's combined ratio ≤100% on average in 2015 and 2016	92.1%	100%
SCOR Global Life's technical margin ≥3% on average in 2015 and 2016	7.1%	100%
ROE SCOR > 1,000 points above the risk-free rate on average in 2015 and 2016	1,036 bps	100%

In 2017, the Compensation and Nomination Committee acknowledged the partial achievement of the performance conditions attached to the September 1, 2011 Long Term Incentive Plan, bringing the share acquisition rate to 95%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance conditions – September 1, 2011 plan

	Achieved result	Achievement rate
Ratio between the observed average ROE over 2011-2016 and the average Target ROE	96.7%	90%
Difference between the average solvency ratio over 2011-2016 and the average Target Solvency Ratio	+34 percentage points	100%

The validation of performance conditions has been performed for no stock option plan in 2019 because no performance conditions have to be observed in 2019.

Compensation ratios

The table hereafter shows the evolution of the compensation paid or granted to the executive corporate officer, the average compensation paid or granted on a full-time equivalent basis to the Group employees other than the executive corporate officer, the median compensation paid or granted on a full-time equivalent basis to the Group employees other than the executive corporate officer, and the performance of the Group over the past 5 years.

		2015	2016	2017	2018	2019
Compensation of the executive corporate officer	(1)	5,811,500	8,222,750	6,619,600	6,456,770	6,800,900
Average compensation paid or granted on a full-time equivalent basis to the Group employees other than the executive corporate officer	(2)	142,709	144,111	139,146	141,608	145,085
Ratio (1)/(2)		41	57	48	46	47
Median compensation paid or granted on a full-time equivalent basis to the Group employees other than the executive corporate officer	(3)	98,840	100,267	98,616	103,390	102,583
Ratio (1)/(3)		59	82	67	62	66
Average compensation paid or granted on a full-time equivalent basis to the SCOR SE and branches* employees other than the executive corporate officer	(4)	115,688	121,001	125,426	127,704	128,044
Ratio (1)/(4)		50	68	53	51	53
Median compensation paid or granted on a full-time equivalent basis to the SCOR SE and branches* employees other than the executive corporate officer	(5)	75,439	77,491	80,084	85,150	82,109
Ratio (1)/(5)		77	106	83	76	83
Gross written premium *(in million EUR)*		13,421	13,826	14,789	15,258	16,341
Consolidated net income – Group share *(in million EUR)*		642	603	286	322	422
Return on equity		10.6%	9.5%	4.5%	5.5%	7.0%
Solvency ratio estimated at the end of the year		211%	225%	213%	215%	226%

** Following the nomenclature of SCOR SE and branches as of December 31, 2019.*

2.2.1.3. Compensation and number of shares held by directors

The Shareholders' Meeting of the Company held on April 26, 2019 resolved that the annual maximum aggregate amount of the compensation for the directors shall not exceed EUR 1,550,000. Upon the proposal of the Compensation and Nomination Committee and within the limit of the amount agreed by the Shareholders' Meeting, the Board of Directors at its meetings held on February 21, 2017 and October 23, 2018 set the terms and conditions of the allocation so as to encourage the attendance of the directors and to be compliant with the AFEP-MEDEF corporate governance code which stipulates that directors' compensation should consist primarily of a variable portion. In accordance with the AFEP-MEDEF corporate governance, the directors should be shareholders themselves and hold a significant number of shares in relation to the compensation awarded. According to the Board's Internal Charter, this significant number of shares corresponds to an amount of EUR 10,000 at the time of purchase of the shares. These latter provisions do not apply to the employee directors.

The Board of Directors decided to allocate the compensation as follows:

- partly in one fixed sum of EUR 28,000 annually payable at the end of each quarter. For non-French resident directors, an additional EUR 10,000 per year is allocated;
- partly based on the effective presence of 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, Compensation and Nomination Committee, Corporate Social and Societal Responsibility and Environmental Sustainability Committee and Crisis Management Committee, who receive an amount equal to EUR 6,000 for each meeting of the Committee that they chair.

Moreover, the non-executive members of the Board of Directors, who are individuals, received an amount of EUR 10,000 on September 12, 2019, which they invested in SCOR shares.

Except the Chairman and Chief Executive Officer and the employee directors, members of the Board are not entitled to Company stock option plans or free share allocation plans, nor to any variable compensation other than the compensation attributable to their attendance to meetings.

No pension contribution (or commitment) has been paid to the directors, except for the Chairman and Chief Executive Officer, in the exercise of their mandate.

Compensation of the directors

The compensation paid to directors in 2019 and 2018 is broken down as follows:

In EUR	2019	2018
Mr. Denis Kessler (1)	76,000	70,000
Mrs. Marguerite Bérard	83,000	83,000
Mr. Fabrice Brégier (2)	49,000	N/A
Mrs. Fiona Derhan (2)	33,000	N/A
Mr. Vincent Foucart (3)	76,000	48,000
Mrs. Vanessa Marquette	138,000	129,000
Mr. Bruno Pfister	165,000	150,000
Mr. Jean-Marc Raby	74,000	71,000
Mr. Augustin de Romanet	140,000	125,000
Malakoff Médéric Assurances, represented by Mr. Thomas Saunier	58,000	58,000
Mrs. Kory Sorenson	125,000	118,000
Mr. Claude Tendil	110,000	98,000
Mrs. Zhen Wang	99,000	68,500
Mrs. Fields Wicker-Miurin	156,000	150,000
Mrs. Michèle Aronvald (4)	N/A	32,000
Mr. Thierry Derez (5)	N/A	69,347
TOTAL	**1,382,000**	**1,269,847**

(1) Pursuant to the decision made by the Board of Directors on March 21, 2006, the Chairman and Chief Executive Officer receives compensation along with the other members of the Board of Directors of the Company, based on the same conditions.

(2) Director appointed by the Shareholders' Meeting on April 26, 2019 or director whose term of office began at the end of the Shareholders' Meeting on April 26, 2019.

(3) Director whose term of office began at the end of Shareholder's Meeting on April 26, 2018

(4) Director whose term of office ended at the Shareholders' Meeting on April 26, 2018.

(5) Director who resigned on November 13, 2018.

Moreover, some of the directors in place are, or have been, members of the Boards of Directors of subsidiaries of the Group and they have received compensation for 2019 and/or 2018 as follows:

	2019		2018	
SCOR UK Company Ltd				
Fields Wicker-Miurin	GBP	27,500	GBP	35,000
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 12/31/2019
Mr. Denis Kessler	1,546,040
Mrs. Marguerite Bérard	1,469
Mr. Fabrice Brégier	266
Mrs. Fiona Derhan	75
Mr. Vincent Foucart	34,610
Mrs. Vanessa Marquette	1,469
Mr. Bruno Pfister	1,159
Mr. Jean-Marc Raby	1,119
Mr. Augustin de Romanet	1,469
Malakoff Médéric Assurances, represented by Thomas Saunier	5,484,767
Mrs. Kory Sorenson	3,659
Mr. Claude Tendil	5,526
Mrs. Zhen Wang	512
Mrs. Fields Wicker-Miurin	2,251
TOTAL	**7,084,391**

2.2.1.4. Compensation policy of corporate officers

In accordance with Article L.225-37-2 of the French Commercial Code, the following paragraphs present the elements relating to the compensation policy for all the Group's corporate officers - Directors and Chairman and Chief Executive Officer, submitted for approval by the annual shareholders' meeting which will approve the accounts for the financial year ending December 31, 2019.

This compensation policy is based on the principles described below, which are consistent with the principles set forth in the overall compensation policy in force within the SCOR Group. This policy is rigorously applied by the Compensation and Nominations Committee in the context of its work.

The compensation policy for the Group's corporate officers is adopted by the Board of Directors and is reviewed annually in light of the recommendations of the Compensation and Nominations Committee, based on a precise analysis of all of the elements that make it up.

The compensation policy takes into account the social interest of the Company and its subsidiaries and contributes to the business strategy as well as to the sustainability of the Company by allocating, for the directors, a variable part subject to effective presence at the meetings of the Board of directors or of the committees of the Board of Directors, and for the Chairman and Chief Executive Officer, a variable compensation subject to the achievement of performance objectives. The compensation policy encourages the active contribution of corporate officers to the Group's business, by rewarding either their effective participation in meetings of the Board of Directors and its committees, or their direct contribution to the Group's performance.

In addition, the review of the compensation policy for corporate officers takes into account the opinions expressed by shareholders through their votes at the Company's general meetings as well as in the context of the active shareholder dialogue maintained with them, including contacts in the presence of the Lead Director. The compensation and employment conditions of the Company's employees are also an integral part of the process of determining and reviewing the compensation policy, being taken into account in the consistency analysis of the compensation structure implemented by the Company. This compensation policy is established in accordance with the measures implemented by the Company to prevent conflicts of interest. The Chairman and Chief Executive Officer is not a member of the Compensation and Nomination Committee and does not attend the discussions of the Board of Directors relating to his compensation.

The compensation policy is established in compliance with the legal and regulatory provisions and following the recommendations of the AFEP-MEDEF Code.

Pursuant to the July 3, 2008 Act implementing the European Union Directive 2006/46/EC of June 14, 2006, SCOR 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.

Every year, the conditions of compensation for the corporate officers are made public through the documents released for the Shareholders' Meeting.

The changes in relation to the compensation policy for the Chairman and Chief Executive Officer presented in 2019 - are specifically identified in the relevant sections.

2.2.1.4.1 Compensation policy of the directors

The Shareholders' Meeting of the Company establishes the maximum aggregate amount of the compensation for the directors.

Thus, the Shareholders' Meeting of the Company held on April 26, 2019 resolved that the amount shall not exceed 1 550 000 euros.

Upon the proposal of the Compensation and Nomination Committee and within the limit of the amount agreed by the Shareholders' Meeting, the Board of Directors' meetings held on February 21, 2017 and October 23, 2018 set the terms and conditions of the allocation so as to encourage the attendance of the directors and to be compliant with the AFEP MEDEF corporate governance code which stipulates that directors' compensation should include a significant variable portion.

The individual compensation of the directors is allocated as follows, within the limit of the maximum annual envelope voted by the Shareholder's meeting:

- partly in one fixed sum of EUR 28,000 annually payable at the end of each quarter. For non-French resident directors, an additional EUR 10,000 per year is allocated;
- partly based on the effective presence of 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, Compensation and Nomination Committee, Corporate Social and Societal Responsibility and Environmental Sustainability Committee and Crisis Management Committee, who receive an amount equal to EUR 6,000 for each meeting of the Committee that they chair.

Moreover, the non-executive members of the Board of Directors, who are individuals, receive an amount of EUR 10,000 each year to invest in SCOR shares.

Except the Chairman and Chief Executive Officer and the employee directors, members of the Board of Directors are not entitled to Company stock option plans or free share allocation plans, nor to any variable compensation other than the compensation attributable to their attendance to meetings.

No pension contribution (or commitment) is paid to the directors, except for the Chairman and Chief Executive Officer, in the exercise of their mandate.

Finally, the employee directors benefit from an employment contract under which they receive remuneration in accordance with the principles of the Group's compensation policy. They also fall under the policy presented above as part of their mandate as employee director.

2.2.1.4.2 Compensation policy of Mr. Denis Kessler as chairman and chief executive officer for the 2020 reporting period

Set out below is the compensation policy regarding the Chairman and Chief Executive Officer of SCOR SE for the 2020 reporting period, which will be submitted for approval to the shareholders in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code.

In accordance with the law, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation is subject to approval by an Ordinary Shareholders' Meeting, under the conditions set out in Article L. 225-100 of the French Commercial Code.

In compliance with the AFEP and MEDEF recommendations, there is no employment contract between Denis Kessler and the Company.

For information relating to the term of office of Mr. Denis Kessler and its conditions of dismissal, please refer to Section 2.1.5.1. – Corporate Officers.

Governance

The Board of Directors of SCOR SE decided, at its December 12, 2008 meeting, to apply the AFEP (Association of French Private sector Companies) and MEDEF (French Business Confederation) recommendations to the compensation of the executive corporate officer of SCOR, considering that these are in line with SCOR's corporate governance principles.

As part of the preparation of the compensation policy for the Chairman and Chief Executive Officer for the 2020 financial year, the Compensation and Nomination Committee and the Board of Directors paid particular attention to taking into account the votes of the shareholders on the remuneration policy during the General Meeting of April 26, 2019 as well as the opinions expressed by certain shareholders as part of the active shareholder dialogue with them.

In a context marked by a dispute with Covéa (refer to section 4.6.25. – Litigation) as well as by an activist campaign, the approval rates for the resolutions relating to the total compensation and benefits in kind for the Chairman and Chief Executive Officer were, for the resolution relating to the previous financial year, 54.46%, and for the resolution relating to the compensation policy, 54.56%.

Taking note of these results, and while considering the particular circumstances that led to them, the Compensation and Nomination Committee decided to carry out an in-depth review of the compensation policy, based on a detailed presentation by the Secretary General and the Lead Director of the opinions expressed by the shareholders before and after the Shareholders' Meeting. This presentation was submitted to the Committee at its July 2019 meeting and was then updated for its October and December 2019 and January and February 2020 meetings. At each of its meetings, the Committee discussed possible developments that were regularly fed by the shareholder dialogue during this period.

This work contributed to the content of the recommendations made by the Committee to the Board of Directors, which validated them at its meeting of February 26, 2020.

The proposed changes concern:

- reinforcing the justification of the rates of achievement of personal objectives, particularly in the event of a rate of achievement exceeding 100%: the Committee and the Board of Directors decided to pay particular attention to this point during their deliberations on the achievement of objectives for the 2019 financial year and the setting of objectives for 2020;
- the replacement of the linear scale for calculating the portion of annual variable compensation relating to the ROE target by a stepwise scale that is systematically less favorable, particularly in the event of ROE achieved below the ROE target (minimum threshold raised from 30% to 50% of the target). On the Committee's recommendation, the Board of Directors also decided that this new scale would be applied retroactively to the calculation of the portion of annual variable compensation for the 2019 financial year;
- the introduction of a pro rata measure for free share and stock option plans in the event of a forced departure for reasons other than fault or insufficient performance;
- the fact that in the event of dismissal, the calculation of variable compensation for the current financial year must be subject to an ad hoc evaluation and is no longer determined on the basis of the variable compensation for the previous financial year;
- no payment of variable compensation in the event of dismissal for misconduct.

Principles and rules for determining the compensation and benefits of the Chairman and Chief Executive Officer

The compensation policy for the Chairman and Chief Executive Officer is set by the Board of Directors and is subject to an annual review in light of the recommendations made by the Compensation and Nomination Committee.

This compensation policy rests on the principles set out below, which are consistent with SCOR Group global compensation policy principles and rigorously applied by the Compensation and Nomination Committee as part of its work, both in the creation and development of the compensation policy submitted to the Board with regard to the Chairman and Chief Executive Officer and in its attribution proposals.

During their deliberations on his personal situation, in which the Chairman and Chief Executive Officer does not take part, the Compensation and Nomination Committee and the Board of Directors ensure that the compensation policy of the Chairman and Chief Executive Officer is in line with the social interest of the Company, contributes to its sustainability and is part of its business strategy.

Exhaustiveness

Each element composing the compensation and benefits is analyzed individually and then collectively, in order to reach the appropriate balance between fixed and variable, individual and collective, short- and long-term components, including the benefit at the end of the mandate resulting from the supplementary pension scheme.

Compliance

The compensation policy was established in accordance with the recommendations of the AFEP-MEDEF Code as revised in January 2020.

Talent management and alignment of interests

The compensation policy of SCOR constitutes a tool that enables the Group to attract, motivate and retain talents at the highest level, and to meet the expectations of shareholders and other stakeholders, notably in terms of transparency and the link between compensation and performance.

The compensation policy for the Chairman and Chief Executive Officer is aligned with the compensation policy applied to employees. For all Partners of the Group around the world, the compensation items follow a similar structure and include several dimensions: a fixed part and a variable part, an immediately paid part and a deferred part, an individual part and a collective part.

The Group's compensation policy favors performance shares and stock options over cash compensation, which distinguishes SCOR from most of its peers. This policy allows maximum alignment with the interests of shareholders, during the performance measurement period (three or six years) and beyond through the holding of SCOR shares over time. In particular, it encourages long-term performance. It also allows costs to be kept under control, since taxation and employer charges on performance shares are, in France, lower than those on cash compensation.

The performance conditions, both for the collective portion of the annual variable compensation and for the performance shares and stock options, are perfectly aligned with SCOR's strategic objectives: profitability and solvency.

The performance condition based on solvency, consistent with the Group's risk appetite, notably avoids encouraging excessive risk-taking.

The individual objectives of the Chairman and Chief Executive Officer are proposed each year by the Compensation and Nomination Committee and set by the Board of Directors with the ambition of guaranteeing the resilience of the company and the creation of value for shareholders. Individual objectives are assigned to the Chairman and Chief Executive Officer in terms of corporate social responsibility.

Comparability and competitiveness

The Board of Directors has decided that the evolution of the Chairman and Chief Executive Officer's compensation would be determined in the light of benchmark analysis.

Consequently, market studies are regularly conducted by an external company for the Compensation and Nomination Committee, in order to put into perspective the amount and structure of the Chairman and Chief Executive Officer's compensation compared to a panel of peers made up of the main global reinsurers selected by premium income and for which information on the pay of top management is available (Alleghany, Arch Capital Group, Axis Capital Holdings, Everest Re, Great West Lifeco, Hannover Re, Munich Re, Reinsurance Group of America and Swiss Re). The last benchmark conducted by Mercer has been made in 2019 based on available data from the previous year. The Chairman and Chief Executive Officer's 2018 total compensation was equal to 114% of the median.

Structure of the Chairman and Chief Executive Officer's compensation

The structure of the Chairman and Chief Executive Officer's compensation is in line with market practice and is mainly composed of cash compensation, including a fixed part and an annual variable part, as well as variable long-term compensation and a supplementary pension scheme.

Fixed compensation

Determination

The fixed compensation of the Chairman and Chief Executive Officer, payable in 12 monthly installments, is determined on the basis of:

- the level and complexity of his responsibilities;
- his career path, professional experience and expertise;
- market analysis with regard to comparable functions (external competitiveness);
- consistency with regard to other Group functions (internal equality).

Evolution

The Board of Directors has decided that the fixed compensation of the Chairman and Chief Executive Officer may only evolve in the event of a significant development in his scope of responsibility, or a discrepancy in terms of his positioning on the market. In these specific situations, any adjustment to the fixed compensation, along with the motives behind such adjustment, will be made public.

For the financial year 2019, the Board of Directors decided at its February 26, 2020 meeting that the fixed compensation would remain at EUR 1,200,000.

This amount has been unchanged since January 1, 2008.

Recruitment

The Board of Directors has decided that, should a new Chief Executive Officer be appointed, these same principles will apply.

Directors' compensation of the Chairman and Chief Executive Officer

As a director of SCOR SE, the Chairman and Chief Executive Officer receives directors' compensation. This compensation is attributed under the conditions set out in section 2.2.1.4.1. – Compensation Policy of the Directors.

It should be noted that the Chairman and Chief Executive Officer does not receive compensation for his other mandates as Director of subsidiaries of the SCOR Group.

Variable annual compensation

Objective

This variable compensation is designed to encourage the Chairman and Chief Executive Officer to achieve the annual performance objectives fixed by the Board of Directors on the proposal of the Compensation and Nomination Committee, in line with the Company's strategy.

In accordance with the AFEP-MEDEF Code, the potential amount of variable compensation is expressed as a percentage of the fixed compensation.

More specifically, this variable portion depends on objectives applicable to financial and personal parameters representing expected performance, and there is no minimum guaranteed amount.

Structure of the variable remuneration

The target variable annual portion of the Chairman and Chief Executive Officer rests on transparent and demanding objectives tailored to the Group's activity sector.

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 (quantitative or qualitative), defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee.

The personal objectives are essentially defined on the basis of the following categories:

- Solvency;
- Strategy;
- Risk management;
- Corporate Social Responsibility.

Each year, the Board of Directors examines, and then validates, the number, nature and weight of the personal objectives.

At the end of each year, and for each objective, the level of the achieved result compared to the expected target is communicated, with a justification of the achievement rate.

Performance thresholds

The target variable annual compensation represents 100% of the fixed compensation.

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 financial objectives (capped at a maximum of 130% of the target of financial objectives portion) and personal objectives (capped at a maximum of 150% of the target of the personal objectives portion) which may increase the variable annual compensation of the Chairman and Chief Executive Officer up to a ceiling of 140% of his variable annual target compensation.

In order to take into account the most recent shareholders votes on compensation policy as well as the opinions expressed by certain shareholders, the Board of Directors has decided to make the calculation of the portion of annual variable compensation relating to the financial objective more demanding, and to pay it in accordance with the table below:

Ratio between the observed ROE and the Target ROE	Proportion of the target paid
From 130%	**130 %**
Between 120% and 124.99%	120 %
Between 110% and 119.99%	110 %
Between 100% and 109.99%	**100 %**
Between 90% and 99.99%	90 %
Between 80% and 89.99%	80 %
Between 70% and 79.99%	70 %
Between 60% and 69.99%	50 %
Between 50% and 59.99%	25 %
Below 50%	**0 %**

It should be noted that this method of calculation is systematically more demanding than that provided for in the compensation policy applicable to the Group's Partners, which provides for a linear payment equal to the ratio observed ROE / target ROE, with a floor at 30% and a ceiling at 130%. It is this method of calculation which has until now also been applied to the Chairman and Chief Executive Officer.

Moreover, the Group policy states that, for participation in and strong contribution to the success of specific strategic projects, an additional 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, and consequently it cannot exceed 165% of his fixed annual compensation.

Payment conditions

The variable compensation for year "Y" is paid during the year "Y+1". Applying the applicable regulatory provision, the payment of the variable annual compensation is subject to the approval of the Shareholders' Meeting.

Termination of duties

In order to take into account the most recent shareholder votes on compensation policy and the opinions expressed by certain shareholders, the Board of Directors has decided to change the compensation arrangements in the event that the Chairman and Chief Executive Officer leaves during the year:

Should the Chairman and Chief Executive Officer leave during the current year:

- his variable compensation relating to the previous year will be payable during the current year (unchanged from the 2019 compensation policy);
- in the event of dismissal, the amount of his variable compensation for the current year will be determined by the Board of Directors pro rata temporis to his presence within the Group, without any other specific provision (whereas the 2019 compensation policy provided that the amounts allocated are determined on the basis of the variable compensation relating to the previous financial year);
- no variable portion will be paid for the current financial year in the event of dismissal for misconduct (an addition compared to the 2019 compensation policy).

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, it being specified that if the appointment is made during the current year, the amount due will be prorated based on presence within the Group. Nevertheless, if an appointment is made during the second half of the year in question, performance will be assessed at the discretion of the Board of Directors on the proposal of the Compensation and Nomination Committee.

Moreover, the Board of Directors may also decide to award an amount designed to compensate the new executive corporate officer hired from a company outside the Group for the loss of the variable annual compensation linked to his/her departure from his/her previous employer, bearing in mind that the payment of such compensation may only take place with the approval of shareholders, in accordance with Article L. 225-37-2 of the French Commercial Code.

Exceptional compensation

No exceptional remuneration of this sort has been paid by the Company over the past few years.

The Board of Directors has decided that the Chairman and Chief Executive Officer will not benefit from exceptional compensation for the fiscal year ended on December 31, 2020.

Long-term variable compensation

The Board of Directors considers that long-term variable compensation, which is a significant component of the remuneration of all Group Partners (around 25% of the workforce), is particularly well suited to the function of Chairman and Chief Executive Officer, given the expected level of his direct contribution to the long-term, overall performance of the Company. This compensation policy favors stock options and performance shares over variable cash compensation, thereby promoting a strong alignment of the interests of beneficiaries with those of shareholders, both during the performance measurement period and beyond, through holding of those shares.

At its February 26, 2020 meeting, the Board of Directors decided that the Chairman and Chief Executive Officer would be granted a maximum of 125,000 performance shares and 100,000 stock options in 2020.

The performance shares would require a vesting period of three years after the grant date and would be subject to performance conditions over three calendar years, *i.e.* 2020, 2021 and 2022 for the plans granted in 2020.

The stock options could be exercised at the earliest four years after the grant date and would be subject to performance conditions over three calendar years, *i.e.* 2020, 2021 and 2022 for the plans granted in 2020.

Performance conditions

The Board of Directors has decided to subject all stock option and performance share allocations made to the Chairman and Chief Executive Officer to performance conditions, in line with the main strategic objectives of SCOR as set out below.

Identical to those applicable to other Group beneficiaries, these performance conditions rest on demanding levels and full transparency, the results being based on public data.

Each year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, confirms or determines the performance conditions, their weighting, their targets and their achievement levels, based on the authorizations granted by the Shareholders' Meeting. All of these conditions are made public every year in this document.

For 50% of the allocation:

- Achievement over the period used to measure the performance conditions (three years), of a level of average return on equity ("ROE") equal to the average of SCOR's strategic target ROE for the period (the "Target ROE").
- If the observed average ROE is lower or higher than the Target ROE, the shares will be acquired/the stock options may be exercised based on the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares definitively acquired / options that could be exercised under this criterion
From 100%	**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%**

In any case, if the average ROE is lower than 5%, the portion of shares definitively acquired / the portion of stock options that could be exercised based on this criterion would be at 0%.

For the remaining 50%:

- Achievement, during the period used to measure the performance criteria (three years), of an average solvency ratio that is at least equal to the average of SCOR's strategic target solvency ratio over the period (the "Target Solvency Ratio")*.
- If the observed average solvency ratio is lower than the "Target Solvency Ratio"*, the shares will be acquired/the stock options may be exercised according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio*	Proportion of the shares definitively acquired / options that could be exercised under this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

** If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio*.*

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

In addition, notwithstanding the total or partial achievement of the two conditions described above, the definitive acquisition of shares and the right to exercise the stock-options would be subject, in any event, to strict compliance by all the beneficiaries with the Group's ethical principles as set out in the Group's code of conduct (the "Group Code of Conduct"). The Group Code of Conduct covers mandatory aspects of corporate responsibility, including: integrity, data protection and privacy protection, combating corruption, strict compliance with sanctions and embargos, prevention of money laundering, transparency, promoting equal opportunities in all areas of employment, encouraging the notification of ethical issues via an alerts procedure, together with the promotion of and respect for the principles of the United Nations Global Compact. In the event of a breach of the Code of Conduct, for instance in the event of fraud, no shares will be definitively acquired, and no stock options could be exercised (claw back policy).

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the definitive acquisition of the shares and the right to exercise all or some options would be subject, in any event, to the fulfilment of the corporate social responsibility (CSR) training obligation.

Presence condition

Other than in specific cases [(1)], the definitive acquisition of performance shares and the right to exercise stock options by the Chairman and Chief Executive Officer are subject to a presence condition until the end of the acquisition period.

In order to take into account the most recent shareholders votes on compensation policy as well as the opinions expressed by certain shareholders, the Board of Directors, on the proposal of the Compensation and Nomination Committee, decided to abolish the full waiver of the condition of presence in the event of forced departure for reasons other than misconduct or insufficient performance, and to apply a pro rata measure from now on (see "Severance Pay" below).

Allocation ceiling

In accordance with the authorizations by the Shareholders' Meetings, the stock options and performance shares granted to the Chairman and Chief Executive Officer cannot exceed 10% of the total allocations.

The maximum grants for 2020 decided by the Board of Directors at its meeting on February 26, 2020, comply with this ceiling:

- A grant of 125,000 performance shares would represent 4.2% of the performance shares authorized by the Shareholders' Meeting;
- A grant of 100,000 stock options would represent 6.7% of the stock options authorized by the Shareholders' Meeting.

(1) Death, Disability or Retirement.

Holding shares

The Board of Directors has decided that the Chairman and Chief Executive 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 shares, during the entire duration of his mandate.

Moreover, the Chairman and Chief Executive Officer has made a formal commitment not to use hedging instruments on the stock options and/or performance shares that have been granted to him, for the entire duration of his mandate.

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, bearing in mind that a specific allocation may be made to compensate the new executive corporate officer for the loss of the variable long-term compensation linked to his/her departure from his/her previous employer.

Multi-year compensation

The Board of Directors has decided not to use this type of long-term compensation system with a cash payment, preferring to focus instead on share-based instruments that strengthen the alignment of interests with shareholders.

Nevertheless, such a system may be envisaged if regulatory developments or any other circumstance make it too restrictive or impossible for the Company to use a share-based instrument.

Severance Pay

Since 2011, the Chairman and Chief Executive Officer benefits from a severance pay scheme that was last reviewed by the Board of Directors at its meeting of February 21, 2018 and approved by the Combined Shareholders' Meeting of April 26, 2018 in its 5th resolution.

In the event of the termination of the Chief Executive Officer's term of office, the benefits he may be allocated would be determined according to the following situations:

(i) in the event of dismissal for misconduct, non-renewal of the term of office of the Chief Executive Officer, resignation (other than for the purposes of paragraphs (ii) and (iii) below) or following a notably negative performance of the Company (non-achievement of the performance condition (C_n) as described below) no severance pay will be due;

(ii) in the event of a forced departure or dismissal prior to the twelve (12) months preceding the end of his term of office as Chief Executive Officer, typically for divergent views on the Group's strategy, the Chief Executive Officer would then benefit from severance pay equal to the sum of the fixed and variable components of his gross annual compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due if the performance condition (C_n) defined below is not fulfilled.

In the event of forced departure or dismissal during the twelve (12) months preceding the end of his term of office, no severance pay would be due.

(iii) in the event of forced departure or dismissal resulting from an unsolicited offer or not recommended by the Board of Directors of the Company resulting in a change of control of the Group, the Chief Executive Officer would receive severance pay equal to the sum of the fixed and variable elements of his annual gross compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due in case of non-fulfillment of the performance condition (C_n) defined below.

Moreover, in the cases referred to in paragraphs (ii) and (iii) above, and excluding the case referred to in paragraph (i), the rights to the performance shares and options that would have been granted to him before his departure would be maintained on a pro rata temporis basis of his presence within the Group during the acquisition period while remaining subject, in their entirety, to the performance conditions of each of the plans.

This rule, which is more restrictive than the one approved by the Combined General Meeting of April 26, 2018, was decided by the Board of Directors in order to take into account the most recent shareholder votes on compensation policy as well as the opinions expressed by certain shareholders.

The performance condition (C_n), approved by the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will be met if both criteria below are fulfilled:

(A) SCOR's average return on equity "ROE" for the three financial years preceding the date of departure of the Chief Executive Officer exceeds 50% of the average of the strategic objective of ROE (defined in the strategic plan) of SCOR calculated on the same period (the "Target ROE");

(B) the average solvency ratio of SCOR for the three financial years preceding the date of departure of the Chief Executive Officer exceeds the average of the strategic solvency ratio target (defined in the strategic plan) of SCOR calculated over the same period (the "Target Solvency Ratio"); it being specified that in the event that the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

The purpose of these criteria is to ensure alignment with successive strategic plans, particularly the "Quantum Leap" strategic plan, by incorporating their objectives and thus being representative of the impact of the Chairman and Chief Executive Officer on the Group's performance.

The Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will assess whether or not the performance conditions have been met.

Finally, in the event of the termination of the Chairman and Chief Executive Officer's duties, there is no non-competition clause.

Recruitment

The Board of Directors has decided that, in the event of the nomination of a new CEO, the conditions of his/her severance pay will not be more favorable than those currently in force.

Supplementary pension plan

Since he joined the Group in 2020, and 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 reference income, 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 has reached the ceiling of 45% set by the plan. Consequently, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary has no practical implications in his case.

This guarantee is calculated according to a reference income 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 this supplementary pension plan, subject to still being in the Company as a corporate officer or an employee of the Company when the benefits are granted.

This plan was approved by the Board of Directors at its meeting of February 21, 2018 and by the Combined Shareholders' Meeting of April 26, 2018 in its 4th resolution.

Benefits in kind

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 also benefits 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 in an amount equivalent to three years of fixed and variable compensation; this insurance policy is taken out by the Company.

To this end, an individual insurance policy 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 which benefits 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 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.

Deputy Chief Executive Officer

In the event of the appointment of one or more Deputy Chief Executive Officers (Directeurs Généraux Délégués), the remuneration components, principles and criteria set out in the Compensation Policy and the benefits granted to the Chairman and Chief Executive Officer would also apply to them. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the objectives, performance levels, parameters and structure, bearing in mind that the target amounts expressed as percentages of the fixed compensation may not be higher than those of the Chairman and Chief Executive Officer.

Non-Executive Chairman

In the event of the appointment of a Non-Executive Chairman, the compensation principles set out in the Compensation Policy granted to the Chairman and Chief Executive Officer would be used as a reference. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the structure to align it with market practices and the recommendations of the AFEP-MEDEF Code (Article 24.2). It is mentioned in particular that the Non-Executive Chairman may not be awarded variable compensation, performance shares or stock options.

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 benefits in kind for the Executive Committee members (other than the Chairman and Chief Executive Officer)

Governance

The structure of the compensation of Executive Committee members is mainly composed of cash compensation, including a fixed part and an annual variable part, as well as variable long-term compensation in the form of stock-options and performance shares.

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 and the amount of the stock-options and performance shares programs granted to the members of the Executive Committee.

The variable portion of the compensation depends on the achievement of the Group's return on equity (ROE) objective, and on the achievement of individual objectives.

The members of the Executive Committee do not receive compensation 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.

If within a 12 month period following a change of control, a member of the Executive Committee were dismissed (except for serious or gross misconduct) or decided to resign, he/she would benefit from an indemnity equal to the sum of fixed and variable compensation and non-exceptional cash benefits paid by the Group during the two years preceding his/her departure. However this indemnity shall not be payable if SCOR's average solvency ratio over the three financial years preceding the date of departure is less than SCOR's strategic solvency ratio target average (defined in the strategic plan), calculated over the same period (the "Target Solvency Ratio") (it being specified that, if the strategic plan defines a target or "optimum" range, the lower end of this range shall be considered the Target Solvency Ratio for the purposes of the calculation). The concept of "change of control" referred to above includes any significant capitalistic change in SCOR, including, *inter alia*, one that may lead to a change in the composition of the Board of Directors or a change in the Chief Executive Officer of SCOR. Moreover, the rights to the performance shares and options granted before the departure would be maintained whilst remaining subject, in their entirety, to the performance conditions of each of the plans.

Pension benefits

As it is the case for 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 pension plan conditional notably 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 the member with a Swiss contract who benefits 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 Executive Committee members under French contracts and hired before June 30, 2008 or under a Swiss contract, 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, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the average compensation over the last five years.

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 41 million as at December 31, 2019, *i.e.* 8% of the total commitment of the Group for pension plans of EUR 503 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, 2019

The following table presents the aggregate gross compensation in respect of financial years 2019, 2018 and 2017 due and paid to the members of the Executive Committee (including and excluding the executive corporate officer):

	2019		2018		2017	
In EUR	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	4,919,592	4,689,552	4,674,450	4,632,784	4,861,319	4,861,319
Variable compensation	3,809,103	3,341,432	3,861,159	3,486,675	3,777,102	4,853,222
Allowances	70,530	70,530	65,106	65,106	154,417	154,417
Gross compensation of the Executive Committee members excluding the executive corporate officer (1)	**8,799,225**	**8,101,514**	**8,600,715**	**8,184,565**	**8,792,838**	**9,868,958**
Denis Kessler	2,360,200	2,460,400	2,454,400	2,390,020	2,375,020	2,674,600
TOTAL EXECUTIVE COMMITTEE	**11,159,425**	**10,561,914**	**11,055,115**	**10,574,585**	**11,167,858**	**12,543,558**

(1) Executive Committee members include Laurent Rousseau and Brona Magee since 2018. Benjamin Gentsch and Simon Pearson left the Executive Committee in 2018. Executive Committee members include Jean-Paul Conoscente since 2019. Victor Peignet left the Executive Committee in 2019.

For information on stock options and performance shares held by the 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, 2019

The table below presents the stock option plans granted to the Executive Committee and the executive corporate officer as at December 31, 2019

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Exercise period			Exercisable options	Options exercised
Denis Kessler	125,000	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	125,000
	125,000	03/18/2010	18.40	03/19/2014	to	03/18/2020	-	125,000
	125,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	125,000	-
	125,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	125,000	-
	100,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	100,000	-
	100,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	100,000	-
	100,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	100,000	-
	25,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	100,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	100,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	100,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**1,125,000**						**550,000**	**250,000**
Frieder Knüpling	15,000	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	15,000
	32,000	03/18/2010	18.40	03/19/2014	to	03/18/2020	-	32,000
	40,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	-	40,000
	40,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	-	40,000
	40,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	20,000	20,000
	40,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	40,000	-
	40,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	40,000	-
	50,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	50,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	40,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	48,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**435,000**						**100,000**	**147,000**
Mark Kociancic	7,500	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	7,500
	7,500	03/18/2010	18.40	03/19/2014	to	03/18/2020	-	7,500
	7,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	-	7,000
	13,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	-	13,000
	40,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	40,000	-
	40,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	40,000	-
	60,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	60,000	-
	50,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	60,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	40,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	48,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**373,000**						**140,000**	**35,000**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Exercise period			Exercisable options	Options exercised
Paolo De Martin	48,000	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	48,000
	48,000	03/18/2010	18.40	03/19/2014	to	03/18/2020	-	48,000
	48,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	48,000	-
	48,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	48,000	-
	48,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	48,000	-
	60,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	60,000	-
	60,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	60,000	-
	60,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	60,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	48,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	48,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**576,000**						**264,000**	**96,000**
Jean-Paul Conoscente	5,000	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	5,000
	6,000	03/18/2010	18.40	03/19/2014	to	03/18/2020	1,000	5,000
	5,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	3,000	2,000
	5,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	5,000	-
	5,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	5,000	-
	3,750	03/20/2014	25.06	03/21/2018	to	03/20/2024	3,750	-
	3,375	03/20/2015	29.98	03/21/2019	to	03/20/2025	3,375	-
	3,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	2,250	12/01/2017	34.75	12/02/2021	to	12/01/2027	-	-
	3,294	12/22/2018	40.81	12/23/2022	to	12/22/2028	-	-
	40,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**81,669**						**21,125**	**12,000**
Romain Launay	10,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	-	10,000
	5,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	155	4,845
	3,750	03/20/2014	25.06	03/21/2018	to	03/20/2024	3,750	-
	6,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	6,000	-
	40,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	40,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	32,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	32,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**168,750**						**9,905**	**14,845**
François de Varenne	32,000	03/23/2009	14.92	03/23/2013	to	03/22/2019	-	32,000
	40,000	03/18/2010	18.40	03/19/2014	to	03/18/2020	-	40,000
	40,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	-	40,000
	40,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	-	40,000
	40,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	-	40,000
	40,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	40,000	-
	40,000	03/20/2015	29.98	03/21/2019	to	03/20/2025	40,000	-
	40,000	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	40,000	03/10/2017	33.78	03/11/2021	to	03/10/2027	-	-
	40,000	03/08/2018	35.10	03/09/2022	to	03/08/2028	-	-
	48,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**440,000**						**80,000**	**192,000**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Exercise period			Exercisable options	Options exercised
Laurent Rousseau	7,500	10/12/2010	17.79	10/13/2014	to	10/12/2020	-	7,500
	4,000	03/22/2011	19.71	03/23/2015	to	03/22/2021	-	4,000
	4,000	03/23/2012	20.17	03/24/2016	to	03/23/2022	-	4,000
	4,000	03/21/2013	22.25	03/22/2017	to	03/21/2023	-	4,000
	3,000	03/20/2014	25.06	03/21/2018	to	03/20/2024	3,000	-
	3,750	03/20/2015	29.98	03/21/2019	to	03/20/2025	3,750	-
	3,750	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	2,814	12/01/2017	34.75	12/02/2021	to	12/01/2027	-	-
	25,026	12/22/2018	40.81	12/23/2022	to	12/22/2028	-	-
	32,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**89,840**						**6,750**	**19,500**
Brona Magee	4,500	03/20/2015	29.98	03/21/2019	to	03/20/2025	4,500	-
	5,628	03/10/2016	31.58	03/11/2020	to	03/10/2026	-	-
	3,978	12/01/2017	34.75	12/02/2021	to	12/01/2027	-	-
	14,320	12/22/2018	40.81	12/23/2022	to	12/22/2028	-	-
	32,000	03/07/2019	38.66	03/08/2023	to	03/07/2029	-	-
Total	**60,426**						**4,500**	**-**
GRAND TOTAL	**3,349,685**						**1,176,280**	**766,345**

The annual reports published by the company on previous years show the information related to the plans for which the exercise period ended before 2019.

2.2.3.2. Free allocation of shares to the members of the Executive Committee and the executive corporate officer as at December 31, 2019

The table below presents the share award rights granted to the Executive Committee and the executive corporate officer as at December 31, 2019:

	Plan	Share award rights	Number of Shares acquired	Price per share at transfer date *(in EUR)*	Effective vested value at transfer date *(in EUR)*	Negotiability date
Denis Kessler	2011-2019 Long Term Incentive Plan	125,000	118,750	34.95	4,150,313	09/02/2019
	2015 Plan	125,000	125,000	35.10	4,387,500	03/05/2019
	2016 Plan	125,000	106,250	39.15	4,159,688	02/24/2019
	2016-2022 Long Term Incentive Plan	75,000	-	-	-	02/24/2022
	2017 Plan	125,000	-	-	-	02/22/2020
	2018 Plan	125,000	-	-	-	02/22/2021
	2019 Plan	125,000	-	-	-	02/20/2022
Total		**825,000**	**350,000**		**12,697,500**	
Frieder Knüpling	2011-2019 Long Term Incentive Plan	40,000	38,000	36.22	1,376,360	09/02/2019
	2013-2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2015 Plan	40,000	40,000	39.88	1,595,200	03/05/2019
	2016 Plan [(1)]	50,000	42,500	39.15	1,663,875	02/24/2019
	2017 Plan [(1)]	50,000	-	-	-	02/22/2020
	2017-2023 Long Term Incentive Plan [(1)]	50,000	-	-	-	02/22/2023
	2018 Plan [(1)]	50,000	-	-	-	02/22/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	60,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	30,000	-	-	-	02/20/2025
Total		**410,030**	**120,500**		**4,635,435**	
Mark Kociancic	2011-2019 Long Term Incentive Plan	7,000	6,650	36.22	240,863	09/02/2019
	2013-2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2015 Plan	60,000	60,000	39.88	2,392,800	03/05/2019
	2016 Plan [(1)]	50,000	42,500	39.15	1,663,875	02/24/2019
	2017 Plan [(1)]	60,000	-	-	-	02/22/2020
	2018 Plan [(1)]	50,000	-	-	-	02/22/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	60,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	30,000	-	-	-	02/20/2025
Total		**357,030**	**109,150**		**4,297,538**	
Paolo De Martin	2011-2019 Long Term Incentive Plan	48,000	45,600	36.22	1,651,632	09/02/2019
	2013-2021 Long Term Incentive Plan	48,000	-	-	-	03/06/2021
	2015 Plan	60,000	60,000	39.88	2,392,800	03/05/2019
	2016 Plan [(1)]	60,000	51,000	39.15	1,996,650	02/24/2019
	2017 Plan [(1)]	60,000	-	-	-	02/22/2020
	2018 Plan [(1)]	60,000	-	-	-	02/22/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	60,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	30,000	-	-	-	02/20/2025
Total		**426,030**	**156,600**		**6,041,082**	
Jean-Paul Conoscente	2011-2019 Long Term Incentive Plan	5,000	4,750	36.22	172,045	09/02/2019
	2016 Plan	4,000	3,400	39.15	133,110	02/24/2019
	2016-2022 Long Term Incentive Plan	4,000	-	-	-	02/24/2022
	2017 Plan	3,000	-	-	-	12/02/2020
	2017-2023 Long Term Incentive Plan	1,000	-	-	-	12/02/2023
	2018 Plan	4,242	-	-	-	12/23/2021
	2018 Plan	150	-	-	-	12/24/2021
	2019 Plan	50,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	25,000	-	-	-	02/20/2025
Total		**96,392**	**8,150**		**305,155**	

	Plan	Share award rights	Number of Shares acquired	Price per share at transfer date *(in EUR)*	Effective vested value at transfer date *(in EUR)*	Negotiability date
Romain Launay	2014-2022 Long Term Incentive Plan	5,000	-	-	-	03/05/2022
	2016 Plan	40,000	34,000	39.15	1,331,100	02/24/2019
	2017 Plan	40,000	-	-	-	02/22/2020
	2018 Plan	40,000	-	-	-	02/22/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	40,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	20,000	-	-	-	02/20/2025
Total		**185,030**	**34,000**		**1,331,100**	
François de Varenne	2011-2019 Long Term Incentive Plan	40,000	38,000	34.95	1,328,100	09/02/2019
	2016 Plan	40,000	34,000	39.15	1,331,100	02/24/2019
	2016-2022 Long Term Incentive Plan	40,000	-	-	-	02/24/2022
	2017 Plan	40,000	-	-	-	02/22/2022
	2018 Plan	50,000	-	-	-	02/22/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	60,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	30,000	-	-	-	02/20/2025
Total		**300,030**	**72,000**		**2,659,200**	
Laurent Rousseau	2013-2021 Long Term Incentive Plan	4,000	3,800	39.73	150,974	03/06/2021
	2016 Plan	5,000	4,250	39.15	166,388	02/24/2019
	2016-2022 Long Term Incentive Plan	5,000	-	-	-	02/24/2022
	2017 Plan	3,752	-	-	-	12/02/2020
	2017-2023 Long Term Incentive Plan	1,250	-	-	-	12/02/2023
	2018 Plan	31,252	-	-	-	12/23/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	40,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	20,000	-	-	-	02/20/2025
Total		**110,284**	**8,050**		**317,362**	
Brona Magee	2014-2022 Long Term Incentive Plan	6,000	-	-	-	03/05/2022
	2016 Plan (1)	7,504	6,379	39.15	249,738	02/24/2019
	2017 Plan (1)	5,304	-	-	-	12/02/2020
	2017-2023 Long Term Incentive Plan (1)	1,500	-	-	-	02/12/2023
	2018 Plan (1)	17,870	-	-	-	12/23/2021
	2018 Plan	30	-	-	-	12/24/2021
	2019 Plan	40,000	-	-	-	02/20/2022
	2019-2025 Long Term Incentive Plan	20,000	-	-	-	02/20/2025
Total		**98,208**	**6,379**		**249,738**	
GRAND TOTAL		**2,808,034**	**864,829**		**32,534,109**	

(1) Shares allocated in non-qualified plans.

The annual reports published by the company on previous years show the information related to the plans covering shares delivered before 2019.

2.2.3.3. Potential volume of new shares from outstanding share-based compensation plans as of December 31, 2019

The potential volume of new shares from outstanding share-based compensation plans stood at 5,832,945 shares as of December 31, 2019, broken down as follows:

Potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments	5,832,945
• of which number of potential new shares from outstanding stock option plans (options allocated but not vested + options vested but not exercised)	4,481,085
• of which number of potential new shares from outstanding free share plans (free shares allocated but not vested) (1)	0
• of which number of potential new shares from outstanding warrants	0
• of which unused authorizations still outstanding (2)	1,351,860

(1) The free share allocation plans currently in force only allocate existing shares.

(2) Authorization granted by the Shareholders' Meeting of April 26, 2019 in its 23rd resolution (stock options).

Notably, no new shares can 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 13,417,768 on December 31, 2019, due to the addition of (i) outstanding free share allocation plans (shares allocated but not vested on December 31, 2019, *i.e.* 5,383,825 shares) and, (ii) the unused part of the authorization granted by the Shareholders' Meeting of April 26, 2019 in its 24th resolution concerning the free allocation of outstanding shares (2,200,988 shares).

The Company's fully diluted issued share capital, as defined below, stood at 229,428,691 shares as of December 31, 2019, broken down as follows:

Fully diluted issued share capital	229,428,691
• of which total shares comprising the share capital	187,049,511
• of which number of potential new shares from outstanding stock options plans	4,481,085
• of which number of potential new shares from outstanding free share plans (1)	0
• of which number of potential new shares from outstanding warrants	0
• of which potential shares from other securities convertible or redeemable into new shares (2)	37,898,095

(1) The free share allocation plans currently in force only allocate existing shares.

(2) 19,198,044 shares underlying the warrants issued on December 16, 2016 under the contingent capital facility with an exercise period starting on January 1, 2017 and expiring on May 1, 2020 and which coverage period expired on December 31, 2019, and 18,700,051 shares underlying the warrants issued on December 3, 2019 under the contingent capital facility with an exercise period starting on January 1, 2020 and expiring on May 1, 2023.

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 and unused part of the authorizations, the fully diluted share capital would stand at 237,013,514 on December 31, 2019.

As of December 31, 2019, the potential volume of new shares from outstanding share-based compensation plans and unused part of the authorizations linked to Group executive and employee compensation instruments stands at 2.54% 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 unused part of the authorizations 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 5.66% of the fully diluted share capital on December 31, 2019.

2.2.3.4. Plans providing employee profit sharing

See Section 4.6. – Notes to the consolidated financial statements, Note 14. – Employee benefits and other provisions and Appendix C – 5 – Notes to the corporate financial statements, Section 5.3.6. – 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 stock options in order to inform the Shareholders' Meeting of transactions completed under the provisions of Articles L. 225-177 to L. 225-186-1 of the same code.

On April 26, 2018, the Shareholders' Meeting authorized the Company's Board of Directors, in its 23rd resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, upon proposal of the Compensation and Nomination Committee, on one or more occasions, to grant employees of the Company and related companies or groups in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options giving the right to the subscription of new shares of the Company to be issued to increase the capital, as well as options giving the right to purchase shares of the Company repurchased by the Company as authorized by the 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 26, 2018 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 27, 2017.

On April 26, 2019, the Shareholders' Meeting authorized the Company's Board of Directors, in its 23rd resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, upon proposal of the Compensation and Nomination Committee, on one or more occasions, to grant employees of the Company and related companies or groups in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options giving the right to the subscription of new shares of the Company to be issued to increase the capital, as well as options giving the right to purchase shares of the Company repurchased by the Company as authorized by the 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 26, 2019 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 26, 2018.

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, as far 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. Therefore, there is no dilution of capital related to the grant of stock options.

March 7, 2019 stock option plan

Pursuant to a decision taken by the Board of Directors on February 19, 2019 following a proposal from the Compensation and Nominations Committee at its February 19, 2019 meeting, in accordance with the authorization granted to it by the combined Shareholders' Meeting of April 26, 2018, on March 7, 2019, 100,000 stock options were granted to the Chairman and Chief Executive Officer and 328,000 stock options were granted to other members of the Executive Committee.

Refer to Section 2.2.3.1. of this 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 opening 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 the beginning of the exercise period on March 8, 2023 until March 7, 2029 inclusive. After this date, the exercise right shall expire.

The awarded stock options will be exercisable provided:

(1) that the conditions set out in the Plan are met and in particular that the beneficiary continuously remains an employee or a corporate officer of the SCOR Group until March 7, 2023 inclusive, except as otherwise provided by the Plan;
(2) that the Group's ethical principles as described in its Code of Conduct are respected;
(3) that the annual corporate social responsibility (CSR) training obligations are met. This condition will be deemed met in case of completion of a SCOR group e-learning course on CSR-related topics and if the corresponding test has been passed.

In addition to the mandatory conditions (1), (2) and (3), the exercise of all stock options allocated is subject to performance conditions.

Half of the options will be exercisable provided that SCOR's average return on equity "ROE" over three years (from January 1, 2019 to December 31, 2021) is equal to SCOR's average strategic ROE target (the "Target ROE") over the same period. If the observed average ROE is lower or higher than the Target ROE, the stock options will be exercisable according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options that can be exercised under 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%**

In any case, if the observed average ROE is lower than 5%, the proportion of stock options that could be exercised under this criterion would be 0%.

The remaining half of the options will be exercisable provided that the average solvency ratio over three years (from January 1, 2019 to December 31, 2021) is at least equal to SCOR's average strategic solvency ratio target over the same period (the "Target Solvency Ratio" [(1)]). Nevertheless, if the average solvency ratio recorded is lower than the Target Solvency Ratio, the stock options will be exercisable according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the options that can be exercised under this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case may the application of these performance conditions lead to an exercisability of more than 100% of the original grant.

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

October 25, 2019 stock option plan

Pursuant to a decision taken by the Board of Directors on October 23, 2019 following a proposal from the Compensation and Nominations Committee at its October 23, 2019 meeting, in accordance with the authorization granted to it by the Combined Shareholders' Meeting of April 26, 2019, 148,140 stock options were granted on October 25, 2019 to 53 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.

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 a twenty-day average opening share price of SCOR SE's shares before the grant date. The stock options can be exercised on one or more occasions from the beginning of the exercise period on October 26, 2023 until October 25, 2029 inclusive. After this date, exercise rights shall expire.

All the options awarded are subject to the satisfaction of performance conditions (for the description of the performance conditions, refer to the section related to March 7, 2019 stock option plan).

Under no circumstances will the application of these performance conditions lead to a number of exercisable options higher than the initial award, and the outperformance of the ROE criterion cannot offset under-performance of the solvency criterion.

The table below presents the total number of stock options allocated in 2018 and 2019 by category of beneficiary within the Group:

	Total number of stock options allocated in 2019	Total number of beneficiaries in 2019	Total number of stock options allocated in 2018	Total number of beneficiaries in 2018
Corporate officer [(1)]	100,000	1	100,000	1
Members of the Executive Committee	328,000	8	319,346	9
Partners	148,140	53	158,742	55
TOTAL	**576,140**	**62**	**578,088**	**65**

(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 16.2 – Stock options and share allocations.

(1) If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

Achievement of the performance conditions observed in 2019

The validation of performance conditions has been performed for no stock option plan in 2019, because no performance conditions have to be observed in 2019.

Stock option plans currently in force within the Group

The options granted since the financial year ended December 31, 2005 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, as applicable, to the satisfaction of performance conditions. Thus, 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 performance conditions. 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.

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

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 exercised 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)	347,500	38.57	March 7, 2019 October 25, 2019
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)	174,345	20.24	November 25, 2009 March 23, 2009 March 18, 2010 March 23, 2012 March 21, 2013 March 20, 2014 March 20, 2015

For additional information on the stock options plans currently in force within the Group see Appendix C – 5. Notes to the corporate financial statements, Section 5.3.5. – Stock options.

Free share allocation plans

Pursuant to the 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 Shareholders' Meeting of transactions completed under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the same code.

On April 26, 2018, the Shareholders' Meeting of the Company, in its 24th 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, in favor of 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 in favor of the corporate officers as defined under Article L. 225-197-1-II of the French Commercial Code, free allocations of existing ordinary shares of the Company and resolved that the Company's Board of Directors would determine the identity of the beneficiaries of the allocation as well as the rights and conditions attached to the conditional entitlement to receive the shares.

The Shareholders' Meeting also decided that (i) the total number of free shares granted under the conditions and, if applicable, subject to the fulfillment of the performance conditions set by the Board of Directors further to a proposal from the Compensation and Nomination Committee, pursuant to 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.

This authorization was given for a period of 24 months from the date of Shareholder's meeting, *i.e.* until April 26, 2020 and rendered ineffective, for its unused part, the previous authorization granted on April 27, 2017 in its twenty-second resolution.

On April 26, 2019, the Shareholders' Meeting of the Company, in its 24th 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, in favor of 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 in favor of the corporate officers as defined under Article L. 225-197-1-II of the French Commercial Code, free allocations of existing ordinary shares of the Company and resolved that the Company's Board of Directors would determine the identity of the beneficiaries of the allocation as well as the rights and conditions attached to the conditional entitlement to receive the shares.

The Shareholders' Meeting also decided that (i) the total number of free shares granted under the conditions and, if applicable, subject to the fulfillment of the performance conditions set by the Board of Directors further to a proposal from the Compensation and Nomination Committee, pursuant to 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.

This authorization was given for a period of 24 months from the date of the Shareholder's meeting, *i.e.* until April 26, 2021 and rendered ineffective, for its unused part, the previous authorization granted on April 26, 2018 in its twenty-fourth resolution.

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 buy-back program, and not *via* the creation of new shares. Thus, there is no capital dilution related to the grant of performance shares.

February 19, 2019 performance shares plan

Pursuant to a decision taken by the Board of Directors on February 19, 2019, following a proposal from the Compensation and Nominations Committee at its February 19, 2019 meeting in accordance ,with the authorization granted to it by the Combined Shareholders' Meeting of April 26, 2018, 125,000 performance shares were granted to the Chairman and Chief Executive Officer and 410,000 performance shares were granted to other members of the Executive committee.

Refer to Section 2.2.3.2. of the present Universal Registration Document for the details of the performance shares granted to the members of the Executive Committee.

The provisions of the plan provide for a vesting period of three years for all beneficiaries.

All the shares awarded to the Chairman and Chief Executive and to the Executive Committee members will be vested provided:

(1) that the conditions set out in the February 19, 2019 Plan are met and in particular that the beneficiary continuously remains an employee or a corporate officer of the SCOR Group until February 19, 2022 inclusive, except as otherwise provided by the Plan;
(2) that the Group’s ethical principles as described in its Code of Conduct are respected;
(3) that the annual corporate social responsibility (CSR) training obligations are met. This condition will be deemed met in case of completion of a SCOR group e-learning course on CSR-related topics and if the corresponding test has been passed.

In addition to the mandatory conditions (1), (2) and (3), the final vesting of the shares is also subject to performance conditions.

The final vesting of half of the shares is subject to the fact that SCOR's average return on equity "ROE" over three years (from January 1, 2019 to December 31, 2021) is equal to SCOR's average strategic ROE target (the “Target ROE”) over the same period. If the observed average ROE is lower or higher than the Target ROE, the shares will vest according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested under 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%**

In any case, if the observed average ROE is lower than 5%, the proportion of the shares that may be vested under this criterion will be 0%.

The final vesting of the remaining half of the shares granted is subject to the fact that the average solvency ratio over three years (from January 1, 2019 to December 31, 2021) is at least equal to SCOR's average strategic solvency ratio target over the same period (the "Target Solvency Ratio" [(1)]). If the observed average solvency ratio is lower than the Target Solvency Ratio, the shares will vest according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested under this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

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

October 23, 2019 performance shares plan

Pursuant to a decision taken by the Board of Directors on October 23, 2019 following a proposal from the Compensation and Nominations Committee at its October 23, 2019 meeting, in accordance with the authorization granted to it by the Combined Shareholders’ Meeting of April 26, 2019, 890,800 performance shares were awarded to Partners and specific Non Partners employees of the Group (818 employees).

The provisions of the plan provide for a vesting period of three years for all beneficiaries, and vesting conditions similar to those of the February 19, 2019 performance shares plan.

All the shares awarded to Executive Global Partners and Senior Global Partners, and half of the shares awarded to other Partners (below Senior Global Partners) and to the specific Non-Partners are subject to the satisfaction of performance conditions. The performance conditions are identical to those of the February 19, 2019 performance shares plan. However, it should be noted that the outperformance of the ROE criterion cannot offset under-performance of the solvency criterion.

(1) If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

February 19, 2019 Long Term Incentive Plan

Pursuant to a decision taken by the Board of Directors on February 19, 2019 following a proposal from the Compensation and Nominations Committee at its February 19, 2019 meeting, in accordance with the authorization granted to it by the Combined Shareholders' Meeting of April 26, 2018, 205,000 performance shares were awarded on February 19, 2019 to members of the Executive Committee in a qualified Long Term Incentive Plan (LTIP).

The provisions of the plan provide for a vesting period of six years for all beneficiaries.

All the shares awarded will be vested provided:

(1) that the conditions set out in the February 19, 2019 Plan are met and in particular that the beneficiary continuously remains an employee or a corporate officer of the SCOR Group until February 19, 2025 inclusive, except as otherwise provided by the Plan;

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

(3) that the annual corporate social responsibility (CSR) training obligations are met. This condition will be deemed met in case of completion of a SCOR group e-learning course on CSR-related topics and if the corresponding test has been passed.

In addition to the mandatory conditions (1), (2) and (3), the final vesting of the shares is also subject to performance conditions.

The final vesting of half of the shares granted is subject to the fact SCOR's average return on equity "ROE" over six years (from January 1, 2019 to December 31, 2024) is equal to SCOR's average strategic ROE target (the "Target ROE") over the same period. If the observed average ROE is lower or higher than the Target ROE, the shares will vest according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested under 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%**

In any case, if the observed average ROE recorded is lower than 5%, the proportion of the shares that may be vested under this criterion will be 0%.

The final vesting of the remaining half of the shares is subject to the fact that the average solvency ratio over six years (from January 1, 2019 to December 31, 2024) is at least equal to SCOR's average strategic solvency ratio target over the same period (the "Target Solvency Ratio" [1]). If the observed average solvency ratio is lower than the Target Solvency Ratio, the shares will vest according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested under this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case may the application of these performance conditions lead to an acquisition of more than 100% of the original grant.

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

October 23, 2019 Long Term Incentive Plan

Pursuant to a decision taken by the Board of Directors on October 23, 2019 following a proposal from the Compensation and Nominations Committee at its October 23, 2019 meeting, in accordance with the authorization granted to it by the Combined Shareholders' Meeting of April 26, 2019, 91,798 performance shares were awarded on October 23, 2019 to Partners and specific Non Partners employees of the Group (83 employees).

The provisions of the plan provide for a vesting period of six years for all beneficiaries, and vesting conditions similar to those of the February 19, 2019 performance shares plan.

The final vesting of the shares granted is also subject to the satisfaction of performance conditions. The performance conditions are identical to those of the February 19, 2019 Long Term Incentive plan. However, it should be noted that the outperformance of the ROE criterion cannot offset under-performance of the solvency criterion.

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

The table below presents the total number of shares allocated in 2018 and 2019 by category within the Group, all types of plans included:

	Total number of LTIP shares allocated in 2019	Total number of beneficiaries of LTIP in 2019	Total number of shares allocated in 2019 (excluding LTIP)	Total number of beneficiaries in 2019 (excluding LTIP)	Total number of LTIP shares allocated in 2018	Total number of beneficiaries of LTIP in 2018	Total number of shares allocated in 2018 (excluding LTIP)	Total number of beneficiaries in 2018 (excluding LTIP)
Corporate officer[1]	-	-	125,000	1	-	-	125,000	1
Members of the Executive Committee	205,000	8	410,000	8	-	-	399,362	9
Partners	89,038	71	842,252	636	92,460	71	854,083	791
Non-Partners	2,760	12	48,548	182	4,136	25	187,560	2,111
TOTAL	**296,798**	**91**	**1,425,800**	**827**	**96,596**	**96**	**1,566,005**	**2,912**

(1) Chairman and Chief Executive Officer.

Achievement of the performance conditions acknowledged in 2019

In 2019, the Compensation and Nomination Committee acknowledged the partial validation of all the performance conditions attached to the 2016 February and December performance share plans as described in the 2016 Registration Document, bringing the share acquisition rate to 85% for Executive Global Partners and Senior Global Partners and to 92.5% for the other beneficiaries. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance condition	Achieved result	Achievement rate
Ratio between the observed average ROE over 2016-2018 and the target ROE	72.7%	70%
Difference between the average Solvency Ratio over 2016-2018 and the average Target Solvency Ratio	+33 percentage points	100%

In 2019, the Compensation and Nomination Committee acknowledged the partial validation of the performance conditions attached to 2013 Long Term Incentive Plan, bringing the share acquisition rate to 95%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance condition	Achieved result	Achievement rate
Ratio between the observed average ROE over 2013-2018 and the target ROE	89.9%	90%
Difference between the average Solvency Ratio over 2013-2018 and the average Target Solvency Ratio	+30 percentage points	100%

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 for which shares have finally vested and for which the holding period ended before December 31, 2018, are not presented below.

Date of Shareholders' 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 vested as of December 31	Number of shares cancelled as of December 31	Number of shares oustanding as of December 31
April 26, 2019	October 23, 2019	91,798 [2]	-	10/23/2025	10/23/2025	-	-	91,798
		890,800 [2]	-	10/23/2022	10/23/2022	-	796	890,004
	February 19, 2019	205,000 [2]	-	02/20/2025	02/20/2025	-	-	205,000
		535,000 [2]	125,000	02/20/2022	02/20/2022	-	-	535,000
April 26, 2018	October 23, 2018	75,455	-	12/24/2021	12/24/2021	-	5,542	69,913
		174,468 [1]	-	12/24/2021	12/24/2021	-	14,510	159,958
		29,954[2]	-	12/23/2024	12/22/2024	-	1,788	28,166
		66,642 [1,2]	-	12/23/2024	12/22/2024	-	1,240	65,402
		315,702 [2]	-	12/23/2021	12/22/2021	-	19,140	296,562
		525,380 [1,2]	-	12/23/2021	12/22/2021	-	14,792	510,588
	February 21, 2018	275,000 [2]		02/22/2021	02/21/2021	-	-	275,000
		200,000 [1,2]	-	02/22/2021	02/21/2021	-	40,000	160,000
April 27, 2016	October 24, 2017	84,842 [2]	-	12/02/2023	12/01/2023	-	6,758	78,084
		150,346 [1,2]	-	12/02/2023	12/01/2023	-	10,844	139,502
		266,868 [2]	-	12/02/2020	12/01/2020	-	20,088	246,780
		469,404 [1,2]	-	12/02/2020	12/01/2020	-	39,244	430,160
	February 21, 2017	50,000 [1,2]	-	02/22/2023	02/21/2023	-	-	50,000
		265,000 [2]	125,000	02/22/2020	02/21/2020	-	-	265,000
		240,000 [1,2]	-	02/22/2020	02/21/2020	-	70,000	170,000
	October 26, 2016	16,700 [2]		12/02/2019	12/02/2019	14,634	2,066	-
		23,364 [1,2]	-	12/02/2019	12/02/2019	14,675	8,689	-
December 1 8, 2015	February 23, 2016	673,260 [2]	125,000	02/24/2019	02/24/2019	583,188	90,072	-
		997,328 [1,2]	-	02/24/2019	02/24/2019	763,455	233,873	-
		181,060 [2]	75,000	02/24/2022	02/23/2022	-	752	180,308
		76,672 [1,2]	-	02/24/2022	02/23/2022	-	4,004	72,668
	December 1 8, 2015	30,752 [2]	-	12/19/2021	12/18/2021	-	8,000	22,752
		75,680 [1,2]	-	12/19/2021	12/18/2021	-	-	75,680
May 6, 2014	March 4, 2015	40,000 [2]	-	03/06/2021	03/05/2023	-	40,000	-
		240,000 [2]	-	03/05/2019	03/05/2019	240,000	-	-
	November 5, 2014	26,000 [2]	-	12/02/2019	12/02/2019	22,000	4,000	-
April 25, 2013	March 4, 2014	88,500 [2]	-	03/05/2022	03/04/2022	-	11,500	77,000
		31,500 [2]	-	03/05/2020	03/04/2022	-	2,000	29,500
May 3, 2012	March 5, 2013	232,500 [2]	-	03/06/2021	03/05/2021	-	14,500	218,000
		85,500 [2]	-	03/06/2019	03/05/2021	76,475	9,025	-
	July 26, 2012	57,500[2]	-	07/27/2018	07/26/2020	54,625	2,875	-
		51,000 [2]	-	07/27/2020	07/26/2020	-	10,000	41,000
May 4, 2011	July 27, 2011	297,500 [2]	-	09/02/2019	09/02/2019	229,900	67,600	-

(1) These shares have been allocated under non-qualified plans

(2) 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 net combined ratio of SCOR Global P&C, 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 over a two-year period for performance shares granted before the Extraordinary Shareholders' Meeting of December 18, 2015, over a three-year period for performance shares granted as of the Extraordinary Shareholders' Meeting of December 18, 2015, and over a six-year period for all LTIP performance shares.

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, 24,750,067 shares have been allocated, all types of plans included.

During 2019, 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 629,204 shares. Those rights relate, for non-French tax residents, to the performance share plans of September 1st, 2011, March 4, 2015 and February 23, 2016 whose transfer occurred on September 2nd, 2019, March 5, 2019 and February 24,2019, and for French tax residents to the performance plans of March 5, 2013 and February 23, 2016 whose transfer occurred on March 6, 2019 and February 24, 2019.

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 or any other voluntary contributions.

On April 26, 2019, the Shareholders' Meeting of the Company, in its 25th 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 27, 2018.

As at the date of the Universal Registration Document, the Company's Board of Directors has not exercised this delegation of authority. This authorization was granted for a period of 18 months as from the date of the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019.

2.2.4. SUMMARY OF TRANSACTIONS IN SECURITIES BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED PURSUANT TO ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

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, executive corporate officer and persons discharging managerial responsibilities in 2019.

	Operations made in 2019 for a greater amount than EUR 20,000
Mr. Denis Kessler	Acquisition of shares for a total amount of EUR 4,159,688
Mrs. Marguerite Bérard	N/A
Mr. Fabrice Brégier	N/A
Mr. Jean-Paul Conoscente	Acquisition of shares for a total amount of EUR 172,045 Sale of shares for a total amount of EUR 336,818
Mr. Paolo De Martin	Exercise of stock options for a total amount of EUR 883,200 Acquisition of shares for a total amount of EUR 6,041,082 Sale of shares for a total amount of EUR 4,073,767.85 Sale of shares resulting from the exercise of stock options for a total amount of EUR 1,867,335.20
Mrs. Fiona Derhan	N/A
Mr. Vincent Foucart	Exercise of stock options for a total amount of EUR 183,924.70 Acquisition of shares for a total amount of EUR 326,293.50 Sale of shares for a total amount of EUR 503,162.88
Mrs. Vanessa Marquette	N/A
Mr. Victor Peignet	Acquisition of shares for a total amount of EUR 3,808,338
Mr. Bruno Pfister	N/A
Mr. Jean-Marc Raby	N/A
Mr. Augustin de Romanet	N/A
Malakoff Médéric Assurances represented by Mr. Thomas Saunier	N/A
Mrs. Kory Sorenson	N/A
Mr. Claude Tendil	N/A
Mrs. Zhen Wang	N/A
Mrs. Fields Wicker-Miurin	N/A

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, 2019, SCOR's shareholders are mainly institutional as they represent 85% of SCOR's share capital. Institutional shareholders come mainly from Europe (73%), the United States (24%) and Asia (3%). The rest of the share capital is split between treasury shares (less than 1%), employees (5%), retail (2%), brokerage (2%) and others (6%).

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 5.0% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors as at December 31, 2019 based on public notifications:

As at December 31, 2019	Number of shares	% of capital	% voting rights(1)
Groupe Covea (France)(2)	15,767,803	8.43%	8.46%
Treasury shares	668,058	0.36%	0.00%
Employees (3)(4)	8,405,004	4.49%	4.51%
Others (5)	162,208,646	86.72%	87.03%
TOTAL	**187,049,511**	**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) As per Covea's press release published on January 30, 2019, stating "Covéa reminds that it currently holds 8.17% of the share capital in SCOR", representing 15,767,803 shares of SCOR's capital as of December 31, 2018.

(3) Overall number of shares held by employees (including performance shares granted prior to the publication of Law No. 2015-990 of August 6, 2015).

(4) As at December 31, 2019, employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 1.29% of the capital.

(5) On January 6, 2020, Allianz Global Investors GmbH declared to have exceeded the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,371,027 shares or 5.01% of the capital and 9,371,027 voting rights or 5.01% of the voting rights in SCOR SE. On January 23, 2020, Allianz Global Investors GmbH declared that its shareholding fell below the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,275,061 shares or 4.96% of the capital and 9,275,061 voting rights or 4.96% of the voting rights in SCOR SE.

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 5.0% of the share capital and/or voting rights of the Company as at December 31, 2019.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 5.0% 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 percentages of share capital and voting rights held by its directors and Executive Committee members were 4.25% of the capital and 4.27% of the voting rights as at December 31, 2019 (December 31, 2018: 4.17% of the capital and 4.37% of the voting rights).

SCOR discloses below the threshold declarations sent by the significant shareholders in 2019. SCOR is not responsible for ensuring the completeness of these declarations.

On February 14, 2019, Allianz Global Investors GmbH declared to have exceeded the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,681,499 shares or 5.01% of the capital and 9,681,499 voting rights or 5.01% of the voting rights in SCOR SE.

On February 18, 2019, Allianz Global Investors GmbH declared that it went below the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,641,573 shares or 4.99% of the capital and 9,641,573 voting rights or 4.99% of the voting rights in SCOR SE.

On March 19, 2019, Allianz Global Investors GmbH declared to have exceeded the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,677,759 shares or 5.01% of the capital and 9,677,759 voting rights or 5.01% of the voting rights in SCOR SE.

On April 12, 2019, Allianz Global Investors GmbH declared that it went below the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,650,753 shares or 4.99% of the capital and 9,650,753 voting rights or 4.99% of the voting rights in SCOR SE.

On April 17, 2019, Allianz Global Investors GmbH declared to have exceeded the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,694,112 shares or 5.01% of the capital and 9,694,112 voting rights or 5.01% of the voting rights in SCOR SE.

On November 6, 2019, Allianz Global Investors GmbH declared that it went below the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,323,203 shares or 4.99% of the capital and 9,323,203 voting rights or 4.99% of the voting rights in SCOR SE.

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 17th 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 28th resolution, each share entitles its holder to one vote at 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. Agreement that are subject to termination in the event of a change of control

None.

2.3.1.6. Share capital

Changes in the share capital

The table below provides for the evolution of SCOR SE's share capital since the beginning of the financial year 2016:

Operation	Date of the authorization of the Shareholders' Meeting	Date of operation	Number of shares issued/ cancelled	Nominal value of the issued/ cancelled shares *(in EUR)*	Amount of the increase/ decrease of the share capital *(in EUR)*	Cumulated amount of the share capital further to the operation *(in EUR)*	Cumulated number of shares composing the share capital further to the operation
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 27, 2016	Situation on April 27, 2016 according to the decision of the Board of Directors on April 27, 2016	672,638	7.8769723	5,298,350.89	1,512,224,741.93	191,980,457
Increase of the share capital resulting from the exercise of stock-options as from January 1 to December 31, 2016	• May 16, 2006 • May 24, 2007 • May 7, 2008 • April 15, 2009 • April 28, 2010 • May 4, 2011	Situation on December 31, 2016 acknowledged by the Board of Directors on February 21, 2017	554,112	7.8769723	4,364,724.88	1,516,589,466.80	192,534,569
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 27, 2017	Situation on April 27, 2017 according to the decision of the Board of Directors on April 27, 2017	554,112	7.8769723	4,364,724.88	1,512,224,741.93	191,980,457
Increase of the share capital resulting from the exercise of stock-options as from January 1 to 31 December 2017	• May 24, 2007 • May 7, 2008 • April 15, 2009 • April 28, 2010 • May 4, 2011 • May 3, 2012 • April 25,2013	Situation on December 31, 2017 acknowledge d by the Board of Directors on February 21, 2018	1,519,860	7.8769723	11,971,895.12	1,524,196,637.05	193,500,317
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 26, 2018	Situation on April 26, 2018 according to the decision of the Board of Directors on April 26, 2018	1,692,602	7.8769723	13,332,579.07	1,510,864,057.98	191,807,715

Increase of the share capital resulting from the exercise of stock-options as from January 1 to 31 December 2018	• May 7, 2008 • April 15, 2009 • April 28, 2010 • May 4, 2011 • May 3, 2012 • April 25,2013 • May 6, 2014	Situation on December 31, 2018 acknowledged by the Board of Directors on February 19, 2019	1,278,077	7.8769723	10,067,377.13	1,520,931,435.11	193,085,792
Reduction of the share capital by cancellation of self-owned shares (i) in the framework of the share buy back program of stock shares for up to 200 M€ and (ii) to neutralize the dilutive effect resulting from the exercise of stock-options	April 26, 2019	Situation on April 26, 2019 according to the decision of the Board of Directors on April 26, 2019	6,545,416	7.8769723	51,558,060.53	1,469,373,374.58	186,540,376
Increase of the share capital resulting from the exercise of stock-options as from January 1 to 31 December 2019	• May 7, 2008 • April 15, 2009 • April 28, 2010 • May 4, 2011 • May 3, 2012 • April 25, 2013 • May 6, 2014	Situation on December 31, 2019 acknowledged by the Board of Directors on February 26, 2020	509,135	7.8769723	4,010,442	1,473,383,816.88	187,049,511

Given the exercise of 89,350 options for the subscription of shares since January 1, 2020, on the date of the Universal Registration Document, SCOR SE's existing share capital amounts to EUR 1,474,087,624.36 divided into 187,138,861 shares with a nominal value of EUR 7.8769723 each.

To the Company's knowledge, there is no significant pledge on the SCOR SE's shares.

See Section 4.6.23. – 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 December 31, 2018	As at December 31, 2019	On the date of the Universal Registration Document	Date of availability of the warrants	Expiration date
December 16, 2016	19,198,044	19,198,044	19,198,044	January 1, 2017	May 1, 2020
December 3, 2019	-	18,700,051	18,700,051	January 1, 2020	May 1, 2023
TOTAL	**19,198,044**	**37,898,095**	**37,898,095**		

Stock option plans	As at December 31, 2018	As at December 31, 2019	On the date of the Registration Document	Date of availability of options	Expiration date
03/23/2009	162,450	442,000	104,300	03/23/2013	03/23/2019
11/25/2009	7,000	7,000	7,000	11/25/2013	11/25/2019
03/18/2010	301,465	589,202	290,965	03/18/2014	03/19/2020
10/12/2010	6,800	8,500	6,800	10/12/2014	10/13/2020
03/22/2011	254,500	367,000	254,500	03/22/2015	03/23/2021
09/01/2011	51,000	62,000	51,000	09/01/2015	09/02/2021
03/23/2012	407,000	555,500	407,000	03/23/2016	03/24/2022
03/21/2013	396,500	555,500	394,500	03/21/2017	03/22/2023
10/02/2013	77,000	85,000	77,000	10/02/2017	10/03/2023
11/21/2013	-	5,000	-	11/21/2017	11/22/2023
03/20/2014	604,375	643,125	602,875	03/20/2018	03/21/2024
12/01/2014	2,250	6,000	2,250	12/01/2018	12/02/2024
03/20/2015	559,881	650,381	559,881	03/21/2019	03/21/2025
12/18/2015	3,750	3,750	3,750	12/19/2019	12/19/2025
03/10/2016	535,240	625,368	535,240	03/10/2020	03/11/2026
12/01/2016	750	750	750	12/01/2020	12/02/2026
03/10/2017	410,000	480,000	410,000	03/11/2021	03/11/2027
12/01/2017	140,694	145,410	140,694	12/02/2021	12/03/2027
03/08/2018	348,000	348,000	348,000	03/09/2022	03/09/2028
12/22/2018	198,088	195,670	195,670	12/23/2022	12/23/2028
02/19/2019	-	428,000	428,000	03/07/2023	03/08/2029
10/23/2019	-	148,140	148,140	10/25/2023	10/25/2029
TOTAL	**4,459,993**	**6,351,296**	**4,968,315**		

See paragraph of this Section 2.3.6.1. – Amount of convertible securities, exchangeable securities or securities with subscription warrants for a description of the warrants issued.

Number of shares initially authorized at the date of the Shareholders' Meeting and number of outstanding shares authorized at the date of the Universal Registration Document

Resolutions	Number of shares initially authorized at the date of the Shareholders' Meeting of April 26, 2019	Number of shares authorized at the date of the Universal Registration Document	Duration of authorization and expiration date
DELEGATIONS OF AUTHORITY GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 26, 2019			
13th 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	26 months June 25, 2021
14th 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) (1)	77,234,316 shares	77,234,316 shares	26 months June 25, 2021
15th 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) (1)	19,308,579 shares	19,308,579 shares	26 months June 25, 2021
16th 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) (1)	19,308,579 shares	19,308,579 shares	26 months June 25, 2021
17th 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) (1)	19,308,579 shares	19,308,579 shares	26 months June 25, 2021
18th 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) (1)	19,308,579 shares	19,308,579 shares	26 months June 25, 2021
20th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing warrants for the issuance of ordinary shares of the Company, with cancellation of shareholders' preferential subscription rights to the benefit of one or several investment services providers authorized to provide underwriting investment services) (1)	19,308,579 shares	608, 528 shares	18 months October 25, 2020
21th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing warrants for the issuance of ordinary shares of the Company, with cancellation of shareholders' preferential subscription rights to the benefit of a category of entities meeting specific characteristics) (1)	19,308,579 shares	19,308,579 shares	18 months October 25, 2020
25th 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) (1)	3,000,000 shares	3,000,000 shares	18 months October 25, 2020

Resolutions	Number of shares initially authorized at the date of the Shareholders' Meeting of April 26, 2019	Number of shares authorized at the date of the Universal Registration Document	Duration of authorization and expiration date
AUTHORIZATIONS GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 26, 2019			
19th resolution (Authorization granted to the Board of Directors for the purpose of increasing the number of shares issued in accordance with the 14th, 15th and 16th 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 14th, 15th and 16th resolutions and is in any case capped by the 26th resolution		26 months June 25, 2021
23rd resolution (Authority to issue shares for stock option plans) (1)	1,500,000 shares	1,351,860 shares	24 months April 25, 2021
24th resolution (Authorization granted to the Board of Directors to grant shares under free share allocation plans)	The authorization is limited to existing shares (2)		24 months April 25, 2021
26th resolution (Aggregate ceiling of the capital increases)	101,042,895 shares	82,194,704 shares	-
TOTAL	**126,433,361 SHARES**	**107,585,170 SHARES**	**-**

(1) Included for the calculation of the overall ceiling referred to in the 26th resolution of the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019.

(2) The authorization of the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019 is limited to 3,000,000 existing shares (the remaining amount being on December 31, 2019 2,200,998 shares).

The total number of new shares authorized at the date of the Universal 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 145,344,459.

Existence of non-equity shares

Not applicable.

Acquisition by the Company of treasury shares

Stock buyback program in force on the date of filing this Universal Registration Document (program authorized by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019)

On April 26, 2019, the Shareholders' Meeting, in its 12th resolution, authorized the Board of Directors, with the option to sub-delegate, to trade on the Company's shares in the framework of the 2019-2020 annual share repurchase program. The program allows to buy, sell and transfer Company shares pursuant, *inter alia*, to the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Articles L. 225-209 *et seq.* of the French Commercial Code and to the General Regulation *(Règlement général)* of the French Financial Markets Authority (*Autorité des marchés financiers*).

The maximum number of shares that may be bought back under this authorization was set at 10% of the number of shares comprising the Company share capital as of the date of such purchases, it being specified that (i) when the shares are purchased to enhance liquidity of shares in the conditions set forth by applicable laws and regulations, the number of shares taken into account for calculation of the 10% limit shall correspond to the number of shares purchased less the number of shares resold during the period covered by the authorization, and (ii) the number of treasury shares shall be taken into account so that the Company never holds shares in excess of 10% of its share capital.

Such transactions on securities can be carried out for any purposes permitted or which would become authorized under applicable laws and regulations, including for purposes of the following objectives:

- stimulation of the secondary market or provision of liquidity to the Company's shares by an investment service provider through a liquidity contract in accordance with a code of practice recognized by the regulation;
- setting-up, implementation or hedging of any stock option plans, other plans for allocation of shares and, generally, any form of allocation to employees and/or corporate officers (*mandataires sociaux*) of the Company and/or of affiliated companies, including hedging of any Company stock option plan pursuant to the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, allocation of free shares of the Company in conjunction with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, allocation of Company shares pursuant to a profit sharing scheme (*participation aux fruits de l'expansion de l'entreprise*) or allocation or transfer of Company shares within the framework of any employee savings plan (*plan d'épargne salariale*), including in conjunction with the provisions of Articles L. 3321-1 *et seq.*, and L. 3332-1 *et seq.*, of the French Labor Code;
- purchase of Company shares for retention and subsequent remittance in exchange or as payment, in particular in conjunction with financial or external growth transactions, without exceeding the limit set by paragraph 6 of Article L. 225-209 of the French Commercial Code in conjunction with a merger, spin-off or contribution;
- compliance with all obligations related to the issuance of securities granting access to capital;
- cancellation of any shares repurchased, within the limits established by law, in conjunction with a reduction in share capital approved or authorized by the Shareholders' Meeting.

Such transactions are carried out, under the conditions authorized by the stock exchange authorities, by any means, including on a regulated market, on a multilateral trading facility, *via* a systematic internalizer or over-the-counter, including, *inter alia*, by buying or selling blocks, by applying derivative financial instruments, listed on a regulated stock exchange or over-the-counter, or by the implementation of optional strategies and, if applicable, by any third party authorized for such purpose by the Company.

Such transactions are carried out in accordance with applicable regulations, at any time, in one or several times. By way of exception, the Board of Directors shall not, unless previously authorized by the Shareholders' Meeting, use this authorization during any public bid initiated by a third party on Company shares until the end of the offer acceptance period; it is however specified in this respect that the Company shall remain authorized to carry out the transactions covered by this resolution (i) if the public offering in question is to be completed entirely in cash and (ii) for the strict requirement of compliance with any undertakings made by the Company prior to the filing of the public offering in question, concerning the servicing or coverage of all stock options, other share allocations and, generally speaking, all forms of allocation in favor of employees and/or corporate officers *(mandataires sociaux)* of the Company and/or of any companies related thereto. Regarding the authorization granted under the conditions set out at (i) and (ii) above, it is also specified that should the transactions in question be liable to cause the public offering considered to fail, their implementation must be the subject of authorization or confirmation from the Shareholders' Meeting.

The Shareholders' Meeting set the maximum purchase price at EUR 60 per share (excluding acquisition fees).

It granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, in order to carry out all adjustments to the maximum price, including in the event of a capital increase by capitalization of reserves and the allocation of free shares, as well as in the event of a split or a reverse stock split of Company shares.

All powers would be granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to implement this resolution including to carry out all stock exchange orders, enter into any agreements with a view, *inter alia*, to keeping share purchase and sale records, to establish all documents, including information documents, to proceed with any adjustments anticipated by this resolution, to carry out all declarations and formalities with the French Financial Markets Authority *(Autorité des marchés financiers)* and others and, more generally, to do whatever may be necessary.

The authorization described above, still in force on the filing date of this Universal Registration Document, will expire at the time of the next Annual Shareholders' Meeting held for the approval of the financial statements without, however, exceeding a maximum term of eighteen (18) months with effect from the date of the April 26, 2019 Ordinary and Extraordinary Shareholders' Meeting, *i.e.* until October 25, 2020.

Summary of the transactions carried out by SCOR SE on its own shares in the course of the financial year 2019

In the context of the abovementioned buyback program, SCOR carried out, between January 1, 2019 and December 31, 2019:

- the purchase of 1,814,137 treasury shares;
- the purchase of 3,392,107 call options (European call options);
- the sale of 1,796,061 treasury shares;
- the transfer of 1,935,177 treasury shares;
- the cancellation of 6,545,416 treasury shares.

On December 31, 2019, SCOR held 668,058 shares compared with 9,142,675 shares at December 31, 2018. The par value of these treasury shares is EUR 5,262,274.36 and their book value is EUR 26,464,840. The average purchase price was EUR 37.96. The average sale price was EUR 38.01. The amount of fees was EUR 105,498.88.

Objectives of the transactions carried out in the course of the financial year 2019 and allocation of the treasury shares

As at December 31, 2019, the treasury shares owned by SCOR SE represented 0.36% of the share capital. On such date, the portfolio of treasury shares was allocated as follows:

- 126,872 treasury shares allocated to the stimulation of the secondary market or provision of liquidity to the Company's shares;
- 315,266 treasury shares allocated to the hedging of any form of allocation to employees and/or corporate officers (mandataires sociaux) of the Company and/or of affiliated companies;
- 0 treasury shares allocated to the retention and subsequent remittance in exchange or as payment;
- 0 treasury shares allocated to the compliance with all obligations related to the issuance of securities granting access to capital;
- 225,920 treasury shares allocated to their cancellation.

Description of the new share repurchase program 2020/2021 submitted for authorization to the Ordinary and Extraordinary Shareholders' Meeting which will approve the accounts for the financial year ended December 31, 2019

The stock buyback authorization described in the above paragraph will expire on October 25, 2020 at the latest, unless the Shareholders' Meeting which will approve the accounts for the financial year ended December 31, 2019 approves the resolution described below, in accordance with the provisions of articles L. 225-209 and subsequent of the French Commercial Code.

This resolution is intended to authorize a new share repurchase program under the following conditions:

This authorization would allow the Board of Directors, with the option to sub-delegate under the conditions provided for by applicable regulation, to buy, sell and transfer Company shares pursuant, *inter alia*, to the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Articles L. 225-209 *et seq.* of the French Commercial Code and to the General Regulation *(Règlement général)* of the French Financial Markets Authority *(Autorité des marchés financiers)*.

The maximum number of shares that could be bought back under this authorization would be set at 10% of the number of shares comprising the Company share capital as of the date of such purchases, it being specified that (i) when the shares are purchased to enhance liquidity of shares in the conditions set forth by applicable laws and regulations, the number of shares taken into account for calculation of the 10% limit shall correspond to the number of shares purchased less the number of shares resold during the period covered by the authorization, and (ii) the number of treasury shares shall be taken into account so that the Company never holds shares in excess of 10% of its share capital.

Such transactions on securities would be carried out for any purposes permitted or which would become authorized under applicable laws and regulations, including for purposes of the following objectives:

- stimulation of the secondary market or provision of liquidity to the Company's shares by an investment service provider through a liquidity contract in accordance with a code of practice recognized by the regulation;

- setting-up, implementation or hedging of any stock option plans, other plans for allocation of shares and, generally, any form of allocation to employees and/or corporate officers *(mandataires sociaux)* of the Company and/or of affiliated companies, including hedging of any Company stock option plan pursuant to the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, allocation of free shares of the Company in conjunction with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, allocation of Company shares pursuant to a profit sharing scheme (*participation aux fruits de l'expansion de l'entreprise*) or allocation or transfer of Company shares within the framework of any employee savings plan *(plan d'épargne salariale)*, including in conjunction with the provisions of Articles L. 3321-1 *et seq.*, and L. 3332-1 *et seq.*, of the French Labor Code;
- purchase of Company shares for retention and subsequent remittance in exchange or as payment, in particular in conjunction with financial or external growth transactions, without exceeding the limit set by paragraph 6 of Article L. 225-209 of the French Commercial Code in conjunction with a merger, spin-off or contribution;
- compliance with all obligations related to the issuance of securities granting access to capital;
- cancellation of any shares repurchased, within the limits established by law, in conjunction with a reduction in share capital approved or authorized by the Shareholders' Meeting.

Such transactions would be carried out, under the conditions authorized by the stock exchange authorities, by any means, including on a regulated market, on a multilateral trading facility, *via* a systematic internalizer or over-the-counter, including, *inter alia*, by buying or selling blocks, by applying derivative financial instruments, listed on a regulated stock exchange or over-the-counter, or by the implementation of optional strategies and, if applicable, by any third party authorized for such purpose by the Company.

Such transactions would be carried out in accordance with applicable regulations, at any time, in one or several times. By way of exception, the Board of Directors shall not, unless previously authorized by the Shareholders' Meeting, use this authorization during any public bid initiated by a third party on Company shares until the end of the offer acceptance period; it is however specified in this respect that the Company shall remain authorized to carry out the transactions covered by this resolution (i) if the public offering in question is to be completed entirely in cash and (ii) for the strict requirement of compliance with any undertakings made by the Company prior to the filing of the public offering in question, concerning the servicing or coverage of all stock options, other share allocations and, generally speaking, all forms of allocation in favor of employees and/or corporate officers *(mandataires sociaux)* of the Company and/or of any companies related thereto. Regarding the authorization granted under the conditions set out at (i) and (ii) above, it is also specified that should the transactions in question be liable to cause the public offering considered to fail, their implementation must be the subject of authorization or confirmation from the Shareholders' Meeting.

The maximum purchase price would be EUR 60 (excluding acquisition fees). Based on the shares representing the Company's share capital on December 31, 2019 as established by the Board of Directors on February 26, 2020 (without taking into account the number of treasury shares held by the Company), the theoretical maximum number of shares which may be acquired amounts to 18,704,951 and the theoretical maximum amount allocated to the share buy-back program pursuant to this resolution amounts to EUR 1,122,297,060 (excluding acquisition fees).

All powers would be granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, in order to carry out all adjustments to the maximum price, including in the event of a capital increase by capitalization of reserves and the allocation of free shares, as well as in the event of a split or a reverse stock split of Company shares.

All powers would be granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to implement this resolution including to carry out all stock exchange orders, enter into any agreements with a view, *inter alia*, to keeping share purchase and sale records, to establish all documents, including information documents, to proceed with any adjustments anticipated by this resolution, to carry out all declarations and formalities with the French Financial Markets Authority *(Autorité des marchés financiers)* and others and, more generally, to do whatever may be necessary.

This authorization would be granted for a period expiring at the time of the Annual Shareholders' Meeting which will approve the accounts for the financial year ending December 31, 2020 without, however, exceeding a maximum term of eighteen (18) months with effect from the date of such General Meeting. It would supersede the unused portion of the authorization granted by the shareholders at the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019, in its 12th resolution.

Amount of convertible securities, exchangeable securities or securities with subscription warrants

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 (which transferred them to UBS during the year 2018), each allowing UBS 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.

As part of the implementation of a contingent capital facility program, SCOR issued, on December 3, 2019, 9,350,025 Warrants for the benefit of J.P. Morgan, each allowing J.P. Morgan to subscribe, as from January 1, 2020 and no later than May 1, 2023 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, 2020 and December 31, 2022 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, 2019 and December 31, 2022 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 2.3.1.6. – 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 – Notes to the corporate financial statements, 5.3.5 – Stock options; and
- Appendix C – Notes to the corporate financial statements, 5.2.3 – 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 2.3.1.6. – Share capital;
- Section 4.6. – Notes to the consolidated financial statements, Note 14 – Provisions for employee benefits and other provisions;
- Section 4.6. – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations; and
- Appendix C – Notes to the corporate financial statements, 5.3.5 – 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. 297/2008, entered into by the Group appear in Section 4.6.22., Note 22 – Related party transactions.

Regulated agreements

Regulated agreements 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 related party commitments previously approved that were in force during the last financial year are described within section 2.3.3 of the reference document filed on 4 March 2019.

Related party agreements

In accordance with Article L. 225-37-4 of the French Commercial Code, no agreements were concluded during the year 2019 directly or through a third party between, on the one hand, SCOR SE Chief Executive Officer, one of SCOR SE directors or one of its shareholders holding a fraction of the voting rights greater than 10% and, on the other hand, another company directly or through a third party controlled by SCOR SE within the meaning of article L. 233-3 of the French Commercial Code, unless such agreements were ordinary transactions entered into at arm's length conditions.

Description of the procedure referred to in the second paragraph of article L. 225-39 of the French Commercial Code

According to the new second paragraph of article L. 225-39 of the French Commercial Code resulting from the implementation of the PACTE Law n°2019-486 of May 22, 2019 *(Loi relative à la croissance et à la transformation des entreprises)*, the Board of Directors of the Company introduced a procedure ensuring that ordinary agreements entered into at arm's length conditions continue to fulfil these conditions.

This procedure repeats the criteria adopted by the French National Association of Auditors *(Commission Nationale des Commissaires aux Comptes)* relating to ordinary transactions entered into at arm's length conditions.

According to this procedure, the Group Legal Department, with the assistance of other departments (*e.g.* finance, cash management and operating departments) conducts an annual review of the agreements on ordinary transactions entered into at arm's length conditions in order to verify whether they continue to meet the applicable criteria. The Company's auditors may take part in this review. The Accounts and Audit Committee and Board of Directors of the Company are informed of the results of this review. If an agreement is no longer held to meet the criteria for ordinary agreements entered into at arm's length conditions, the Company's Board of Directors will review the agreement to decide whether it should be continued. As applicable, the agreement will be authorized by the Board of Directors, reported to the Company's auditors and mentioned in the Statutory Auditor's special report on regulated agreements. It will also have to be submitted for ratification by the next General Meeting of the Company's shareholders.

According to this procedure, the Company reviewed at the end of the year 2019 the ongoing agreements and ensured that these agreements continue to meet the criteria of the agreements relating to ordinary transactions entered into at arm's length conditions.

The result of the review was communicated to the Audit Committee dated February 25, 2020 and to the Board of Directors dated February 26, 2020.

2.3.3. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a 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 annual General Meeting of SCOR SE,

In our capacity as statutory auditors of your Company, we hereby report on certain related party agreements 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 and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. 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 prior to their approval.

We are also 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 ended December 31, 2019, of the agreements already approved by the Annual General Meeting of shareholders.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year ended on December 31, 2019 to be submitted to the Annual General Meeting for approval in accordance with Article L225-38 of the French Commercial Code *(Code de commerce)* and R. 322-7 of the French insurance code *(Code des assurances)*.

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended on December 31, 2019.

Courbevoie and Paris-La Défense, February 26, 2020

The Statutory Auditors - *French original signed by*

MAZARS		ERNST & YOUNG Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Menard

2.4. AUDIT REPORT ON THE CORPORATE GOVERNANCE REPORT

See Appendix C – Unconsolidated corporate financial statements of SCOR SE – Section 6 – Certification of audit of historical financial information.

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RISK FACTORS AND RISK MANAGEMENT MECHANISMS

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3.1. MAIN RISKS

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, 2019. 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). However, the risks described below are not the only risks that SCOR faces. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also materially adversely affect our business, financial condition, results of operations or cash flows. SCOR may also change its view of the relative importance of risk factors at any time, particularly if new external or internal facts come to light. With this in mind, 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.

Within each of these categories, specific risks are listed in a decreasing order of importance in terms of likelihood of occurrence and negative impact, after taking into account mitigation measures implemented by the Group in terms of risk mitigation and management.

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 and the most important of these are described in Section 3.3 – Management of main risks.

SCOR's ERM framework is further described in Appendix A – Internal control and risk management procedures 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. Therefore, the Group cannot exclude the possibility of SCOR's risk exposure exceeding set risk tolerance limits due to an incorrect estimation of these risk exposures.

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 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.

Specifically, climate change creates a number of challenges for the re/insurance industry and therefore for SCOR. Climate change is likely to interact with the risks associated with SCOR's business, investments and operations through physical climate risks (*e.g.* effects of broad climate trends or "chronic" risks and the frequency and/or severity of natural catastrophes or "acute" risks), the creation of transition risks (through the shift towards a low-carbon economy) and through the potential to negatively impact the Group's reputation.

3.1.1. STRATEGIC RISKS

Strategic risks can be defined as the risks related to losses arising from an unsuccessful strategy or objectives. Strategic risks can arise as a consequence of either 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, in addition to emerging risks, could also impact the success of the strategy.

The main strategic risks to which SCOR is exposed are described below.

3.1.1.1. 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.

A deterioration of financial markets and the global economy will have significant implications for SCOR's activities and results

The Group's results could be significantly affected by the economic and financial situations in Europe and other countries around the world. The threat of a global economic recession due to both cyclical and commercial reasons (*e.g.* the ongoing U.S – China trade war) remains, and a lasting macroeconomic deterioration could affect SCOR's activities and results. The current low interest rate environment is reaching previously unknown levels and, in the event that interest rates rise, the current level of indebtedness would become a source of major financial instability. Current monetary policy, particularly within the Eurozone area, seems to have reached a point where any additional easing would probably have little significant economic effect. These trends could result in financial markets experiencing a period of very high volatility, with consequences including waves of corporate bankruptcies and potentially sovereign defaults in vulnerable regions, a fall in the value of the main asset classes (bonds, equity, real estate), and even a major liquidity crisis. Although growth in the Eurozone has become more robust over the years thanks to both internal and external momentum, its maintenance may become increasingly difficult due to several challenges; for example, the eventual consequences of the United Kingdom's departure from the European Union on January 31, 2020, continuing economic disparities between EU countries and increased political risks. For further information on investments, see Section 1.3.9.2 – Net investment income and investment income on invested assets and Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

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 3.1.3 – Market risks.

Impact on SCOR's reinsurance business

SCOR is also dependent upon customer behavior and premium growth. The Group's premiums could decline in the case of an unfavorable macroeconomic environment and its profit margins could erode. In an economic downturn, 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 ongoing low interest rate environment continues to stimulate the inflow of alternative capital, which has been contributing to the current soft market *i.e.* the reduction in (re)insurance premium rates.

The Group may also 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 3.1.2.2 – 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.

SCOR is exposed to significant and protracted deviations of inflation 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 risks, refer to Section 3.1.2.1 – 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 or increase in the cost of claims would lead to a similar decrease in shareholders' equity.

Although the risk of inflation is less likely in the current macroeconomic environment, at least in the short term, the economy could experience a period of stagflation, combining a decline in activity with a surge in prices. In this case, underwriting volume would also be negatively impacted, and with it the combined ratio, the net income and the net asset value of the Group.

The risk of deflation, defined as a fall in prices and usually associated with an economic slowdown, cannot be ruled out in the current environment, characterized by the imminent risk of recession and lack of room for maneuver in relation to economic policies.

A prolonged period of deflation could impact the Group in several ways. For example, the value of SCOR's invested assets would be impacted if deflation is associated with a variation of interest rates and corporate credit spreads. A further scenario could be that a fall in prices, leading to a decrease of premium for a given amount of risk, combined with a decrease in organic growth due to the economic slowdown, results in a drop in the volume of the newly acquired premiums.

In conclusion, both high inflation and a protracted episode of deflation could have a material adverse effect on SCOR.

3.1.1.2. Risks related to legal and regulatory developments

SCOR is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance competent authorities in all countries in which it operates. Some of these authorities are considering or may in the future consider enhanced or new regulatory requirements. Such reinforced measures of control and higher capital requirements, intended to further strengthen the protection of policyholders and/or financial stability, could affect the calculation of the local solvency ratio and have a material adverse impact on the Group, including a restriction of underwriting capacity. 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 was transposed into national laws in all relevant European jurisdictions over recent years. 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. The ongoing Solvency II reviews could lead to additional requirements for insurance and reinsurance undertakings. Furthermore, Solvency II may no longer apply in the United Kingdom after its departure from the European Union and the new regulatory framework could lead to additional requirements for SCOR.

The International Association of Insurance Supervisors (IAIS) is seeking implementation of its newly adopted holistic approach to evaluating and mitigating systemic risk in the insurance sector from 2020 onwards. This revised systemic framework could influence national and European regulations and result in greater regulatory burdens such as the establishment of recovery and resolution plans, and additional liquidity requirements.

In the meantime, the IAIS has been developing a common framework for internationally active insurance groups (IAIGs), the "ComFrame". It is the IAIS's intention to develop Insurance Capital Standards (ICSs) to be applied by all IAIGs with full implementation in 2025. This development could jeopardize the extent of recognition of diversification effects or the use of internal models and there is a risk that these rules could have an impact on capital management aspects. 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 performance, including financial results, and business model.

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 3.1.6.4 – Legal and regulatory risks in SCOR's operating environment.

3.1.1.3. The valuation of SCOR's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities

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.

3.1.1.4. Risks related to the competitive environment

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, its 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 settlement and 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, competitors are currently promoting innovation, impacting all areas of the business, in addition to its products and services, and the underlying risks. If competitors are quicker at integrating innovative solutions into their business, products and services, or make choices which have a bigger impact on future reinsurance trends, SCOR might lose its competitive advantage.

Finally, 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.

There has been no significant M&A activity in 2019, but challenging business conditions, sub-par performance of some players, the continued convergence of alternative and traditional capital, as well as other challenges, could result in further mergers in the next few years.

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.

3.1.1.5. 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.

Consequently, the Group's reinsurance activities are 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 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, *i.e.* exposing itself 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 3.1.5 – Liquidity risks.

3.1.1.6. Risks related to capital

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.

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 and regulatory capital requirements and maintain a solvency ratio in line with its risk appetite framework.

As such, SCOR may be forced to delay raising capital, issue shorter term securities than 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 3.1.5 – Liquidity risks, for further details.

For further information on changes in the macroeconomic environment that could impact SCOR, refer to Section 3.1.1.1 – Risks related to the macroeconomic environment affecting SCOR's strategy.

3.1.1.7. 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, 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: 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.
- Client relationships: 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.
- Concentration of the business: in certain cases, *e.g.* SCOR's acquisition of Transamerica Re's mortality reinsurance portfolio from Aegon in 2011, SCOR may acquire a reinsurance portfolio from a company (the vendor) where not all underlying reinsurance agreements between cedents and the vendor are immediately novated. In such cases, SCOR could be at risk if the vendor becomes insolvent, since the vendor's cedents could reduce or terminate reinsurance premium payments.
- Unknown acquired risks: due notably to the size and complexities of acquisitions, there may be a risk that not all financial elements (including litigation related to prior periods) 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.

3.1.2. UNDERWRITING RISKS RELATED TO THE P&C AND LIFE REINSURANCE BUSINESSES

3.1.2.1. P&C Reinsurance

The main risks linked to the P&C reinsurance business (and direct insurance activity) underwritten by SCOR's P&C business unit are P&C long-tail risks, such as large liability losses, natural catastrophes, and other P&C short-tail risks, such as acts of terrorism, as well as other risks beyond its direct control, such as systemic crises or the cyclicality of the business.

P&C long-tail risks

Long-tail lines of business, such as all casualty lines (including general liability, professional liability and financial lines, and medical malpractice), inherent defect and construction warranty, motor (first and third-party liability) and workers' compensation, are exposed to material reserve deteriorations (or long-tail reserve deteriorations). This is due to the materiality of insured losses driven by man-made casualty loss events and to the long periods of time taken for claims materialization and settlement.

Long-tail reserve deteriorations is the risk that the P&C claim frequency and severity are higher than assumed in the calculation of the reserves. For 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 claims inflation and the changing legal and regulatory environment, including changes in civil liability law and jurisprudence. Claims inflation is influenced by, but not directly linked to general inflation.

For further information on risks related to reserves, see Section 3.1.2.4 – Risks related to reserves.

The specific nature of the catastrophic casualty loss events to which SCOR is exposed can vary widely, from systemic liability events caused by the negative impacts of commonly used materials on human health (with asbestos as a typical example) to massive product liability losses emanating from items produced by a single manufacturer. Casualty events can also be triggered by a single disastrous event (*e.g.* Deepwater Horizon oil rig explosion), or events related to cyber fraud and data theft.

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) and for which 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.

Depending on the type of man-made event triggering these casualty losses, property lines of business may also be affected simultaneously, *e.g.* if the explosion at a large industrial site destroys the industrial facility, but also pollutes the surrounding environment and causes property damages and bodily injuries affecting the population in the vicinity of the explosion.

Natural catastrophes

SCOR's property business underwritten by the P&C business unit is exposed to multiple insured losses arising from single or multiple natural events, which can be catastrophic. Natural catastrophes, such as hurricanes, typhoons, windstorms, floods, hail, severe winter storms and earthquakes can generate material insured losses in property, engineering and possibly other lines of business.

The most material natural catastrophes to which SCOR is exposed include windstorms in Europe, hurricanes in North America, and earthquakes in North America and Japan.

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

With respect to climate change, SCOR's P&C underwriting business could be exposed to physical climate risks, caused by changes in the frequency and severity of certain natural catastrophe events that are predicted in climate warming scenarios. Although scientific understanding of the causal mechanisms between climate warming and the occurrence of particular natural phenomena are still being established, catastrophe events that are potentially impacted include hurricane (including storm surge and pluvial flooding components), flood (both river flooding and pluvial flooding), heatwave, wildfire and drought. In the event that climate change causes an increase in the occurrence and/or severity of natural phenomena for which the Group provides protection, or has knock-on impacts on other business lines underwritten, claims frequency and/or severity on property, business interruption/ contingent business interruption and agricultural lines of business could increase, with possible impacts on long-term profitability and ongoing insurability.

P&C other short-tail risks

SCOR's property business underwritten by the P&C business unit is exposed to multiple insured losses arising from single or multiple man-made events, which can be catastrophic. The short-tail lines of business mostly exposed to man-made catastrophe are Property (other than natural catastrophe), Marine, Credit and Surety, Aviation and Space.

Man-made catastrophes refer to negligent or deliberate human actions, *e.g.* a large explosion and/or fire at a major industrial site and acts of terrorism. These events can cause major damage to property and lives. Acts of terrorism often target large cities and illustrious landmarks such as international airports and governmental facilities. Cyber attacks can lead to business interruptions and damages to property and lives if critical safety systems (*e.g.* industrial control systems) are impacted by an event.

SCOR is exposed to single or multiple terrorist attacks through some P&C treaties and national terrorism pools. The US market in particular is exposed to significant terrorism risks due to the insurance obligation stipulated by law. However, federal aid is also provided by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA"), which is currently scheduled to expire on December 31, 2020. 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 Reinsurance and Specialty Insurance. SCOR monitors this risk using a very conservative approach.

A terror event could also have an impact on SCOR's life portfolio. Although in past events the life claims incurred have been relatively small compared to the non-life claims, a terrorist act might claim a large number of insured lives.

The extent of the loss event and the affected lines of business will vary depending on the man-made event. Other factors could have an adverse impact, such as systemic crises, which could be generated by transition risks resulting from action to tackle climate change, cyclicality of the business and concentration risks related to its broker business.

Systemic crises

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, the level of competition with regards to pricing, and possible changes in regulations and societal attitudes regarding the support of industry sectors that contribute to climate change. In particular, some of SCOR's lines of business which are directly linked to financial activities, are more exposed to global economic recessions (*e.g.* the Global Financial Crisis), for example, global lines such as credit and surety or liability risk such as Errors & Omissions and Directors & Officers Liability. Those areas of SCOR's business that are most exposed to climate transition risks are those related to re/insurance of carbon-intensive industries.

Cyclicality of the business

P&C insurance and reinsurance businesses are cyclical. The primary consequences of 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 meeting them. This could potentially lead 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 extents, independently of each other.

Concentration risk related to its broker business

SCOR generates its P&C business both through brokers and through direct relationships with insurance company clients. 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. For further information, refer to Section 1.2.5.4 – paragraph on Distribution by production source. for a breakdown of SCOR's business though brokers.

3.1.2.2. Life reinsurance

The main underwriting risks for SCOR's Life business unit are described below.

Long-term mortality deterioration

This risk refers to potential negative deviations in future mortality relative to current best-estimate assumptions, due to a higher-than-anticipated number of deaths (*i.e.* increased mortality rates) among the portfolio of lives reinsured by SCOR. This could result from inherent volatility, incorrect estimation of the expected claim level or an adverse long-term trend.

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 3.1.2.4 – Risks related to reserves.

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 material increase in mortality rates and increased medical costs which could significantly affect SCOR's results.

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.

Policyholder behavior risks

SCOR's Life business unit is also exposed to risks related to policyholder behavior, including risks such as lapsation and adverse selection.

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 the expected future income of the Life business unit.

Adverse 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 lower than expected profits for both the direct insurer and the reinsurer.

Morbidity risks

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.

Additional risks

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.

Climate change could also have impacts on the Life reinsurance business which could manifest both in adverse events and in long-term trends. For instance, increases in the frequency and severity of extreme heat events have the potential to negatively influence mortality and morbidity through, for example, the aggravation of cardiovascular and respiratory illnesses. Natural catastrophes, such as wildfires and hurricanes, may claim more lives with increasing severity. Over a longer time horizon, rising temperatures could change the patterns of disease distribution, for example through expansion in the geographic range of disease vectors such as mosquitos.

3.1.2.3. Interdependence and accumulation risks between SCOR's areas of business

P&C and Life reinsurance activities take place in two different market environments. The two business units are subject to a range of external constraints and 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's 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 business units 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 3.1.5 – Liquidity risks.

SCOR's ability to grow or maintain its portfolios in the P&C and Life reinsurance business units 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 business units operate. These risks could lead to significantly reduced business growth in these target markets. See Section 3.1.1 – Strategic risks 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.

3.1.2.4. Risks 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. The Group is then dependent on the reserves assessment made by the companies with which it does business.

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.

For more information on exposure to this line of business, refer to Section 3.1.2.1 – P&C Reinsurance.

3.1.3. MARKET RISKS

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 risk includes:

- interest rate risk;
- currency risk;
- equity risk;
- real estate risk, to which SCOR is exposed through its investments; and
- credit spread risk on these invested assets.

Market risks can be influenced by various over-arching factors, including political, macro-economic, monetary, societal and environmental trends. Environmental trends include risks linked to sustainability, including those as a consequence of climate change, which can impact any of the market risks listed above. Specifically, climate risks correspond to the risk that the value of assets could be negatively impacted by acute physical risks, risks linked to the transition to a low carbon economy and the potential for risks to SCOR's reputation linked to investment choices.

3.1.3.1. Interest rate risks

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.

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.

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. The current low yield environment increases the potential materialization of this risk.

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. However, for most discounted Life liabilities 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 3.3.4.6 – Monitoring sensitivity to market risks.

3.1.3.2. Currency risks

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 currency risk have been identified by SCOR:

- Transaction: 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: 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 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.

The Group recognized a net foreign exchange gain of EUR 3 million for the year ended December 31, 2019 (2018: loss of EUR 13 million and 2017: loss of EUR 27 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.

		Equity impact		
In EUR millions	**Currency movement**	**2019**	**2018**	**2017**
USD/EUR	10%	487	385	353
% of equity		7.7%	6.6%	5.7%
USD/EUR	-10%	(487)	(385)	(353)
% of equity		-7.7%	-6.6%	-5.7%
GBP/EUR	10%	28	25	26
% of equity		0.4%	0.4%	0.4%
GBP/EUR	-10%	(28)	(25)	(26)
% of equity		-0.4%	-0.4%	-0.4%

3.1.3.3. Credit spread risks

Credit spread risk on invested assets is the risk of incurring a financial loss arising from the change in the market assessment of the counterparty risk of financial instruments or counterparties. Credit spread variations could have a direct impact on the market value of the fixed-income securities and loans, and as a consequence, on the realized or unrealized capital gains or losses of the fixed-income securities held in the portfolio.

(1) This analysis excludes the impact of hedging activity, and the presentation has been adjusted to 2019 disclosures.

3.1.3.4. Equity risks

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 realized or 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 3.3.4.6 Monitoring of sensitivity to market risks.

3.1.3.5. Real estate risks

Real estate risks, 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.

3.1.4. CREDIT RISKS

Credit risk is the risk of incurring a loss as a result of an unexpected change in the financial situation of a counterparty.

This includes Credit default risk which is the risk that one party to a financial instrument or other asset will cause a financial loss to the other party by unexpectedly failing to discharge, either partially or fully, an obligation. Credit risk also includes Credit migration risk, which is the risk of incurring a financial loss due to a change in the value of a contractual agreement following unexpected changes in the credit quality of 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.

3.1.4.1. Credit risks related to cash and invested assets

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.

SCOR is exposed to the risk of losing all or part of any cash deposited with banks in the event that 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.

3.1.4.2. Credit risks related to reinsurance contracts

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.

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' credit rating is included in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

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.

3.1.4.3. Other credit risks

For special and 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.

3.1.5. LIQUIDITY RISKS

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

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.

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.

Maturity profiles

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 contract liabilities

In EUR millions	0-1 year	1-3 years	3-7 years	> 7 years	Total
As at December 31, 2019	**4,487**	**5,017**	**3,596**	**3,133**	**16,233**
As at December 31, 2018	4,488	4,804	3,437	2,582	15,311

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.

The estimated maturity profile of the assumed contract liabilities for long-term Life reinsurance represents benefit payments that 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 millions	< 1 year	1-5 years	6-10 years	> 10 years	Total
As at December 31, 2019	**2,508**	**1,657**	**2,034**	**8,481**	**14,680**
As at December 31, 2018	2,773	725	1,097	10,033	14,628

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, 2019	Debt maturity profiles				
In EUR millions	Interest rate ranges	< 1 year	1-5 years	> 5 years*	Total**
Subordinated debt	2.67%-5.25%	93	721	3,616	4,430
Real estate debt	0.79%-4.34%	61	200	298	559
Lease liabilities	0.32%-4.17%	21	39	36	96
Other financial debt	0.07%-0.80%	3	1	-	4
Total		**178**	**961**	**3,950**	**5,089**

As at December 31, 2018	Debt maturity profiles				
In EUR millions	Interest rate ranges	< 1 year	1-5 years	> 5 years*	Total**
Subordinated debt	2.98%-5.25%	87	704	3,584	4,375
Real estate debt	0.79%-4.34%	48	242	277	567
Other financial debt	0.07%-0.80%	5	1	37	43
Total		**140**	**947**	**3,898**	**4,985**

** Accrued interest on perpetual debt as at December 31, 2019 of EUR 13 million (2018: EUR 12 million).*

*** Of the amounts above, EUR 20 million (2018: EUR 15 million) relate to variable rate debt. These amounts exclude debt which has been swapped from a variable interest rate to a fixed interest rate.*

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).

3.1.6. OPERATIONAL RISKS

Operational risks are inherent to all businesses at SCOR. Operational risks can be split into two main groups: internal risks (risks related to system or facilities, to staff, to processes and to legal/regulatory environment) and external risks (external fraud, cyberattack).

3.1.6.1. Risks related to systems or facilities

Risks related to systems or facilities 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.

3.1.6.2. Risks related to staff

Risks related to staff can arise as follows:

- 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, intentional mismarking of positions or bribery;
- intentional damage to SCOR's assets (including data) required to perform its operations by internal or external staff, which could lead to significant remediation costs (including these released to rebuilding databases or systems);
- 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.

3.1.6.3. 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, the development of a new Line of Business, or any other project, may lead to an accumulation of operational risks.

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.

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 third parties challenging the terms of a contract, which could lead to an unfavorable outcome. For information on this issue, see Section 4.6 – Notes to the consolidated financial statements, Note 25 – Litigation.

3.1.6.4. Legal and regulatory risks in SCOR's operating environment

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

As an international group, SCOR must comply with national and international laws, regulations and applicable accounting standards. This includes all applicable economic sanctions, programs relating to anti-corruption, anti-money laundering, in addition to anti-terrorism laws, and laws and regulations applicable to its operations. Laws and regulations applicable to some of SCOR's operations refer *inter alia* to the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) and to certain laws administered by the United States Department of State. They also refer to applicable economic trade sanctions laws, regulations and directives of the European Union and its member states. Other directives with which SCOR complies apply to anti-money laundering, corruption, terrorism financing and insider trading (*e.g.* the European Regulation of April 2014 on market abuses). Regarding anti-corruption laws and regulations, SCOR must comply with the Foreign Corrupt Practices Act (FCPA) and other laws such as the UK Bribery Act. SCOR must also comply with the provisions of Sapin II. Additionally, SCOR must comply with regulatory requirements regarding data management (both SCOR's data and that of its clients), in particular the General Data Protection Regulation (GDPR) enacted by the European Union. Any breach to these requirements could lead to regulatory sanctions, including significant fines and expose SCOR to legal proceedings from clients, and reputational damage.

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

Following Brexit, the direct P&C insurance activities for European Economic Area (EEA) clients currently carried by SCOR UK may need to be carried in the future by a legal entity based in the EEA in case insurers based in the United Kingdom would lose their European passport. In order to prepare for such an event SCOR has created a P&C insurance company in France to serve its continental clients, while maintaining the insurance company SCOR UK for its other clients. Also, SCOR stands ready to ask the Prudential Regulation Authority for any required approvals in order to allow the continuation of the activity of its reinsurance branches in the United Kingdom. For further details on current main regulatory developments which may have an impact on SCOR, see Section 3.1.1.2 – Risks related to legal and regulatory developments.

3.1.6.5. External frauds

SCOR is exposed to external fraud which is characterized by the theft 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 an act of fraud succeed in bypassing the controls or protection measures in place, this could generate a direct loss for the Group.

3.1.6.6. Cyber attack

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;
- funds could be stolen through fraudulent wire transfers;
- data could be stolen, deleted or corrupted, or made public in contradiction with SCOR's regulatory or contractual obligations.

Any of the above 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. A cyber-attack could also assist external fraudsters resulting in a financial loss.

3.2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Refer to Appendix A – Internal control and risk management procedures.

3.3. MANAGEMENT OF MAIN RISKS

3.3.1. MANAGEMENT OF STRATEGIC RISKS

3.3.1.1. 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 – Internal control and risk management procedures.

3.3.1.2. Management of risks related to legal and regulatory developments

SCOR monitors the legal and regulatory developments which could have an impact on the Group and its entities, ensuring in particular that it takes an active position in relation to the requirements to which it is exposed or could be exposed in the different jurisdictions where it operates and that it prepares in due time for their implementation.

In particular, developments in existing or emerging 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.

3.3.1.3. 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 3.1.6 – Operational risks for further details on SCOR's Internal control system approach, Appendix A – Internal control and risk management procedures, Section 4.1 – Group functions for a description of some of the departments involved in the management of intangible assets and Appendix A – Internal control and risk management procedures, Section 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 3.3.1.7 – Management of risks related to acquisitions.

3.3.1.4. 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 – Internal control and risk management procedures.

3.3.1.5. 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-/Stable" from "A+/Positive" in 2015, followed by a Moody's upgrade to "Aa3/Stable" in 2016 and the recent upgrade by AM Best to "A+/Stable" in 2017. Therefore, a downgrade by one notch would have a limited impact on its future business development, its liquidity position or its capacity to raise funds. For further information on SCOR's current rating, see Section 1.2.4 – Ratings information.

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 – Internal control and risk management procedures). The team also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

3.3.1.6. 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 efficiently manages its capital allocation and fungibility between subsidiaries within the 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 reinsurance, intra-group financing, portfolio transfer, capital transfer or collateral posting).

3.3.1.7. 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 includes various members of SCOR's Executive Committee. All progress, assessments and any offers made to third parties are generally presented and approved by the Strategic Committee of SCOR's Board of Directors.

All planned acquisition projects that may have an impact on SCOR's risk profile are reviewed in collaboration with SCOR's risk management teams. The planning for integration of acquired businesses typically begins during the due diligence phase. 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 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.

3.3.2. MANAGEMENT OF UNDERWRITING RISKS RELATED TO THE P&C AND LIFE BUSINESSES

3.3.2.1. Management of underwriting risks related to the P&C business

The Group Risk Management and the P&C business unit are organized to enable them to assess and control P&C 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 Specialty Insurance, which operates worldwide. The Business Solutions area is dedicated to large corporate businesses and is geared to provide clients with solutions for coverage of large conventional risks.
- Underwriting and pricing guidelines, defined by the P&C business unit, 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 the P&C business unit specify (i) the underwriting rules and principles to be complied with: (ii) the underwriting capacities individually delegated to the underwriters in each of the markets and lines of business in which the Group operates as well as (iii) the relevant maximum acceptable commitments per risk and per event.
  - — Pricing guidelines and parameters apply to all treaties priced within the P&C business unit. There are additional guidelines related to Natural Catastrophes and others specific to certain products which include Agriculture, Credit & Surety and Cyber. These guidelines seek to ensure that the analyses provide: i) a best estimate of the costs and profitability of a treaty as well as the uncertainty surrounding estimates; ii) assistance with underwriting decisions and iii) the suitable outputs needed for the risk management process, in particular the internal model, such as probability distributions for losses/Net Present Value (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's P&C business unit uses a data system that allows management to monitor and review the results from pricing tools.

- The underwriting teams are supported by P&C business unit's Underwriting Management. 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 previously defined are subject to special referral procedures at two levels: (1) by Underwriting Management and, where applicable, by Legal and/or Finance; (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 Group Risk Management.
- The P&C Pricing & Modeling 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, Return on Risk Adjusted Capital (RORAC), and Profit Excess Targets). The results are also used as criteria for referrals within Underwriting teams. Pricing actuaries, team up with underwriters and modelers by market or by line of business.
- The P&C Pricing & Modeling department is responsible for monitoring Nat Cat accumulations. 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 relation to climate change, the models used to price natural catastrophe business (both new and renewing) are calibrated using recent claims data. In this way, changes in frequency and severity of the natural perils that SCOR underwrites, whether related to climate change signals or not, are considered in the pricing of contracts. In terms of managing climate transition risks, SCOR has already made certain underwriting commitments that make a start towards reducing the company's exposure to certain carbon-intensive sectors. In addition, SCOR has introduced referral procedures and Environmental, Social and Governance (ESG) scoring components for the underwriting of insurance and facultative reinsurance within the mining and energy sectors.
- For non-Nat Cat business, per-risk accumulation limits are defined in the underwriting guidelines. Underwriting functions are responsible for the application and the monitoring and control of the application of these guidelines within their business unit.
- In order to mitigate its property exposure, the Group retrocedes a portion of the risks it underwrites. See 3.3.3 – 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. P&C business unit's Claims & Commutations is responsible for the implementation and overview of the overall claims handling and commutation management policy for the P&C business unit, implementing worldwide control and reporting procedures and managing commutation of portfolios and commitments. It supports and 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 the P&C business unit's reserves is controlled based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.2.4 – Management of reserving risks.
- 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 (Reinsurance, Specialty Insurance, Business Ventures and Partnerships) and region. The review enables the analysis of technical results by underwriting year, by nature and by line of business.
- Risk-related topics of the P&C business unit are discussed at the quarterly P&C Risk and Capital Committee.
- Cross reviews are conducted by specialists, to assess the quality of underwriting, pricing and claims handling of particular market areas or 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.

3.3.2.2. Management of underwriting risks related to the life business

SCOR's Group Risk Management, along with the Life business unit, has implemented mechanisms to mitigate certain risks specific to the Life business:

- Claims deterioration risks are mitigated through yearly renewable terms for parts of the mortality business, and through premium adjustment clauses for some products.
- Lapse risks are mitigated through appropriate reinsurance treaty clauses, as well as product, client and market diversification.
- Adverse selection risks are mitigated through careful product design and a well-defined medical and financial underwriting process.

SCOR's Life business unit 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 and is monitored on a quarterly basis against prior year development. In addition, 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's Life business unit. Clients are worldwide 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.
- 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 the Life business unit is continually up-to-date with biometric trends and scientific developments, the expertise of specialists is used to analyze and assess the key factors underlying mortality, longevity, morbidity and policyholder behavior. These teams provide recommendations for the implementation of the research results into the pricing, underwriting and determination of exposure limits. Regarding the potential impacts of climate change, SCOR's specialists perform regular reviews of the medical literature to identify the links between climate change and certain medical conditions and diseases. Where appropriate, this information is fed into decisions related to current and future underwriting, pricing and valuation of reserves.
- Guidelines and other documents defined by the Life business unit 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 the Life business unit for various risks and types of cover (for more information, see Section 3.3.3 – 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 Life business unit level by the Pricing department and, where applicable, the Finance department. Cases which may have a significant impact on the balance sheet of the Group are submitted for a second review by Group Risk Management. Thresholds or conditions for a second 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 catastrophe 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 uses 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 the Life business unit's exposure from 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 retrocession coverage. 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 3.3.3 – Retrocession and other risk mitigation techniques for further information on how these instruments are managed.
- Claims handling is performed by local claims teams that handle and monitor claims. Claims exceeding a predefined threshold are reviewed by the Life business unit's global medical underwriting and claims specialists. In addition, where deemed appropriate, audits are conducted on claims or specific lines of business at the ceding companies' offices.
- The adequacy of Life's business unit's reserves is monitored based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.2.4 – Management of reserving risks.
- 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.
- Risk-related topics of the Life business unit are discussed at the quarterly Life Risk Committee.
- Cross reviews are conducted by specialists to assess the quality of underwriting, pricing, medical underwriting and claims handling of particular market areas or lines of business, to evaluate the appropriateness and effectiveness of controls and to propose risk management measures, including mitigating actions.

3.3.2.3. 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.

3.3.2.4. Management of reserving risks

The adequacy of P&C and Life reserves is checked on a quarterly basis by internal actuaries at business unit 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 are mandated to review certain aspects of the reserve calculation and thereby support the internal analysis and validation.

The Chief Reserving Actuaries of the business units are responsible for overseeing the reserves of their respective business units, 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's P&C business unit, 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 business unit's reserves but also to highlight the inherent uncertainties surrounding this assessment. The monitoring of the reserves by the business unit'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 P&C business unit's 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 the P&C business unit's reserves adequacy are performed including those required by local regulators (Canada, South Africa, Argentina, India, China and SCOR's 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 reserves 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 P&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 P&C business unit'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's Life business unit, 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 business unit's reserves but also to highlight the inherent uncertainties surrounding this assessment.

The monitoring of the reserves by the business unit'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 Life business unit's reserving actuaries and reviewed by the Group Actuarial Department which also performs its own full analysis. These analyses are recorded in an annual actuarial report;
- regular external reviews of the Life business unit's 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 the Life business unit to determine the 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.

3.3.3. 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 achieves 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 limited 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 bonds);
- 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 business units: SCOR's P&C and Life Retrocession Departments establish and implement the external retrocession plans for the P&C and Life businesses. These departments are responsible for proper application of the plan, for monitoring the solvency of the retrocessionaires, the related counterparty risk and, when necessary, recovery of balances due. 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 3.3.5 – Management of Credit risks.

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, 2019 and 2018 is presented in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities and Note 19 – Net retrocession result.

3.3.4. MANAGEMENT OF MARKET RISKS

The Group's investment strategy is prudent, with the majority of assets held in cash and fixed income securities. It is defined in line with the Group's risk appetite and its risk tolerance limits and considers the economic and market environment, and the ALM process.

Investment Guidelines at Group and local levels outline the investment universe and limits, including concentration limits, in line with the objectives of the strategic plan. They are approved by the Group Board/local Board or Executive 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.

In currency and geographic terms, SCOR is mainly exposed to the US and especially to US government or government assimilated bonds.

To better address climate risks and improve the resilience of its invested assets portfolios, SCOR has put in place strong monitoring of Environmental, Social and Governance (ESG) criteria when managing assets, based on exclusions of issuers most exposed to sustainability risks and ESG screening of assets in which the Group invests.

3.3.4.1. Management of interest rate risks

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

Interest rate risk is managed within the Group primarily at two levels. At the level of each entity, the Group takes account of regulatory and accounting constraints. At the Group level, SCOR reviews its consolidated investment portfolios in order to identify the overall level of risk and return. It uses analytical tools which guide both its strategic allocation and local distribution of assets. Sensitivity 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 7.9 – Derivative instruments.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to interest rate risk, see Section 3.3.4.6 – Monitoring of sensitivity to market risks.

3.3.4.2. Management of currency risks

SCOR has a balance sheet hedging approach whereby the objective is 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.

3.3.4.3. Management of credit spread risks

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). The application of these limits also helps to mitigate the counterparty default risk arising from investments, as described in the Section 3.3.5 – Management of credit risks.

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.

3.3.4.4. Management of equity risks

With regards to equity investments, 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. 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.

3.3.4.5. Management of real estate risks

SCOR has adopted an active strategy to select core buildings and takes environmental quality into account during the decision-making process.

3.3.4.6. Monitoring of sensitivity to market risks

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:

- for interest rate: The interest rate sensitivities for shareholders' 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 Guaranteed Minimum Death Benefit 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 potential impact of change in interest rates 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;
- for equity price risks: 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, 2019 market values would generate no further impairment of equity securities (2018: EUR 0 million; 2017: EUR 0 million). It should be noted that, the potential further impairment 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:

	December 31, 2019		December 31, 2018		December 31, 2017	
In EUR millions	Income(2)(3)	Equity(2)(3)	Income(2)(3)	Equity(2)(3)	Income(2)(3)	Equity(2)(3)(4)
Interest +100 basis point	21	(417)	19	(508)	16	(499)
% of Equity	0.3%	-6.6%	0.3%	-8.8%	0.3%	-8.1%
Interest -100 basis points	(22)	374	(20)	501	(17)	478
% of Equity	-0.3%	5.9%	-0.3%	8.6%	-0.3%	7.7%
Equity markets +10% (1)	7	19	5	14	9	36
% of Equity	0.1%	0.3%	0.1%	0.2%	0.1%	0.6%
Equity markets -10% (1)	(6)	(16)	(4)	(11)	(8)	(31)
% of Equity	-0.1%	-0.3%	-0.1%	-0.2%	-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 23 % in 2019 (21% in 2018 and 23% in 2017).

(4) Presentation has been adjusted considering new assumptions in 2019.

3.3.5. MANAGEMENT OF CREDIT RISKS

3.3.5.1. Management of cash and invested assets

Management of credit risks 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.

Management of credit risks 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 countries.

For further information on how risks related to invested assets are managed, see Section 3.3.4 – Management of market risks.

3.3.5.2. Management of reinsurance contracts

Management of credit risk related to future cash flows of life reinsurance treaties

SCOR monitors the development of its cedents financial situation through regular contact, which enables 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 3.1.1.3 – Impact of the valuation of SCOR's intangible assets and deferred tax assets on SCOR's shareholders' equity and price of its securities, and Section 4.6 – Notes to the consolidated financial statements, Note 6 – Value of business acquired.

Management of credit risk related to 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). 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' credit rating is included in Section 4.6, Note 15 – Net contract liabilities.

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.

3.3.5.3. 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.

3.3.5.4. Aging of assets

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2019:

In EUR millions	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	18,843	-	-	-	-	18,843
Financial assets at fair value through income	1,351	-	-	-	-	1,351
Derivative instruments	208	-	-	-	-	208
Loans and receivables	9,220	-	-	-	-	9,220
Insurance receivables	6,325	664	59	10	17	7,075
Tax receivables	131	-	-	-	-	131
Miscellaneous assets – others	194	2	-	-	-	196
Cash and cash equivalents	1,435	-	-	-	-	1,435
TOTAL	**37,707**	**666**	**59**	**10**	**17**	**38,459**

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2018:

In EUR millions	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	17,611	-	-	-	-	17,611
Financial assets at fair value through income	1,245	-	-	-	-	1,245
Derivative instruments	67	-	-	-	-	67
Loans and receivables	8,978	-	-	-	-	8,978
Insurance receivables	5,833	651	91	12	32	6,619
Tax receivables	188	-	-	-	-	188
Miscellaneous assets – others	216	2	-	-	-	218
Cash and cash equivalents	1,175	-	-	-	-	1,175
TOTAL	**35,313**	**653**	**91**	**12**	**32**	**36,101**

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 and reinsurance receivables business credit terms are typically based on normal terms of trade, as specified within contracts. Insurance and reinsurance 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.

3.3.6. MANAGEMENT OF LIQUIDITY RISKS

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 (refer to 'Maturity Profiles" in Section 3.1.5 – Liquidity risks); and
- the appropriateness of the composition of the assets in terms of nature, duration and liquidity in order to meet obligations as they fall due.

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

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

Transferability

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

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

Additional information on the timing of repayments and liquidity risk is included in Section 3.1.5 – Liquidity risks. 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.

3.3.7. MANAGEMENT OF OPERATIONAL RISKS

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 an overview of operational risks across the Group.

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 adapts its risk management, for example, by organizing specific training programs and sending regular warnings, and detailed instructions to its employees.

Some of the above operational risks are transferred in whole or in part to direct insurers as follows:

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

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

04

CONSOLIDATED FINANCIAL STATEMENTS

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Pursuant to Article 19 of Regulation (UE) 2017/1129 of June 14, 2017 of the European Parliament and Council, the following information is incorporated by reference in this Universal Registration Document (URD):

- The consolidated financial statements as at December 31, 2018 are included from pages 163 to 248 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2018 is included from pages 249 to 255 of the Registration Document filed with the AMF on March 4, 2019 under Number D.19-0092 (and from pages 163 to 248 and from pages 249 to 255, respectively, of the free translation into English of the above mentioned Registration Document. The translation is available on SCOR's

The consolidated financial statements for the year ended December 31, 2019 are presented below:

4.1. CONSOLIDATED BALANCE SHEET

ASSETS

In EUR millions		As at December 31 2019	2018
Goodwill arising from insurance activities	**Note 5**	**788**	**788**
Goodwill arising from non-insurance activities	**Note 5**	**82**	**71**
Value of business acquired	**Note 6**	**1,302**	**1,471**
Insurance business investments	**Note 7**	**30,283**	**28,586**
Real estate investments		661	685
Available-for-sale financial assets		18,843	17,611
Investments at fair value through income		1,351	1,245
Loans and receivables		9,220	8,978
Derivative instruments		208	67
Investments in associates	**Note 2**	**13**	**9**
Share of retrocessionaires in insurance and investment contract liabilities	**Note 15**	**2,227**	**2,141**
Other assets		**10,748**	**10,142**
Accounts receivable from assumed insurance and reinsurance transactions	Note 8	6,724	6,352
Accounts receivable from ceded reinsurance transactions	Note 8	351	267
Deferred tax assets	Note 17	532	554
Tax receivables		131	188
Miscellaneous assets	Note 9	1,413	1,280
Deferred acquisition costs	Note 10	1,597	1,501
Cash and cash equivalents	**Note 11**	**1,435**	**1,175**
TOTAL ASSETS		**46,878**	**44,383**

SHAREHOLDERS' EQUITY AND LIABILITIES

In EUR millions		As at December 31 2019	2018
Shareholders' equity – Group share	**Note 12**	**6,348**	**5,800**
Share capital		1,473	1,521
Additional paid-in capital		624	815
Revaluation reserves		214	(145)
Consolidated reserves		3,614	3,556
Treasury shares		(54)	(338)
Net Income for the year		422	322
Share-based payments		55	69
Non-controlling interests		**26**	**28**
TOTAL SHAREHOLDERS' EQUITY		**6,374**	**5,828**
Financial liabilities	**Note 13**	**3,027**	**2,831**
Subordinated debt		2,409	2,277
Real estate financing		517	510
Other financial liabilities		101	44
Employee benefits and other provisions	**Note 14**	**268**	**224**
Contract liabilities	**Note 15**	**31,236**	**30,253**
Insurance contract liabilities		30,913	29,939
Investment and financial reinsurance contract liabilities		323	314
Other liabilities		**5,973**	**5,247**
Derivative instruments	Note 7	29	55
Accounts payable on assumed insurance and reinsurance transactions	Note 8	910	773
Accounts payable on ceded reinsurance transactions	Note 8	1,431	1,254
Deferred tax liabilities	Note 17	270	207
Tax payables		90	52
Miscellaneous liabilities		3,243	2,906
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**46,878**	**44,383**

4.2. CONSOLIDATED STATEMENT OF INCOME

In EUR millions		For the year ended December 31		
		2019	**2018**	**2017**
Gross written premiums		16,341	15,258	14,789
Change in unearned premiums reserves		(446)	(203)	(191)
Gross earned premiums	**Note 4**	**15,895**	**15,055**	**14,598**
Other income and expenses		(31)	(54)	(42)
Investment income	Note 18	754	687	797
Total income from ordinary activities		**16,618**	**15,688**	**15,353**
Gross benefits and claims paid		(11,792)	(11,168)	(11,963)
Gross commission on earned premiums		(2,869)	(2,786)	(2,472)
Net retrocession result	Note 19	(327)	(264)	398
Investment management expenses	Note 20	(75)	(68)	(69)
Acquisition and administrative expenses	Note 20	(564)	(537)	(535)
Other current operating expenses	Note 20	(235)	(226)	(197)
Total other current operating income and expenses		**(15,862)**	**(15,049)**	**(14,838)**
CURRENT OPERATING RESULT		**756**	**639**	**515**
Other operating expenses		(61)	(35)	(39)
Other operating income		18	28	15
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**713**	**632**	**491**
Acquisition related expenses		-	-	-
Gain from bargain purchase	Note 3	-	26	-
OPERATING RESULT		**713**	**658**	**491**
Financing expenses	Note 13	(143)	(153)	(149)
Share in results of associates		(1)	(8)	(1)
CONSOLIDATED INCOME, BEFORE TAX		**569**	**497**	**341**
Corporate income tax	Note 17	(147)	(107)	(56)
Impact from the U.S. tax reform	Note 17	-	(68)	-
Total income tax		**(147)**	**(175)**	**(56)**
CONSOLIDATED NET INCOME		**422**	**322**	**285**
Attributable to:				
Non-controlling interests		-	-	(1)
GROUP SHARE		**422**	**322**	**286**
In EUR				
Earnings per share (basic)	Note 21	2.27	1.72	1.53
Earnings per share (diluted)	Note 21	2.25	1.70	1.51

4.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR millions		For the year ended December 31		
		2019	2018	2017
Consolidated net income		**422**	**322**	**285**
Other comprehensive income		**482**	**(182)**	**(492)**
Items that will not be reclassified subsequently to income		**(24)**	**(18)**	**4**
Remeasurements of post-employment benefits		(31)	(24)	12
Taxes recorded directly in equity	Note 17	7	6	(8)
Items that will be reclassified subsequently to income		**506**	**(164)**	**(496)**
Revaluation – Available-for-sale financial assets		660	(511)	66
Shadow accounting		(202)	125	(35)
Effect of changes in foreign exchange rates		126	145	(521) [1]
Net gains/(losses) on cash flow hedges		30	(6)	5
Taxes recorded directly in equity	Note 17	(110)	90	(10)
Other changes		2	(7)	(1)
COMPREHENSIVE INCOME, NET OF TAX		**904**	**140**	**(207)**
Attributable to:				
Non-controlling interests		-	-	(1)
Group share		904	140	(206)

(1) Largely due to negative impact of USD weakening against EUR.

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR millions		For year ended December 31 2019	2018	2017
Net cash flows provided by/(used in) operations	**Note 11**	**841**	**891**	**1,144**
Acquisitions of consolidated entities		(13) (1)	(75) (2)	(178) (3)
Change in scope of consolidation (cash and cash equivalents of acquired companies)		2 (1)	80 (2)	1 (3)
Disposals of consolidated entities, net of cash disposed of		-	4 (4)	3 (4)
Acquisitions of real estate investments		(64)	(36)	(80)
Disposals of real estate investments		124	37	327
Acquisitions of other insurance business investments (5)		(9,168)	(7,464)	(11,120)
Disposals of other insurance business investments (5)		9,030	7,435	9,818
Acquisitions of tangible and intangible assets		(130)	(82)	(51)
Disposals of tangible and intangible assets		-	-	-
Net cash flows provided by/(used in) investing activities		**(219)**	**(101)**	**(1,280)**
Issuance of equity instruments		10	23	27
Treasury share transactions		(1)	(289)	(12)
Dividends paid(6)		(327)	(314)	(310)
Cash generated by issuance of financial liabilities	Note 13	150 (7)	739 (7)	19
Cash used to redeem financial liabilities	Note 13	(99)	(658) (8)	(30)
Interest paid on financial liabilities		(117)	(137)	(126)
Other cash flows from financing activities		11	(2)	(35)
Net cash flows provided by/(used in) financing activities		**(373)**	**(638)**	**(467)**
Effect of change in foreign exchange rates on cash and cash equivalents		11	22	(84)
TOTAL CASH FLOWS		**260**	**174**	**(687)**
Cash and cash equivalents at January 1	**Note 11**	**1,175**	**1,001**	**1,688**
Net cash flows provided by/(used in) operations		841	891	1,144
Net cash flows provided by/(used in) investing activities		(219)	(101)	(1,280)
Net cash flows provided by/(used in) financing activities		(373)	(638)	(467)
Effect of change in foreign exchange rates on cash and cash equivalents		11	22	(84)
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**1,435**	**1,175**	**1,001**

(1) Cash related to the acquisition of the capital voting rights of Coriolis, see Note 3. – Acquisitions and disposals.

(2) Cash related to the acquisition of the capital voting rights of MutRé and Essor Seguros, see Note 3. – Acquisitions and disposals.

(3) Cash related to the acquisition of 80% of the capital and voting rights of Château Mondot, see Note 3. – Acquisitions and disposals.

(4) Partial disposal of Asefa in 2018 for EUR 4 million (EUR 3 million in 2017).

(5) 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.

(6) Of which EUR 2 million of dividends paid by MRM to non-controlling interests (EUR 2 million paid in 2018 and EUR 2 million paid in 2017).

(6) Cash generated by issuance of financial liabilities includes net proceeds from subordinated notes issuance of USD 125 million (USD 625 million in 2018).

(7) Cash used to redeem financial liabilities includes the redemption of two subordinated debts, CHF 315 million and CHF 250 million.

4.5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total conso-lidated
Shareholders' equity at January 1, 2019 before adoption of new IFRS	**1,521**	**815**	**(145)**	**3,556**	**(338)**	**322**	**69**	**28**	**5,828**
Effect of adoption of new IFRS (1)	**-**	**-**	**-**	**(45)**	**-**	**-**	**-**	**-**	**(45)**
Shareholders' equity at January 1, 2019 after adoption of new IFRS	**1,521**	**815**	**(145)**	**3,511**	**(338)**	**322**	**69**	**28**	**5,783**
Allocation of prior year net income	**-**	**-**	**-**	**322**	**-**	**(322)**	**-**	**-**	**-**
Net income for the year ended December 31, 2019	**-**	**-**	**-**	**-**	**-**	**422**	**-**	**-**	**422**
Other comprehensive income net of tax	**-**	**-**	**359**	**123**	**-**	**-**	**-**	**-**	**482**
Revaluation – Assets available-for-sale	-	-	660	-	-	-	-	-	660
Shadow accounting	-	-	(202)	-	-	-	-	-	(202)
Effect of changes in foreign exchange rates	-	-	-	126	-	-	-	-	126
Net gains/(losses) on cash flow hedges	-	-	-	30	-	-	-	-	30
Taxes recorded directly in equity	-	-	(99)	(4)	-	-	-	-	(103)
Remeasurements of post-employment benefits	-	-	-	(31)	-	-	-	-	(31)
Other changes	-	-	-	2	-	-	-	-	2
Comprehensive income net of tax	**-**	**-**	**359**	**123**	**-**	**422**	**-**	**-**	**904**
Share-based payments (2)	-	-	-	(17)	284	-	(14)	-	253
Other changes	-	-	-	-	-	-	-	-	-
Capital transactions (3)	(48)	(191)	-	-	-	-	-	-	(239)
Dividends paid	-	-	-	(325)	-	-	-	(2)	(327)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2019	**1,473**	**624**	**214**	**3,614**	**(54)**	**422**	**55**	**26**	**6,374**

(1) Effect due to first time application of IFRS 16 and IFRIC 23 (refer to Note 1.3. – IFRS standards applied for the first time and IFRS standards published but not yet effective).

(2) Reduction of treasury shares of EUR 284 million mainly due to the cancellation of shares related to the share-buy-back program.

(3) Issuance of shares related to the exercise of stock options of EUR 9 million (EUR 3 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 509,135 shares during the year ended December 31, 2019. These movements were offset by a reduction in Group capital through the cancellation of treasury shares of EUR 248 million (EUR 51 million in share capital and EUR 197 million in additional paid-in capital).

In EUR millions	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, 2018	**1,524**	**839**	**156**	**3,508**	**(179)**	**286**	**61**	**30**	**6,225**
Allocation of prior year net income	**-**	**-**	**-**	**286**	**-**	**(286)**	**-**	**-**	**-**
Net income for the year ended December 31, 2018	**-**	**-**	**-**	**-**	**-**	**322**	**-**	**-**	**322**
Other comprehensive income net of tax	**-**	**-**	**(301)**	**119**	**-**	**-**	**-**	**-**	**(182)**
Revaluation – Assets available-for-sale	-	-	(511)	-	-	-	-	-	(511)
Shadow accounting	-	-	125	-	-	-	-	-	125
Effect of changes in foreign exchange rates	-	-	-	145	-	-	-	-	145
Net gains/(losses) on cash flow hedges	-	-	-	(6)	-	-	-	-	(6)
Taxes recorded directly in equity	-	-	85	11	-	-	-	-	96
Remeasurements of post-employment benefits	-	-	-	(24)	-	-	-	-	(24)
Other changes	-	-	-	(7)	-	-	-	-	(7)
Comprehensive income net of tax	**-**	**-**	**(301)**	**119**	**-**	**322**	**-**	**-**	**140**
Share-based payments	-	-	-	(45)	(159)	-	8	-	(196)
Other changes	-	-	-	-	-	-	-	-	-
Capital transactions [(1)]	(3)	(24)	-	-	-	-	-	-	(27)
Dividends paid	-	-	-	(312)	-	-	-	(2)	(314)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2018	**1,521**	**815**	**(145)**	**3,556**	**(338)**	**322**	**69**	**28**	**5,828**

(1) Issuance of shares related to the exercise of stock options for EUR 23 million (EUR 10 million in share capital and EUR 13 million in additional paid-in capital). This resulted in the creation of 1,278,077 shares during the year ended December 31, 2018. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 50 million (EUR 13 million in share capital and EUR 37 million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total conso-lidated
Shareholders' equity at January 1, 2017	**1,517**	**833**	**134**	**3,761**	**(224)**	**603**	**37**	**34**	**6,695**
Allocation of prior year net income	**-**	**-**	**-**	**603**	**-**	**(603)**	**-**	**-**	**-**
Net income for the year ended December 31, 2017	**-**	**-**	**-**	**-**	**-**	**286**	**-**	**(1)**	**285**
Other comprehensive income net of tax	**-**	**-**	**22**	**(514)**	**-**	**-**	**-**	**-**	**(492)**
Revaluation – Assets available-for-sale	-	-	66	-	-	-	-	-	66
Shadow accounting	-	-	(35)	-	-	-	-	-	(35)
Effect of changes in foreign exchange rates	-	-	-	(521)	-	-	-	-	(521)
Net gains/(losses) on cash flow hedges	-	-	-	5	-	-	-	-	5
Taxes recorded directly in equity	-	-	(4)	(14)	-	-	-	-	(18)
Remeasurements of post-employment benefits	-	-	-	12	-	-	-	-	12
Other changes	-	-	(5)	4	-	-	-	-	(1)
Comprehensive income net of tax	**-**	**-**	**22**	**(514)**	**-**	**286**	**-**	**(1)**	**(207)**
Share-based payments	-	-	-	(34)	45	-	24	-	35
Other changes	-	-	-	-	-	-	-	(3)	(3)
Capital transactions (1)	7	6	-	-	-	-	-	-	13
Dividends paid	-	-	-	(308)	-	-	-	-	(308)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2017	**1,524**	**839**	**156**	**3,508**	**(179)**	**286**	**61**	**30**	**6,225**

(1) Issuance of shares related to the exercise of stock options for EUR 27 million (EUR 12 million in share capital and EUR 15 million in additional paid-in capital). This resulted in the creation of 1,519,860 shares during the year ended December 31, 2017. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 14 million (EUR 5 million in share capital and EUR 9 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 26, 2020.

The consolidated financial statements as at and for the year ended December 31, 2019 will be presented for approval at the 2020 Annual Shareholders' Meeting.

Note•1.2 BASIS OF PREPARATION

SCOR's consolidated financial statements for the financial years ended December 31, 2019, 2018 and 2017 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, 2019. 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, 2019. See Note 1.3 – IFRS Standards applied for the first time and IFRS Standards published but not yet effective for a detailed overview on the new and amended International Financial Reporting Standards applicable in 2019 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 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 years' comparatives

Certain reclassifications and revisions have been made to the financial information in respect of the prior years to bring it in line with the current year presentation.

Use of judgments and 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 postemployment 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 the United Kingdom's referendum to leave the European Union

The impact of the referendum on the United Kingdom's membership in the European Union has led to heightened financial market volatility and increased political and economic uncertainty. The terms of the Brexit are still uncertain at year end 2019. To prepare for Brexit the Group has set up a new entity, SCOR Europe SE. With effect from January 1, 2019, SCOR Europe SE, a 100%-owned subsidiary of SCOR SE, underwrites all new and renewed business relating to risks located in the EEA that can no longer be accepted by SCOR UK Company Ltd. after the Brexit date. SCOR Europe SE will also take over all commitments from policies previously issued by SCOR UK Company Ltd. if the latter can no longer honor these following Brexit.

Significant events of the year

Please refer to Section 1.3.3. of the Universal Registration Document for a description of the significant events in 2019.

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. Percentages and percent changes are calculated on unrounded figures (including decimals), therefore the Notes might contain immaterial differences in totals and percentages due to rounding.

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:

EUR per foreign currency unit	Closing rate As at December 31, 2019	Average rate Q4 2019	Q3 2019	Q2 2019	Q1 2019
USD	0.8918	0.9029	0.8996	0.8905	0.8802
GBP	1.1821	1.1628	1.1088	1.1463	1.1465
CNY	0.1285	0.1282	0.1282	0.1307	0.1304

EUR per foreign currency unit	Closing rate As at December 31, 2018	Average rate Q4 2018	Q3 2018	Q2 2018	Q1 2018
USD	0.8721	0.8762	0.8599	0.8393	0.8134
GBP	1.1094	1.1272	1.1204	1.1415	1.1323
CNY	0.1268	0.1267	0.1263	0.1315	0.1280

EUR per foreign currency unit	Closing rate As at December 31, 2017	Average rate Q4 2017	Q3 2017	Q2 2017	Q1 2017
USD	0.8330	0.8489	0.8508	0.9078	0.9386
GBP	1.1260	1.1271	1.1130	1.1615	1.1629
CNY	0.1282	0.1284	0.1276	0.1323	0.1362

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, 2019, 2018 and 2017, 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.

Argentina is considered to be a hyperinflationary economy as from July 2018. The impact of IAS 29 – Financial Reporting in Hyperinflationary Economies – related to SCOR's entity in Argentina is immaterial to the Group's consolidated financial statements.

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 the Life business) 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 is 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 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, 2019, did not materially impact the Financial Statements.

- On January 1, 2019, IFRS 16 – Leases became applicable. The EU endorsed IFRS 16 on October 31, 2017. IFRS 16 significantly changes the accounting by lessees, with its requirement to 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. Right-of-use assets are included in the balance sheet line item Miscellaneous Assets. Lease liabilities are included in the balance sheet item Other Financial Liabilities. Depreciation of the right-of use assets and interest expense on the lease liability in accordance with the effective interest rate method are recognized in the income statement. SCOR uses the exemptions for certain short-term leases and leases of low-value assets and continues to recognize the lease payments for those contracts as an expense on a straight-line basis. IFRS 16 is not applied to leases for intangible assets (for example IT licenses). The accounting for lessors remains broadly unchanged from IAS 17. The modified retrospective application was used to transition to the new lease accounting requirements. This simplified approach includes specified reliefs related to the measurement of the right-of use asset and the lease liability and not require a restatement of comparative amounts. The main impact from application of IFRS 16 resulted from leased office space used by the Group, accounting for EUR 86 million of right-of-use assets. EUR 2 million of right-of-use assets relate to car leases and office equipment. The impact on opening retained earnings from applying the modified retrospective approach amounted to EUR 11 million.

  The amount of future minimum lease payments for operating leases disclosed as of December 31, 2018 was EUR 193 million. The difference between these operating lease commitments disclosed and the amount of lease liabilities as of January 1, 2019 (EUR 106 million) is mainly due to a new lease contract for the Zurich office building (EUR 87 million) which will start in 2020 but was taken into account in the operating lease commitments under IAS 17. Smaller differences are due to the effect of discounting and other immaterial reconciling items. The weighted average lessee's incremental borrowing rate calculated as of January 1, 2019 is 2.72%.
- IFRIC 23 – Uncertainty over income tax treatments became applicable on January 1, 2019. The EU endorsed IFRIC 23 on October 23, 2018. The interpretation clarifies the application of recognition and measurement requirements in IAS 12 – Income taxes in case of uncertainties over income tax treatments. An entity needs to consider whether an uncertain tax treatment will be accepted by the tax authorities. If acceptance is considered probable no provision is required. If acceptance is not considered probable, this uncertainty must be reflected by determining an expected value or the most likely amount. SCOR considered uncertain tax positions individually and by measuring the most likely amount. The adoption of IFRIC 23 resulted in a tax provision of EUR 34 million in opening retained earnings.

The following standards relevant to SCOR and expected to have a significant impact on its consolidated financial statements have been issued by the International Accounting Standards Board but are not yet effective or have not been adopted 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. The EU endorsed IFRS 9 on November 22, 2016. However, as described below, SCOR opted for the Deferral Approach for IFRS 9 as granted by IFRS 4 and thus can defer application of the standard until January 1, 2022 if such effective date will be confirmed by the IASB and endorsed by the EU.

  IFRS 9 requires financial assets to be classified based on the business model for managing the financial assets and their contractual cash flows characteristics. Based on their classification, financial assets will be measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through P&L. 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. The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets as more financial assets are expected to be accounted for at fair value through profit or loss. SCOR's impairment policies will also be affected as impairments will be recognized based on expected credit losses and no longer based on incurred credit losses only. There are no significant 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 IFRS 17. The EU endorsed this amendment on November 3, 2017. Applying IFRS 9 before IFRS 17 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 profit 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 asset meeting the "solely payment of principal and interest" criterion and information about their credit risk exposure until IFRS 17 becomes effective. The deferral option is restricted to companies whose predominant activity is to issue insurance contracts. SCOR has assessed it would meet the predominance criteria and will defer the application of IFRS 9. SCOR's predominant activity is issuing (re)insurance contracts, which is reflected in the significance of liabilities arising from (re)insurance activities representing more than 90% of total liabilities. Liabilities connected to (re)insurance activities amounted to EUR 32.9 billion compared to total liabilities of EUR 35.2 billion as at December 31, 2015. For calculating the predominance ratio, subordinated debt, accounts payable on assumed and ceded reinsurance transactions, pension liabilities and deferred tax liabilities have been considered in addition to the contract liabilities in the scope of IFRS 4.

On November 14, 2018, the IASB voted to propose a one-year deferral of the effective date for IFRS 17 to January 1, 2022. The IASB also decided to propose extending to 2022 the temporary exemption for insurers to apply IFRS 9, so that both IFRS 9 and IFRS 17 can be applied at the same time. This proposal is yet to be included in the respective IFRS and to be endorsed by the EU.

During 2018, SCOR performed an impact assessment of classification and measurement of its financial assets under IFRS 9. This initial assessment was based on available information at the time and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information becoming available in the future. The tables below relate to the additional disclosures required when the IFRS 9 Deferral Approach is applied. Disclosures are based on the current financial assets portfolio and on the assessment conducted in 2019.

Fair value as of 2019 year-end and the amount of change of fair value during the financial year 2019 for the two groups of financial assets meeting or not meeting the SPPI criteria are the following:

In EUR millions	Fair value as at December 31, 2019	Change in fair value during 2019(1)
Financial assets with contractual terms that meet the SPPI test definition	18,516	592
Other financial assets	4,462	75
TOTAL FINANCIAL ASSETS(2)	**22,978**	**667**

(1) The change in fair value during 2019 displays the movement in unrealized gain/loss balances of financial assets held as at December 31, 2019. The change in fair value includes the impact from foreign exchange rate changes and partial reductions in holdings of financial assets still in the portfolio as at December 31, 2019.

(2) Financial assets include those held by the Group on behalf of third parties as part of its asset management activities. The elimination of third party shares is presented as "Other liabilities".

The following table presents information about the credit risk exposure related to financial assets that meet the SPPI criteria. The carrying amount under IAS 39 corresponds to the fair value for assets classified as AFS and FVPL and to the carrying amount before impairment for assets booked at cost or amortized cost:

In EUR millions	Carrying value under IAS 39 as at December 31, 2019
AAA	2,885
AA	4,728
A	5,058
BBB	2,875
<BBB	709
Not rated	2,263
TOTAL FINANCIAL ASSETS THAT MEET SPPI CRITERIA	**18,516**

The fair value for financial assets that meet the SPPI criteria and that do not have a low credit risk (i.e. those rated < BBB or not rated) corresponds to the carrying amount before impairment shown in the table.

- On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts which will replace the current guidance in IFRS 4 – Insurance Contracts. On November 14, 2018, the IASB voted to propose a one-year deferral of the effective date for IFRS 17 to January 1, 2022. The IASB also decided to propose extending to 2022 the temporary exemption for insurers to apply IFRS 9, so that both IFRS 9 and IFRS 17 can be applied at the same time. IFRS 17 will significantly change the accounting for insurance contracts as currently applied. IFRS 17 introduces a current fulfilment measurement approach as the general model for all insurance and reinsurance contracts. Insurance obligations will be the sum of current fulfilment cash flows and the unearned profit for a contract or group of contracts. Current fulfilment cashflows comprise the discounted expected future cash in- and outflows in the boundary of a contract or group of contracts, including a risk adjustment. The unearned profit is called CSM (Contractual Service Margin). Contracts that are onerous on initial recognition require an immediate loss recognition. Insurance contracts will be re-measured based on current market information at each reporting date. Under IFRS 17, the performance of the Group will mainly be depicted through the insurance service result (the profit earned from providing (re)insurance coverage) and the financial result (investment income from managing insurance assets and insurance finance expense from discounting insurance obligations). Gross written premiums will no longer be presented on the face of the income statement. Presentation of balance sheet and income statement will change under IFRS 17 compared to current practice. The new Standard also requires additional disclosures and reconciliations to enable users of the Financial Statements to understand the amounts recognized on the balance sheet and in total comprehensive income as well as the risks embedded in insurance contracts that the Group issues. IFRS 17 requires significant changes in systems and processes at substantial cost. SCOR continued to work on the implementation phase of the IFRS 17 project throughout 2019. Developments of potential changes to IFRS 17 are being closely monitored to ensure consequential impacts on the implementation work are timely taken into account. The IASB issued a new exposure Draft with proposed Amendments to IFRS 17 Insurance Contracts in June 2019. The IASB's tentative decision to postpone the effective date of IFRS 17 by one year to January 1, 2022 has been considered in the overall project planning.

- On September 26, 2019, the IASB issued Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform, to address in a first step the potential effects the IBOR reform could have on financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate. It addresses the implications for specific hedge accounting requirements in IFRS 9 – Financial Instruments and IAS 39 – Financial Instruments: Recognition and Measurement, which require forward-looking analysis. Further amendments relate to IFRS 7 - Financial Instruments: Disclosures, regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. The EU endorsed these amendments on January 15, 2020.

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, from its acquisition date to December 31, 2018, despite having held less than 50% of its voting rights, the Group determined that it controlled MRM as it exerted de facto control as defined by IFRS 10 in light of the proportion of voting rights it held and of the wide dispersion of the other vote holders. As at December 31, 2019, the Group holds more than 50% of MRM's voting rights.

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 accounted for 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 are consolidated, even if the Group holds less than 50% of the voting rights.

When determining whether the Group acts as an agent or a 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.

Investment funds and real estate entities are fully consolidated or recorded using the equity method in accordance with the aforementioned principles. Non-controlling interests in fully consolidated investment 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 catastrophe bond ("Cat bond") notes issued by Atlas special purpose vehicles (SPVs). In addition, SCOR uses a structured retrocession agreement with a protected cell company. These vehicles and entities 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	2019 Percentage		2018 Percentage		Consolidation method
		Control	Interest	Control	Interest	
SCOR SE	France	Parent	Parent	Parent	Parent	Parent
SCOR Global P&C SE (1)	France	-	-	100	100	
SCOR Global Life SE (1)	France	-	-	100	100	
SCOR Global Life Reinsurance Ireland dac	Ireland	100	100	100	100	Full
SCOR Life Ireland dac	Ireland	100	100	100	100	Full
SCOR Holding (Switzerland) AG (2)	Switzerland	-	-	100	100	
SCOR Switzerland Asset Services AG	Switzerland	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 Underwriting Ltd.	UK	100	100	100	100	Full
SCOR UK Company Ltd.	UK	100	100	100	100	Full
SCOR Holding (UK) Ltd.	UK	100	100	100	100	Full
SCOR Asia House Limited Partnership	UK	100	100	100	100	Full
General Security Indemnity Company of Arizona	US	100	100	100	100	Full
General Security National Insurance Company	US	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 Reinsurance Company	US	100	100	100	100	Full
SCOR U.S. Corporation	US	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 Assurance 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 Fin Life Insurance Company	US	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 Canada Reinsurance Company	Canada	100	100	100	100	Full
SCOR Reinsurance Company (Asia) Ltd.	Hong Kong	100	100	100	100	Full
SCOR Reinsurance Asia Pacific Pte Ltd.	Singapore	100	100	100	100	Full
SCOR Africa Ltd.	South Africa	100	100	100	100	Full
SCOR Brazil Reasseguros SA	Brazil	100	100	100	100	Full
SCOR Brazil Participações Ltda	Brazil	100	100	100	100	Full
SCOR Perestrakhovaniye	Russia	100	100	100	100	Full
SCOR Global Life Australia Pty Ltd.	Australia	100	100	100	100	Full
SCOR Global Life Reinsurance International (Barbados) Ltd.	Barbados	100	100	100	100	Full
NON INSURANCE ENTITIES						
MRM SA	France	59.90	59.90	48.80	59.90	Full
SCOR Investment Partners SE	France	100	100	100	100	Full
SCOR Capital Partner SAS	France	100	100	100	100	Full
SCOR Auber	France	100	100	100	100	Full
Château Mondot SAS	France	100	100	100	100	Full

(1) See Section 1.3.3. – Completion of the merger of the three SE legal entities of the group.
(2) Merged into SCOR SE since 2019.

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 millions	2019	2018
Aggregate net book value (in SCOR) of individually immaterial associates	13	9
Aggregate amount of the reporting entity's share of net income/(loss)	(1)	(8)
Other comprehensive income	-	-
Total comprehensive income/(loss)	(1)	(8)

The table above is based on 2019 and 2018 provisional financial information.

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 longevity developments 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 instrument or an insurance contract. Derivatives are accounted for at fair value through income and are presented 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".

	December 31, 2019			December 31, 2018
	Atlas Capital	Atlas IX Series	Mangrove Insurance PCC	Atlas IX Series
In EUR millions	UK 2019 PLC	2016-1	PCC Limited	2016-1
Insurance business investments	85	-	-	17
Share of retrocessionaires in insurance and investment contract liabilities	-	-	152	-
Total assets	**85**	**-**	**152**	**17**
Other liabilities	92	-	153	20
Total liabilities	**92**	**-**	**153**	**20**

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 – Catastrophe bond

On January 13, 2016, SCOR successfully sponsored a 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 US named storm and US and Canada earthquake events. The risk period for Atlas IX 2016-1 ran from January 13, 2016 to December 31, 2019. The instrument was accounted for as a derivative instrument and is fully amortized as at December 31, 2019.

SCOR benefited in 2019 of an additional recovery of USD 13 million (EUR 12 million) with regards to Atlas IX 2015-1, following the exceptional series of large natural catastrophes that occurred during the second half of 2017. In 2018, the recovery related to Atlas IX 2015-1 amounted to USD 26 million (EUR 23 million). The recoveries are recognized in other operating income and expenses.

Atlas Capital UK 2018 PLC – Catastrophe bond

On June 1, 2018, as part of its policy of diversifying its capital protection tools, SCOR sponsored a catastrophe bond, Atlas Capital UK 2018 PLC, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the US, earthquakes in the US and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2018 runs from June 1, 2018, to May 31, 2022.

The contract has been accounted for as a reinsurance contract in accordance with IFRS 4 – Insurance Contracts.

Atlas Capital UK 2019 PLC – Catastrophe bond

On June 1, 2019, SCOR successfully sponsored a new catastrophe bond, Atlas Capital UK 2019 PLC, which provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against US named storms, US and Canada earthquake events and windstorms in Europe. The risk period for Atlas Capital UK 2019 runs from June 1, 2019, to May 31, 2023. The instrument is accounted for as a derivative instrument.

Mangrove Insurance PCC Limited – Quota Share Longevity Retrocession Agreement

On December 18, 2019, as part of its policy of diversifying its capital protection tools, SCOR entered into a structured retrocession transaction with Mangrove Insurance PCC Limited, which provides the Group with a multi-year source of retrocessional capacity. The transaction covers longevity risks arising from nine existing in-force reinsurance treaties with clients in the United Kingdom. The risk period for Mangrove Insurance PCC Limited runs from October 1, 2019 until October 1, 2031. The contract has been accounted for as a reinsurance contract, in accordance with IFRS 4 – Insurance Contracts.

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.

In 2019, the Group accounted for the following acquisition:

Coriolis Capital

On September 10, 2019, SCOR Investment Partner SE acquired 100% of Coriolis Capital Limited ("Coriolis Capital"). Coriolis Capital is a London based fund manager specialized in the Insurance-Linked Securities ("ILS"), investing in catastrophe bonds, collateralized reinsurance and climate derivatives. This acquisition will enable SCOR to accelerate its development in the field of ILS.

Coriolis Capital has been fully consolidated in the SCOR Group financial statements since September 10, 2019, after SCOR obtained the regulatory approvals from the authorities, notably from the Financial Conduct Authority (FCA) in the UK.

The identifiable assets acquired, and liabilities assumed have been recorded at their fair value for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS during the third quarter of 2019. The net assets amounted to GBP 2 million (EUR 3 million, based on the EUR/GBP exchange rate at the acquisition date).

The purchase price was allocated based on the fair value of assets acquired and liabilities assumed at the date of acquisition, determined in accordance with IFRS 3 – Business Combinations. This resulted in a goodwill of EUR 11 million recognized in the balance sheet on the acquisition date as goodwill arising from non-insurance activities.

In 2018, the Group accounted for the following acquisitions:

MutRé

On July 17, 2017, SCOR signed an agreement with the *Fédération Nationale de la Mutualité Française* and Matmut to acquire of 100% of the shares of MutRé S.A. The ratification of the agreement by MutRé's other shareholders (which represent approximately 15% of MutRé's capital) was finalised during October 2017.

The transaction, which was subject to the authorization of ACPR and the relevant competition authorities, received approval from all regulatory bodies.

SCOR has been a 33% shareholder and a major technical and commercial partner of MutRé since the company was created in 1998. Until December 31, 2017, MutRé was accounted for as an equity method investee. It has been fully consolidated in the SCOR Group financial statements since January 1, 2018.

The consideration paid by SCOR for the additional 67% share on January 3, 2018 amounted to EUR 70 million. The control was obtained on the same date. Following agreement between the seller and the buyer, SCOR received a purchase price adjustment of EUR 2 million reducing the total consideration paid to EUR 68 million.

The purchase price has been allocated based on a provisional estimate of the fair value of assets acquired and liabilities assumed at the date of acquisition. The assets acquired and liabilities assumed are recorded at their fair values for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS from January 1, 2018.

The accounting for the acquisition of MutRé resulted in a gain from bargain purchase of EUR 26 million as the fair value of net assets acquired exceeds the consideration transferred after reassessment of the acquired assets and assumed liabilities. The revaluation of shares previously held (step acquisition) resulted in an additional gain of EUR 2 million.

On February 13, 2018, the Boards of Directors of SCOR Global Life SE and MutRé approved the merger of the two entities with a retroactive effect on January 1, 2018. The merger was approved by ACPR on March 20, 2018.

The fair value of the assets acquired and liabilities assumed as of January 3, 2018 is as follows:

MutRé – Fair value of the assets acquired and liabilities assumed

In EUR millions	Allocation
ASSETS	
Value of business acquired	6
Insurance business investments	376
Share of retrocessionaires in insurance and contracts liabilities	19
Other assets	140
Total assets	**541**
LIABILITIES	
Contract liabilities	374
Other liabilities	26
Total liabilities	**400**
Fair value of net assets	141
Consideration paid	68
Fair value of the 33% previously held	47
Gain from bargain purchase (Badwill)	**26**
Step acquisition – P&L gain/(loss)	**2**
TOTAL P&L IMPACT GAIN/(LOSS)	**28**

Value of business acquired (VOBA)

The VOBA has been estimated based on the best estimate of expected future profits using a discount rate including an appropriate risk premium. This intangible asset will be amortized over the lifetime of the underlying treaties, in line with expected emergence of profits.

Investments

Fair values have been determined for investments based mainly on quoted market prices. If quoted market prices were not available, valuation models were applied.

Share of retrocessionaires in insurance and contract liabilities

Mathematical reserves, claims reserves and share of retrocessionaires in contract liabilities have been recorded based on best estimate assumptions at the time of acquisition.

Other assets and liabilities

Other assets and liabilities have been recorded at their estimated fair value.

Deferred tax has been recognized on the timing differences arising from the purchase price allocation. These balances represent payable and recoverable amounts which the Group expects to realize.

Pro forma information

No pro forma information is required since the financial situation of the Group is not significantly impacted by the consolidation of MutRé.

Impact of MutRé acquisition on consolidated statement of cash flows

The main impact results from the consideration paid (EUR 68 million) and is presented in investment activities.

M&S Brazil/ESSOR

On July 18, 2017, SCOR Global P&C SE acquired the remaining 51% share of M&S Brazil Participações Ltda ("M&S Brazil"), holding company of Essor Seguros S.A ("ESSOR", a direct insurance company in Brazil) held by La Mutuelle des Architectes Français Assurances ("MAF") and the single share of ESSOR also held by MAF.

This transaction was subject to SUSEP (Brazilian regulatory body) prior and final approvals, respectively received on September 18, 2017 and on January 2, 2018, which led to the effective control of M&S Brazil by the Group.

The company was initially created in 2011 by SCOR and MAF and started its insurance operations in December 2012. The Group held 49% of the company since 2011. Until December 31, 2017 M&S Brazil was accounted for as an equity method investee. It has been fully consolidated in the SCOR Group financial statements since January 1, 2018.

The consideration paid by SCOR for the additional 51% share was BRL 28 million (EUR 7.3 million).

The identifiable assets acquired, and liabilities assumed have been recorded at their fair value for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS during the first quarter of 2018. The net assets amounted to BRL 63.8 million (EUR 16.2 million, based on the EUR/BRL exchange rate at the acquisition date).

The purchase price was allocated based on the fair value of assets acquired and liabilities assumed at the date of acquisition, determined in accordance with IFRS 3 – Business Combinations. This resulted in overall loss impact of EUR (1.9) million recognized in the income statement on the acquisition date, including a gain from bargain purchase of EUR 0.9 million, and the revaluation of shares previously held (the step acquisition) of EUR (2.8) million.

In 2017, the Group entered into the following acquisition:

Château Mondot S.A.S.

On April 10, 2017, SCOR exercised an option over 80% of the capital and voting rights of Château Mondot S.A.S., a French company managing a vineyard located in the Bordelais region of France, Château Troplong Mondot (*Premier Grand Cru Classé B* of Saint-Émilion). This acquisition was subject to the regulatory approval by SAFER (a French agricultural authority) at the end of a two-month review period, which ended on July 6, 2017. The acquisition of control generated a gain of EUR 13 million on the previously held 20% equity interest, recognized in other operating income.

The consideration paid in cash by SCOR amounted to EUR 178 million.

The purchase price has been allocated based on a provisional estimate of the fair value of assets acquired and liabilities assumed at the date of acquisition determined in accordance with IFRS 3 "Business Combinations".

The assets and liabilities acquired have been recorded at their fair value for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS during the third quarter of 2017.

The fair values of the assets acquired, and liabilities assumed as at December 31, 2017 were as follows:

Château Mondot – Fair value of assets acquired and liabilities assumed

In EUR millions	Allocation
ASSETS	
Intangible assets (trademark)	136
Tangible assets	113
Other assets	14
Total assets	**263**
LIABILITIES	
Deferred tax liabilities	57
Financial liabilities (1)	52
Other liabilities	2
Total liabilities	**111**
Fair value of net assets	152
Consideration paid	178
Fair value of the 20% previously held interest	45
GOODWILL	**71**

(1) Of which EUR 43 million were related to internal operation with the Group and was eliminated through the intercompany consolidation.

Intangible assets

Fair values have been determined by independent appraisers, having a wide and extensive experience in the valuation of French vineyards, including related trademarks.

Tangible assets

Tangibles assets refer to lands and vineyards, wine inventories and other tangible assets. Their fair value have been determined by an independent appraiser based on comparable transaction method, market prices or independent expert valuation.

Financial liabilities

Financial liabilities (as well as other assets) were valued at their carrying amount, approximating their fair value.

Pro forma information

No pro forma information was required since the financial situation of the Group was not significantly impacted by the consolidation of Château Mondot S.A.S.

Impact of Château Mondot S.A.S. acquisition on consolidated statement of cash flows

The main impact resulted from the consideration paid (EUR 178 million) and was presented in investment activities.

Note•4 SEGMENT INFORMATION

For management purposes, the Group is organized into three business units (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 business unit 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 this activity is 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 business units 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 SCOR Global P&C or SCOR Global 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 Operating Departments (Group Legal, Group Communication, Group Human Resources, Information Technology) and Group Chief Risk Officer functions (Group Actuarial, Group Risk Management, Prudential Affairs, Internal Modeling).

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, 2019, 2018, and 2017.

	2019				2018				2017			
In EUR millions	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total
Gross written premiums	**9,194**	**7,147**	**-**	**16,341**	**9,083**	**6,175**	**-**	**15,258**	**8,764**	**6,025**	**-**	**14,789**
Change in unearned premiums reserves	(11)	(435)	-	(446)	(42)	(161)	-	(203)	(26)	(165)	-	(191)
Gross earned premiums	**9,183**	**6,712**	**-**	**15,895**	**9,041**	**6,014**	**-**	**15,055**	**8,738**	**5,860**	**-**	**14,598**
Revenues associated with financial reinsurance contracts	19	-	-	19	11	-	-	11	7	-	-	7
Gross benefits and claims paid	(7,216)	(4,576)	-	(11,792)	(7,226)	(3,942)	-	(11,168)	(7,399)	(4,564)	-	(11,963)
Gross commission on earned premiums	(1,326)	(1,543)	-	(2,869)	(1,332)	(1,454)	-	(2,786)	(1,050)	(1,422)	-	(2,472)
GROSS TECHNICAL RESULT[(1)]	**660**	**593**	**-**	**1,253**	**494**	**618**	**-**	**1,112**	**296**	**(126)**	**-**	**170**
Ceded written premiums	(846)	(1,052)	-	(1,898)	(646)	(833)	-	(1,479)	(699)	(626)	-	(1,325)
Change in ceded unearned premiums reserves	-	61	-	61	-	35	-	35	-	8	-	8
Ceded earned premiums	**(846)**	**(991)**	**-**	**(1,837)**	**(646)**	**(798)**	**-**	**(1,444)**	**(699)**	**(618)**	**-**	**(1,317)**
Ceded claims	571	682	-	1,253	549	472	-	1,021	735	844	-	1,579
Ceded commissions	87	170	-	257	47	112	-	159	74	62	-	136
Net retrocession result	**(188)**	**(139)**	**-**	**(327)**	**(50)**	**(214)**	**-**	**(264)**	**110**	**288**	**-**	**398**
NET TECHNICAL RESULT [(1)]	**472**	**454**	**-**	**926**	**444**	**404**	**-**	**848**	**406**	**162**	**-**	**568**
Other income and expense excl. revenues associated with financial reinsurance contracts	**6**	**(56)**	**-**	**(50)**	**(14)**	**(51)**	**-**	**(65)**	**(13)**	**(36)**	**-**	**(49)**
Investment revenues	179	343	-	522	157	310	-	467	131	275	-	406
Interests on deposits	152	6	-	158	145	6	-	151	162	15	-	177
Capital gains/(losses) on the sale of investments	9	77	-	86	(2)	129	-	127	22	246	-	268
Change in fair value of investments	(1)	26	-	25	-	(13)	-	(13)	(2)	4	-	2
Change in impairment and amortization of investments	(6)	(34)	-	(40)	(3)	(29)	-	(32)	(1)	(28)	-	(29)
Foreign exchange gains/(losses)	(2)	5	-	3	(6)	(7)	-	(13)	(21)	(6)	-	(27)
Investment income	**331**	**423**	**-**	**754**	**291**	**396**	**-**	**687**	**291**	**506**	**-**	**797**
Investment management expenses	(19)	(46)	(10)	(75)	(19)	(40)	(9)	(68)	(19)	(41)	(9)	(69)
Acquisition and administrative expenses	(273)	(270)	(21)	(564)	(256)	(262)	(19)	(537)	(260)	(256)	(19)	(535)
Other current operating expenses	(78)	(57)	(100)	(235)	(78)	(44)	(104)	(226)	(64)	(45)	(88)	(197)
CURRENT OPERATING RESULT	**439**	**448**	**(131)**	**756**	**368**	**403**	**(132)**	**639**	**341**	**290**	**(116)**	**515**
Other operating expenses	(4)	(57)	-	(61)	-	(35)	-	(35)	(1)	(38)	-	(39)
Other operating income	2	16	-	18	3	25	-	28	2	13	-	15
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**437**	**407**	**(131)**	**713**	**371**	**393**	**(132)**	**632**	**342**	**265**	**(116)**	**491**

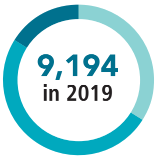
(1) Technical results are the balance of income and expenses allocated to the insurance and reinsurance business.

The solid operating profitability of SCOR Global Life was increased thanks to a robust flow of new business and expansion of franchise in various key markets and product lines. The in-force book globally contributed positively to the results, despite underlying US mortality claim experience being higher than expected, thanks to a strong overall reserve position, as well as successful premium rate increases on certain individual reinsurance treaties. Changes in estimates due to reserve harmonization across certain US portfolios in 2019 resulted in a one-off net reduction in reserves on these portfolios of EUR 159 million, largely offset by changes in estimates across various other portfolios. Both claim expenses and in-force management actions may vary over time. The Life technical margin was 7.5% in 2019, compared to 7.0% in 2018.

For SCOR Global P&C the net technical result for the financial year 2019 reflects a net combined ratio (calculated by dividing the sum of Non-Life claims, including natural catastrophes, commissions and management expenses net of retrocession, by earned premiums net of retrocession) of 99.0% compared to 99.4% for the same period in 2018. The net combined ratio reflects large and extended natural catastrophes that occurred during the year, impacting mainly Japan and the Bahamas, partially absorbed by 1.9 percentage points of reserve releases (EUR 110 million). Natural catastrophes had an impact of 11.6% on the net combined ratio for the year 2019, compared to 12.6% in 2018.

Note•4.1 GROSS WRITTEN PREMIUMS AND INSURANCE CONTRACT LIABILITIES BY GEOGRAPHIC REGION

The distribution of gross written premiums by geographic region for SCOR Global Life, based on market responsibility, is as follows:



In EUR millions	2019	2018	2017
SCOR GLOBAL LIFE			
34% EMEA	3,141	3,181	3,023
50% Americas	4,633	4,174	4,277
16% Asia-Pacific	1,420	1,728	1,464
TOTAL GROSS WRITTEN PREMIUMS	**9,194**	**9,083**	**8,764**

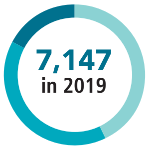
In 2019, the market responsibility for one portfolio was reallocated from the Americas to EMEA. The gross written premiums for SCOR Global Life previously reported in the 2018 Registration Document for Americas were EUR 4,375 million and EUR 4,567 million for the years ended December 31, 2018 and 2017, respectively. Gross written premiums previously reported for EMEA were EUR 2,980 million and EUR 2,733 million for the years ended December 31, 2018 and 2017, respectively.

Contract liabilities and share of retrocessionaires in contract liabilities for SCOR Global Life, allocated on the same basis as gross written premiums, are as follows:

	As at December 31, 2019		As at December 31, 2018	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR GLOBAL LIFE				
EMEA	9,632	505	9,221	344
Americas	3,917	146	4,425	259
Asia-Pacific	1,131	1	982	47
TOTAL	**14,680**	**652**	**14,628**	**650**

In 2019, the market responsibility for one portfolio was reallocated from the Americas to EMEA. The contract liabilities for SCOR Global Life previously reported in the 2018 Registration Document for the year ended December 31, 2018 were EUR 4,576 million for Americas and EUR 9,070 million for EMEA. The share of retrocessionaires in contract liabilities previously reported was EUR 262 million for Americas and EUR 341 million for EMEA for the year ended December 31, 2018.

The distribution of gross written premiums by geographic region for SCOR Global P&C, 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 millions	2019	2018	2017
SCOR GLOBAL P&C			
43% EMEA	3,039	2,814	2,758
40% Americas	2,861	2,254	2,169
17% Asia-Pacific	1,247	1,107	1,098
TOTAL GROSS WRITTEN PREMIUMS	**7,147**	**6,175**	**6,025**

For SCOR Global P&C, 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:

	As at December 31, 2019		As at December 31, 2018	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR GLOBAL P&C				
EMEA	8,961	861	8,791	862
Americas	5,142	618	4,746	556
Asia-Pacific	2,453	96	2,088	73
TOTAL	**16,556**	**1,575**	**15,625**	**1,491**

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:

	As at December 31, 2019			As at December 31, 2018		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Goodwill arising from insurance activities	45	743	788	45	743	788
Value of business acquired	1,302	-	1,302	1,471	-	1,471
Insurance business investments	13,791	16,492	30,283	12,848	15,738	28,586
Share of retrocessionaires in insurance and investment contract liabilities	652	1,575	2,227	650	1,491	2,141
Cash and cash equivalents (1)	593	842	1,435	576	599	1,175
TOTAL ASSETS	**21,950**	**24,928**	**46,878**	**21,131**	**23,253**	**44,383**
Contract liabilities	(14,680)	(16,556)	(31,236)	(14,628)	(15,625)	(30,253)

(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 211 million on December 31, 2019 (December 31, 2018: EUR 195 million).

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:

	As at December 31, 2019				As at December 31, 2018			
In EUR millions	EMEA	Americas	Asia-Pacific	Total	EMEA	Americas	Asia-Pacific	Total
Insurance business investments	22,515	5,651	2,117	30,283	21,847	4,718	2,021	28,586
Share of retrocessionaires in insurance and investment contract liabilities	1,706	485	36	2,227	1,601	506	34	2,141
TOTAL ASSETS	**33,941**	**8,500**	**4,437**	**46,878**	**32,669**	**7,974**	**3,740**	**44,383**
Contract liabilities	(20,092)	(7,739)	(3,405)	(31,236)	(19,848)	(7,604)	(2,801)	(30,253)

Note•4.4 CASH FLOWS BY OPERATING SEGMENT

Cash flows by segment are presented as follows:

	2019			2018			2017		
In 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	**576**	**599**	**1,175**	**509**	**492**	**1,001**	**682**	**1,006**	**1,688**
Net cash flows provided by/(used in) operations	101	740	841	299	592	891	558	586	1,144
Net cash flows provided by/(used in) investing activities	46	(265)	(219)	(93)	(8)	(101)	(356)	(924)	(1,280)
Net cash flows provided by/(used in) financing activities	(135)	(238)	(373)	(145)	(493)	(638)	(330)	(137)	(467)
Effect of changes in foreign exchange rates on cash and cash equivalents	5	6	11	6	16	22	(45)	(39)	(84)
Cash and cash equivalents at December 31 (1)	**593**	**842**	**1,435**	**576**	**599**	**1,175**	**509**	**492**	**1,001**

(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 211 million on December 31, 2019 (December 31, 2018: EUR 195 million).

Net cash flows provided by operating activities amounted to EUR 841 million in 2019 (2018: EUR 891 million and 2017: EUR 1,144 million).

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 which is calculated as the difference between the business combination cost and the fair value of the Group's share at acquisition date. The fair value is the net amount of identifiable assets and assumed liabilities at the acquisition date.

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 (CGUs) that are expected to benefit from the profitability and synergies of the business combination. SCOR groups its 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. Goodwill arising from non-insurance activities is allocated to a separate CGU and tested for impairment at entity level. 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 millions	Goodwill arising from insurance activities	Goodwill arising from non insurance activities
Gross value at December 31, 2017	**969**	**71**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	-
Gross value at December 31, 2018	**969**	**71**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	11 (1)
Gross value at December 31, 2019	**969**	**82**
Cumulative impairment at December 31, 2017	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2018	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2019	**(181)**	**-**
CARRYING VALUE AS AT DECEMBER 31, 2017	**788**	**71**
CARRYING VALUE AS AT DECEMBER 31, 2018	**788**	**71**
CARRYING VALUE AS AT DECEMBER 31, 2019	**788**	**82**

(1) Relates to Coriolis Capital (See Note 3 – Acquisitions and disposals).

The carrying amount of goodwill allocated to SCOR Global P&C and SCOR Global Life is disclosed in Note 4 – Segment information.

Goodwill arising from insurance activities

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 two years are based on the assumptions from the Quantum Leap strategic plan and the last three 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 average time to payment of existing reserves and future business. Future cash flows beyond this period are extrapolated using a growth rate of 4%. SCOR uses risk-free interest rates for each currency as well as the Group's estimated cost of capital of 5.84%, as derived from the Capital Asset Pricing Model (CAPM).

The goodwill impairment test for SCOR Global Life compares the carrying amount of the goodwill with the future profits available from the life reinsurance portfolio of the business unit. A best estimate of the future profits is represented by the surplus of the contract liabilities for the assumed reinsurance contracts portfolio reduced for the share of retrocessionaires in reinsurance contract liabilities under IFRS over the economic value of the Life technical provisions measured under Solvency II principles as published in the Solvency and financial condition report of SCOR Group. SCOR's Life technical provisions are calculated as the sum of best estimate liabilities and risk margin. The best estimate liability is valued as the net present value of future cash flows. The risk margin is derived by applying a cost of capital calculation considering the time value of future solvency capital requirements as calculated by the approved internal model.

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 goodwill impairment tests conducted annually show recoverable amounts in excess of the respective total carrying amounts for the financial years ended December 31, 2019, 2018 and 2017. Consequently, no goodwill impairment charges were recognized.

Goodwill arising from non-insurance activities

Goodwill (carrying amount as at December 31, 2019: EUR 71 million) and trademark (carrying amount as at December 31, 2019: EUR 136 million, refer to Note 9.1. – Other intangible assets) of the CGU Château Mondot have been tested for impairment at year end 2019, using the value in use approach. The recoverable amount of the CGU has been valued on the basis of the present value of forecast cash flows determined in the context of a long-term business plan to reflect the wine industry specificities and notably the length of the production and distribution cycles of a vintage.

The annual growth rate applied beyond the business plan horizon is 1.50%. Future cash flows after taking tax into consideration have been discounted using a post-tax discount rate of 4.5%. A standard CAPM (Capital Asset Pricing Model) approach is used to determine the adequate weighted average cost of capital (WACC) of Chateau Mondot. Based on these assumptions, no impairment charge has been recognized.

As of December 31, 2019, a change of 0.5 point in the post-tax risk adjusted discount rate or in the growth rate applied beyond the plan would not lead to the recognition of an impairment loss.

However, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of these assets.

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 noneconomic 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 millions	**Value of business acquired**
Gross value at December 31, 2017	**1,881**
Foreign exchange rate movements	60
Additions	6
Disposals	(146) (1)
Change in scope of consolidation	-
Gross value at December 31, 2018	**1,801**
Foreign exchange rate movements	37
Additions	-
Disposals	- (1)
Change in scope of consolidation	-
Gross value at December 31, 2019	**1,838**
Cumulative amortization and impairment at December 31, 2017	**(469)**
Foreign exchange rate movements	1
Amortization for the period	57 (1)
Impairment for the period	-
Shadow accounting	81
Cumulative amortization and impairment at December 31, 2018	**(330)**
Foreign exchange rate movements	(5)
Amortization for the period	(64) (1)
Impairment for the period	-
Shadow accounting	(137)
Cumulative amortization and impairment at December 31, 2019	**(536)**
CARRYING VALUE AS AT DECEMBER 31, 2017	**1,412**
CARRYING VALUE AS AT DECEMBER 31, 2018	**1,471**
CARRYING VALUE AS AT DECEMBER 31, 2019	**1,302**

(1) In 2019 there were no disposals and amortization of VOBA resulting from the derecognition of VOBA due to treaty terminations to report (2018: EUR 146 million). Regular amortization related to business in force amounts to EUR (64) million for the year ended December 31, 2019 and EUR (89) million for the year ended December 31, 2018.

The IFRS 4 liability adequacy testing, which includes VOBA recoverability, showed no indicators of impairment for the financial years ended December 31, 2019, 2018 and 2017.

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 NSURANCE 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 December 31, 2019				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**661**	**-**	**-**	**-**	**661**
Equity securities		601	183	347	-	71
Debt securities		18,242	16,463	1,779	-	-
Available-for-sale financial assets		**18,843**	**16,646**	**2,126**	**-**	**71**
Equity securities		1,349	250	1,099	-	-
Debt securities		2	2	-	-	-
Investments at fair value through income		**1,351**	**252**	**1,099**	**-**	**-**
Loans and receivables		**9,220**	**97**	**-**	**-**	**9,123**
Derivative instruments		**208**	**-**	**123**	**85**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**30,283**	**16,995**	**3,348**	**85**	**9,855**
Cash and cash equivalents	**Note 11**	**1,435**	**1,435**	**-**	**-**	**-**
INVESTMENTS AND CASH		**31,718**	**18,430**	**3,348**	**85**	**9,855**
Percentage		100%	58%	11%	0%	31%

In EUR millions		As at December 31, 2018				
		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**685**	**-**	**-**	**-**	**685**
Equity securities		512	86	355	-	71
Debt securities		17,099	15,693	1,406	-	-
Available-for-sale financial assets		**17,611**	**15,779**	**1,761**	**-**	**71**
Equity securities		1,245	266	979	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**1,245**	**266**	**979**	**-**	**-**
Loans and receivables		**8,978**	**40**	**-**	**-**	**8,938**
Derivative instruments		**67**	**-**	**48**	**19**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**28,586**	**16,085**	**2,788**	**19**	**9,694**
Cash and cash equivalents	**Note 11**	**1,175**	**1,175**	**-**	**-**	**-**
INVESTMENTS AND CASH		29,761	17,260	2,788	19	9,694
Percentage		100%	58%	9%	0%	33%

Mutual funds

Total insurance business investments and cash include mutual funds that the Group manages and controls and which are also open to external investors. As at December 31, 2019, the carrying amount of assets under management eliminated in "Other liabilities" for consolidation purposes was EUR 2,625 million (December 31, 2018: EUR 2,439 million). Cash and cash equivalents include cash held on behalf of third parties as part of SCOR's asset management activity for the amount of EUR 211 million as at December 31, 2019 (December 31, 2018: EUR 195 million).

Available-for-sale investments measured at cost

Available-for-sale investments include EUR 71 million of investments which are measured at cost (December 31, 2018: EUR 71 million). These investments primarily include equity securities and funds which are not listed.

In 2019 and 2018 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 2019 amounted to EUR 24 million (2018: EUR 6 million), relating mainly to EUR 13 million on the equity portfolio (2018: EUR 4 million), EUR 2 million on loans and receivables (2018: EUR 0 million) and EUR 9 million on the debt securities portfolio (2018: EUR 2 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.
- 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 whose 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 millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2019	**-**	**-**	**-**	**19**	**19**
Foreign exchange rate movement	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(40)[(1)]	(40)
Additions	-	-	-	106	106
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AT DECEMBER 31, 2019	**-**	**-**	**-**	**85**	**85**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2016-1 and Altas Capital UK derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2018	**-**	**-**	**-**	**44**	**44**
Foreign exchange rate movement	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(25) [1]	(25)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AT DECEMBER 31, 2018	**-**	**-**	**-**	**19**	**19**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2015-1 and Atlas IX Series 2016-1 derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.

There were no material transfers between level 1 and level 2 in 2019 and 2018, 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 held by the Group is classified as investment property when it is held to earn rental income, for capital appreciation or both. Properties are measured 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 valueenhancing 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 impairment indicator is present, 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 (a listed real estate investment company). They consist of office buildings (held by wholly-owned subsidiaries and MRM), and retail buildings (held by MRM).

The movements in real estate investments are analyzed as follows:

In EUR millions	Real estate investments	Finance leases	Total
Gross value at December 31, 2017	**825**	**-**	**825**
Foreign exchange rate movement	-	-	-
Additions	37	-	37
Disposals	(32)	-	(32)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2018	**830**	**-**	**830**
Foreign exchange rate movement	-	-	-
Additions	64	-	64
Disposals	(90)	-	(90)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2019	**804**	**-**	**804**
Cumulative depreciation and impairment at December 31, 2017	**(124)**	**-**	**(124)**
Depreciation for the period	(19)	-	(19)
Impairment for the period	(7)	-	(7)
Other	5	-	5
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2018	**(145)**	**-**	**(145)**
Depreciation for the period	(16)	-	(16)
Impairment for the period	-	-	-
Other	18	-	18
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2019	**(143)**	**-**	**(143)**
CARRYING VALUE AS AT DECEMBER 31, 2017	**701**	**-**	**701**
CARRYING VALUE AS AT DECEMBER 31, 2018	**685**	**-**	**685**
CARRYING VALUE AS AT DECEMBER 31, 2019	**661**	**-**	**661**

In EUR millions	Real estate investments	Finance leases	Total
Fair value as at December 31, 2017	861	-	861
Fair value as at December 31, 2018	869	-	869
Fair value as at December 31, 2019	809	-	809

In 2019, increase in real estate investments related to the costs of existing buildings currently under construction and renovation work for a total of EUR 64 million. Disposals related to the sale of four buildings, resulting in a total gain on sale of EUR 49 million.

In 2018, increase in real estate investments related to the costs of existing buildings currently under construction and renovation work for a total of EUR 37 million. Disposals related to the sale of one building, resulting in a gain on sale of EUR 9 million. Impairments for the period are recognized to reflect the recoverable amount related to two retail buildings for a total of EUR 7 million.

Real estate financing is presented in Note 13.2 – Real estate financing.

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, 2019 and 2018:

Real estate	**Net book value carrying amount Dec. 31, 2019** *(in EUR millions)*	**Fair value Dec. 31, 2019** *(excluding transfer taxes and in EUR millions)*	**Valuation method**	**Average rent** *(in EUR per sqm per annum)*	**Average price** *(in EUR per sqm)*	**Average net cap rate** *(value including transfer taxes)*	**Rent range** *(in EUR per sqm per annum)*	**Net cap rate range** *(in EUR per sqm per annum)*	**Price range** *(in EUR per sqm)*
Offices portfolio	499	622	Market comparison and income capitalization[(1)]	290	5,333	5.06%	0-490	0%-10.8%	742-10,968
Retail portfolio	162	187	Market comparison and income capitalization [(1)]	138	1,805	6.64%	22-785	4.25%-8.9%	196-5,700

Real estate	**Net book value carrying amount Dec. 31, 2018** *(in EUR millions)*	**Fair value Dec. 31, 2018** *(excluding transfer taxes and in EUR millions)*	**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	526	694	Market comparison and income capitalization[(1)]	342	6,026	5.80%	0-490	0%-10.8%	742-10,968
Retail portfolio	159	175	Market comparison and income capitalization [(1)]	133	1,688	6.90%	18-754	4.25%-8.9%	261-5,287

(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 properties. The leases generally conform to the local market conditions and have annual indexation clauses for the rental payments. The estimated minimum future rental income is as follows:

In EUR millions		**2019 Minimum rental income**	**2018 Minimum rental income**
55%	Less than one year	37	41
37%	From one to five years	56	84
8%	More than five years	8	10
TOTAL MINIMUM RENTAL INCOME		**101**	**135**

The rental income related to investment property was EUR 38 million in 2019 (2018: EUR 42 million) and the related direct operating expenses amounted to EUR 10 million (2018: EUR 9 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, 2019, SCOR has off balance sheet commitments of EUR 21 million related to such contracts (December 31, 2018: EUR 68 million). The decrease compared to 2018 is mainly due to the payment of the last instalment of one building fully delivered and standard works in progress.

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:

In EUR millions	As at December 31, 2019		As at December 31, 2018	
	Net book value	Net unrealized gains/(losses)	Net book value	Net unrealized gains/(losses)
Government bonds & similar				
France	64	-	91	(1)
Germany	58	1	68	-
Netherlands	17	1	22	-
United Kingdom	323	-	225	(1)
Other EU [(1)]	175	1	195	(2)
United States	2,590	(2)	1,816	(23)
Canada	313	16	284	8
Japan	16	-	11	-
China	718	4	668	1
Supranational	194	2	149	-
Other	1,187	17	1,135	1
Total government bonds & similar	**5,655**	**40**	**4,664**	**(17)**
Covered bonds & Agency MBS	**1,885**	**17**	**1,600**	**(27)**
Corporate bonds	**8,977**	**257**	**9,479**	**(314)**
Structured & securitized products	**1,727**	**(13)**	**1,356**	**(20)**
TOTAL DEBT SECURITIES	**18,244**	**301**	**17,099**	**(378)**
Equity securities	**1,950**	**24**	**1,757**	**42**
TOTAL AVAILABLE-FOR-SALE AND FAIR VALUE THROUGH INCOME	**20,194**	**325**	**18,856**	**(336)**

(1) During 2019 and 2018, SCOR had no exposure to the sovereign debt of Portugal, Ireland, Italy, Greece.

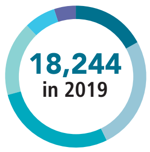
As at December 31, 2019, the net unrealized gain (loss) on debt securities included EUR 355 million of unrealized gains and EUR 54 million of unrealized losses (as at December 31, 2018: EUR 56 million of unrealized gains and EUR 434 million of unrealized losses).

The net unrealized gain (loss) on equity securities as at December 31, 2019 is comprised of EUR 51 million of unrealized gains and EUR 27 million of unrealized losses (as at December 31, 2018: EUR 72 million of unrealized gains and EUR 30 million of unrealized losses).

As at December 2019, total reserves of EUR 214 million (as at December 2018: EUR (145) million) also include:

- tax effects on available-for-sale securities net unrealized gains and losses of EUR (73) million (2018: EUR 66 million);
- net of tax foreign exchange gains and losses of EUR 4 million (2018: EUR 7 million);
- net of tax shadow accounting impacts of EUR (51) million (2018: EUR 106 million);
- elimination of assets under management for external clients net unrealized gains and losses in other liabilities of EUR 6 million (2018: 16 EUR million);
- investments in associates net unrealized gains and losses of EUR 0 million (2018: EUR 0 million);
- net of tax unrealized gains and losses relating to funds withheld of EUR 3 million (2018: EUR (4) million).

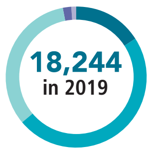
Note•7.6 DEBT SECURITIES CREDIT RATING STRUCTURE



In EUR millions	As at December 31, 2019		As at December 31, 2018	
AAA	3,087	17%	2,536	15%
AA	4,695	26%	3,982	23%
A	5,112	28%	4,991	29%
BBB	3,038	17%	3,366	20%
<BBB	1,272	7%	1,157	7%
Not rated	1,040	5%	1,067	6%
TOTAL DEBT SECURITIES	**18,244**	**100%**	**17,099**	**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 millions	As at December 31, 2019		As at December 31, 2018	
Less than one year	2,985	16%	1,794	10%
One to five years	8,676	48%	6,920	40%
Five to ten years	5,992	33%	7,642	45%
Ten to twenty years	354	2%	484	3%
More than twenty years	237	1%	259	2%
TOTAL DEBT SECURITIES	**18,244**	**100%**	**17,099**	**100%**

Note•7.8 LOANS AND RECEIVABLES

In EUR millions	As at December 31, 2019	As at December 31, 2018
Funds held by ceding companies	8,070	7,741
Short-term investments	240	350
Loans secured against collateral	-	2
Infrastructure and Real estate loans	895	878
Other loans maturing in more than one year	7	1
Deposits	8	6
TOTAL	**9,220**	**8,978**

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 3 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".

As at December 31, 2019, the increase in loans and receivables of EUR 242 million compared to year-end 2018 is mainly due to the increase of funds held by ceding companies (mostly linked to Life business), partially offset by the decrease of short-term investments.

Short-term investments include EUR 97 million that are carried at fair value at December 31, 2019 (December 31, 2018: EUR 40 million). Other loans and receivables are carried at cost, which approximates their fair value at December 31, 2019 and 2018.

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:

In EUR millions	Derivative assets as at December 31,		Derivative liabilities as at December 31,		Fair value through income		Gains or losses recognized through other comprehensive income	
	2019	2018	2019	2018	2019	2018	2019	2018
Atlas IX 2016-1 [(1)] and Atlas UK 2019	85	17	-	-	(38)	(25)	-	-
Interest rate swaps	-	-	2	1	-	1	(1)	4
Cross currency swaps	79	34	-	-	14	24	31	(10)
Foreign currency forwards	44	14	27	54	58	(60)	(1)	(8)
Other	-	2	-	-	(2)	-	-	-
TOTAL	**208**	**67**	**29**	**55**	**32**	**(60)**	**29**	**(14)**

(1) The risk period for Atlas IX 2016-1 ended on December 31, 2019.

Catastrophe bonds

Atlas Capital UK 2019 PLC provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the US, earthquakes in the US and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 runs from June 1, 2019, to May 31, 2023.

This instrument is recognized as a derivative and valued using a cumulated expected loss model that is based on a combination of market inputs to the extent that trades in this instrument are active and catastrophe modeling tools developed by a third-party service provider (AIR).

The significant unobservable inputs used in the valuation model are:

Unobservable inputs	Atlas IX Series 2016-1	Atlas Capital UK 2019 PLC
Expected loss US named storm based on AIR model	3.03%	10.10%
Expected loss US and Canadian earthquake based on AIR model	2.59%	5.94%
Expected loss European windstorm based on AIR model	NA	1.27%

A significant catastrophic event (US or Canadian Earthquake or a US Named Storm or a Europe Windstorm) that would occur during the coverage period of the respective bond would lead to a change in the fair value of the derivative instrument.

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 86 million as at December 31, 2019 (December 31, 2018: EUR 98 million). Net interests paid under these swaps amounted to EUR 1 million in 2019 (2018: EUR 4 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, 2019, the fair value of the interest rate swaps was a liability of EUR 2 million (December 31, 2018: liability of EUR 1 million). The amount recognized in other comprehensive income in 2019 is EUR (1) million (2018: EUR 4 million). The amount recognized in the statement of income in 2019 is not material (2018: EUR 1 million).

Cross-currency swaps

In order to hedge the foreign exchange risk associated with debts issued in USD (USD 625 million issued in 2018 and USD 125 million issued in 2019, see Note 13 – Financial debt), SCOR entered into cross-currency swaps which exchange principal and coupons on the notes from USD into EUR. The swaps mature on March 13, 2029.

SCOR repaid during 2018 perpetual debt issued in 2012 (CHF 315 million) and 2013 (CHF 250 million). The related cross currency swaps 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 USD 625 million as at December 31, 2019 (December 31, 2018: USD 625 million). The fair value of cross currency swaps is EUR 79 million as at December 31, 2019 (EUR 34 million as at December 31, 2018). No inefficiency was identified on the remaining swap during 2019.

Forward currency contracts

SCOR purchases and sells forward currency contracts to reduce its overall exposure to balances held in currencies other than the functional currencies of its subsidiaries. The contracts are recorded at their fair value based on valuations provided by banking counterparties using market inputs.

Hedge of a net investment

At December 31, 2019 and 2018, one forward currency 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, 2019 and 2018, converted into EUR at the closing rates, were as follows:

	Forward sales		Forward purchases	
In EUR millions	Notional	Fair value	Notional	Fair value
December 31, 2019	1,735	17	1,114	0
December 31, 2018	1,900	(18)	1,191	(20)

Other

Contingent capital facility

See Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves, for the details on the new issuance of warrants to J.P. Morgan in the context of the contingent capital facility program.

Amounts related to this transaction 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.

	As at December 31, 2019			As at December 31, 2018		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Gross receivables from ceding companies	514	443	957	492	475	967
Provision for bad debts	(2)	(9)	(11)	(3)	(8)	(11)
Estimated premiums receivable from cedents, net of commission	2,913	2,865	5,778	2,906	2,490	5,396
Accounts receivable from assumed insurance and reinsurance transactions	**3,425**	**3,299**	**6,724**	**3,395**	**2,957**	**6,352**
Amount due from reinsurers	126	228	354	112	158	270
Provision for bad debts	-	(3)	(3)	-	(3)	(3)
Accounts receivable from ceded reinsurance transactions	**126**	**225**	**351**	**112**	**155**	**267**
Amounts payable on assumed insurance and reinsurance transactions	**(536)**	**(374)**	**(910)**	**(568)**	**(205)**	**(773)**
Liabilities for cash deposits from retrocessionaires	(245)	(351)	(596)	(258)	(311)	(569)
Amount due to reinsurers	(19)	(84)	(103)	(25)	(60)	(85)
Estimated premiums payable to retrocessionaires, net of commission	(359)	(373)	(732)	(317)	(283)	(600)
Accounts payable on ceded reinsurance transactions	**(623)**	**(808)**	**(1,431)**	**(600)**	**(654)**	**(1,254)**

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 the Universal Registration Document in Section 3.3.5 – Management of credit risks.

Note•9 MISCELLANEOUS ASSETS

Miscellaneous assets consist of:

In EUR millions	As at December 31, 2019	As at December 31, 2018
Other intangible assets	398	344
Right-of-Use assets	81	-
Tangible assets	738	718
Others	197	218
Miscellaneous assets	**1,414**	**1,280**

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 millions	Other Intangible assets
Gross value at December 31, 2017	**448**
Foreign exchange rate movements	1
Additions	47
Disposals	(2)
Change in scope of consolidation	-
Gross value at December 31, 2018	494
Foreign exchange rate movements	**3**
Additions	84
Disposals (1)	(18)
Change in scope of consolidation	-
Gross value at December 31, 2019	**563**
Cumulative amortization and impairment at December 31, 2017	**(131)**
Foreign exchange rate movements	-
Amortization for the period	(19)
Impairment for the period	-
Cumulative amortization and impairment at December 31, 2018	**(150)**
Foreign exchange rate movements	(2)
Amortization for the period	(8)
Impairment for the period	(5)
Cumulative amortization and impairment at December 31, 2019	**(165)**
CARRYING VALUE AS AT DECEMBER 31, 2017	**317**
CARRYING VALUE AS AT DECEMBER 31, 2018	**344**
CARRYING VALUE AS AT DECEMBER 31, 2019	**398**

(1) Disposals are mainly related to the scrapping of fully amortized software.

Other intangible assets include all intangible assets except for goodwill and VOBA which are presented on separate balance sheet line items (refer to Note 5 – Goodwill and Note 6 – Value of business acquired).

Other intangible assets include other intangible assets with finite useful lives as at December 31, 2019 for a net value of EUR 245 million (December 31, 2018: EUR 185 million) and other intangible asset with indefinite useful life for EUR 153 million (December 31, 2018: EUR 159 million).

Similar to the increase of EUR 27 million net of amortization during the year ended December 31, 2018, the increase of EUR 54 million net of amortization during the year ended December 31, 2019 mainly relates to the capitalization of software development costs relating to the Group's accounting system and technical accounting system.

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 for other intangible assets with finite useful life was EUR 8 million, EUR 19 million, and EUR 8 million, for the years ended December 31, 2019, 2018, and 2017 respectively.

The other intangible assets with indefinite useful life mainly include EUR 136 million relating to Château Mondot trademark. Château Mondot trademark was tested for impairment with the result that no impairment charge needs to be recognized (refer to Note 5 – Goodwill, for details). They also include the intangible assets associated with Lloyd's syndicate participations acquired through the Converium business combination. The Lloyd's intangible assets with a carrying amount of EUR 4 million as at December 31, 2019 (as at December 31, 2018: EUR 9 million) 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.

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. In 2019, an impairment of EUR 5 million was recognized due to the non-renewal of two participations in Lloyds syndicate.

Note•9.2 RIGHT OF USE ASSETS

Right-of-use assets are assets that represents a SCOR's rights as lessee to use an underlying asset for the term of the respective lease contracts, determined as the non-cancellable period of a lease under consideration of extension and termination options in when their exercise is reasonably certain. Right-of-use assets are measured at the amount of the related lease liability, considering up-front payments made, lease incentives received and initial direct costs where applicable. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation and impairment, if any. Depreciation is determined in accordance with IAS 16 and recognized in the income statement.

SCOR uses the exemptions for certain short-term leases and leases of low-value assets and continues to recognize the lease payments for those contracts as an expense on a straight-line basis.

The right-of-use assets amounted to EUR 81 million as of December 31, 2019. They correspond mainly to the lease agreements for operating properties, cars and office equipment.

In EUR millions	Right-of-use assets	Land and Buildings	Transport	Other equipment
Gross value at January 1, 2019	**186**	**182**	**2**	**2**
Foreign exchange rate movements	4	4	-	-
Additions	20	18	1	1
Reclassification	-	-	-	-
Disposal	(9)	(8)	(1)	-
Change in scope of consolidation	-	-	-	-
Other	-	-	-	-
Gross value at December 31, 2019	**201**	**196**	**2**	**3**
Cumulative depreciation and impairment at January 1, 2019	**(98)**	**(96)**	**(1)**	**(1)**
Depreciation for the period	(30)	(29)	(1)	-
Impairment for the period	-	-	-	-
Other	-	-	-	-
Disposal	8	7	1	-
Cumulative depreciation and impairment at December 31, 2019	**(120)**	**(118)**	**(1)**	**(1)**
CARRYING VALUE AS AT DECEMBER 31, 2019	**81**	**78**	**1**	**2**

Operating lease contracts commitments

SCOR Services Switzerland entered into an agreement in July 2016 to rent a new building in Zurich. The minimum duration has been fixed to 10 years representing a total commitment of EUR 76 million (CHF 83 million). The expected starting date is May 2020. The right-of-use asset and the corresponding lease liability will be recognized at this date.

IFRS 16 exemptions

In the period under review, no significant expense relating to short term leases and to leases of low-value items has to be reported.

Revenues coming from sublease contracts represent EUR 4 million (2018: EUR 4 million, 2017: EUR 4 million) and are related to Switzerland, France and US.

Total cash outflow for leases is EUR 30 million as of December 31, 2019.

Note•9.3 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, 2019 amounted to EUR 738 million compared to EUR 718 million as at December 31, 2018 and primarily relate to own use property, office furniture and equipment, and building fixtures and fittings.

In EUR millions	Tangible Assets
Gross value at December 31, 2017	**861**
Foreign exchange rate movement	3
Additions	42
Reclassification	-
Disposals	(17)
Change in scope of consolidation	1
Other	-
Gross value at December 31, 2018	**890**
Foreign exchange rate movement	7
Additions	43
Reclassification	-
Disposals	(11)
Change in scope of consolidation	-
Other	-
Gross value at December 31, 2019	**929**
Cumulative depreciation and impairment at December 31, 2017	**(159)**
Depreciation for the period	(26)
Impairment for the period	-
Reclassification	-
Disposals	13
Cumulative depreciation and impairment at December 31, 2018	**(172)**
Depreciation for the period	(29)
Impairment for the period	-
Reclassification	-
Disposals	10
Cumulative depreciation and impairment at December 31, 2019	**(191)**
CARRYING VALUE AS AT DECEMBER 31, 2017	**702**
CARRYING VALUE AS AT DECEMBER 31, 2018	**718**
CARRYING VALUE AS AT DECEMBER 31, 2019	**738**

The increase in 2019 is mainly related to work in progress and to improvement costs for office space for a total of EUR 43 million. The increase is partially offset by the disposal of not fully amortized tangible assets (furniture and office equipment) of EUR 11 million.

The increase in 2018 is related mainly to an acquisition of EUR 21 million and to improvement costs for a total of EUR 21 million. These increases are partially offset by the disposal of partially amortized tangible assets (furniture and office equipment) for EUR 17 million. The change in scope of consolidation corresponds to the integration of ESSOR SEGUROS S.A for EUR 1 million.

Property-related commitments received and granted

There is no commitment received or granted at year end 2019 and 2018.

Note•10 DEFERRED ACQUISITION COSTS

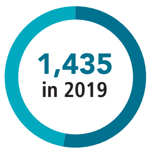
In reinsurance, the costs directly associated with the acquisition of new contracts, mainly comprising commissions, are recorded as assets on the balance sheet, to the extent that the contracts are profitable. They are amortized on the basis of the residual term of the contracts in Non-Life, and on the basis of the expected recognition of future margins for Life contracts.

	2019			2018			2017		
In 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
Carrying amount at January 1	**886**	**615**	**1,501**	**855**	**560**	**1,415**	**825**	**551**	**1,376**
Capitalization of new contracts over the period/Change over the year	196	726	922	148	598	746	233	602	835
Change in scope of consolidation and contract portfolio exchanges	-	-	-	-	12	12	-	-	-
Amortization for the year	(155)	(617)	(772)	(171)	(562)	(733)	(149)	(555)	(704)
Impairment losses during the year	-	-	-	-	-	-	-	-	-
Changes in foreign exchange rates	2	11	13	18	7	25	(48)	(38)	(86)
Other changes (including change in shadow accounting)	(67)	-	(67)	36	-	36	(6)	-	(6)
Carrying amount at December 31	**862**	**735**	**1,597**	**886**	**615**	**1,501**	**855**	**560**	**1,415**

Note•11 CASH FLOW INFORMATION

Cash and cash equivalents comprise cash, net bank balances and short-term deposits or investments with a maturity of 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.

Note•11.1 CASH AND CASH EQUIVALENTS

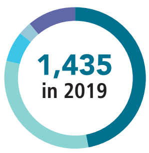


In EUR millions	As at December 31, 2019	As at December 31, 2018
53% Cash on hand	761	679
47% Short-term deposits and investments	674	496
CASH AND CASH EQUIVALENTS(1)	**1,435**	**1,175**

(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 211 million on December 31, 2019 (December 31, 2018: EUR 195 million).

The Group's liquidity, defined as cash, cash equivalents, bank overdrafts and short-term government bonds with maturities of more than three months and less than twelve months, which is well diversified across a limited number of banks, amounts to EUR 1,532 million as at December 31, 2019 (December 31, 2018: EUR 1,215 million). It includes EUR 97 million of short-term governments bonds as at December 31, 2019 (December 31, 2018: EUR 40 million).

The table below shows the split by currencies of the Group's cash and cash equivalents balance.



In EUR millions	As at December 31, 2019	As at December 31, 2018
47% EUR	675	548
32% USD	452	359
7% GBP	103	50
3% CAD	50	21
0% CHF	1	44
11% Others	154	153
CASH AND CASH EQUIVALENTS	**1,435**	**1,175**

Note•11.2 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 consolidated statement of cash flows:

In EUR millions	2019	2018	2017
Consolidated Group net income	422	322	286
Realized gains and losses on investment disposals	**(128)**	**(114)**	**(214)**
Change in accumulated amortization and other provisions	175	154	93
Changes in deferred acquisition costs	(125)	2	(142)
Net increase in contract liabilities	511	239	855
Change in fair value of financial instruments recognized at fair value through income (excluding cash and cash equivalents)	(68)	71	27
Other non-cash items included in operating results	155	66	405
Net cash flows provided by/(used in) operations, excluding changes in working capital	**942**	**740**	**1,310**
Change in accounts receivable and payable	(171)	118	(54)
Cash flows from other assets and liabilities	7	71	(3)
Change in taxes receivables and payables	63	(38)	(109)
Net cash flows provided by/(used in) operations	**841**	**891**	**1,144**

Dividend and interest cash receipts relating to investments held during the year were EUR 30 million (2018: EUR 20 million and 2017: EUR 23 million) and EUR 551 million (2018: EUR 551 million and 2017: EUR 445 million), respectively.

Tax cash outflows during the year was EUR 97 million (2018: outflow of EUR 252 million and 2017: outflow of EUR 93 million).

Note•11.3 CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

In EUR millions	As at January 1, 2019	Issuance of financial liabilities	Redemption of financial liabilities	Acquisitions	Foreign exchange rate movements	Others	As at December 31, 2019
Long-term debts [1]	**2,831**	**150**	**(68)**	**-**	**17**	**-**	**2,930**

(1) Long-term debts exclude debts related to IFRS 16.

Refer to Note 13 – Financial liabilities for further information.

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 initially 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 Shareholders' Meeting.

Note•12.1 SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company 187,049,511 shares at December 31, 2019, 193,085,792 shares at the end of 2018 and 193,500,317 shares at the end of 2017 with a par value of EUR 7.8769723 each.

Issued shares

The number of ordinary shares which were issued and fully paid in circulation as at December 31, 2019, 2018 and 2017 was as follows:

	2019	2018	2017
As at January 1	**193,085,792**	**193,500,317**	**192,534,569**
Share capital decrease – decision of the Board	(6,545,416)	(1,692,602)	(554,112)
Share capital increase – exercise of stock options – during the year	509,135	1,278,077	1,519,860
As at December 31	**187,049,511**	**193,085,792**	**193,500,317**
Nominal price per share in EUR	7.8769723	7.8769723	7.8769723
Share capital in EUR	**1,473,383,817**	**1,520,931,435**	**1,524,196,637**

In 2019, the movements are due to the following operations:

- the Board of Directors' meeting held on April 26, 2019 decided to reduce the Group's share capital by cancellation of 6,545,416 treasury shares for EUR 248 million (EUR 51 million in share capital and EUR 197 million in additional paid-in capital); and
- the issuance of new shares relates to the exercise of stock options for EUR 9 million (EUR 3 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 509,135 new shares throughout the year.

In 2018, the movements are due to the following operations:

- the Board of Directors' meeting held on April 26, 2018 decided to reduce the Group's share capital by cancellation of 1,692,602 treasury shares for EUR 50 million (EUR 13 million in share capital and EUR 37 million in additional paid-in capital); and
- the issuance of new shares relates to the exercise of stock options for EUR 23 million (EUR 10 million in share capital and EUR 13 million in additional paid-in capital). This resulted in the creation of 1,278,077 new shares throughout the year.

In 2017, the movements are due to the following operations:

- the Board of Directors' meeting held on April 27, 2017 decided to reduce the Group's share capital by cancellation of 554,112 treasury shares for EUR 14 million (EUR 5 million in share capital and EUR 9 million in additional paid-in capital); and
- the issuance of new shares relates to the exercise of stock options for EUR 27 million (EUR 12 million in share capital and EUR 15 million in additional paid-in capital). This resulted in the creation of 1,519,860 new shares throughout the year.

The shares issued in 2019, 2018 and 2017 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, 2019 amounted to 668,058 shares compared to 9,137,286 shares at the end of 2018. These treasury shares are not entitled to dividends.

Information related to dividend distribution

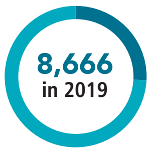
The resolution to be presented to the Annual Shareholders' Meeting called to approve, during the first half of 2020, the financial statements for the financial year 2019, sets out the distribution of a dividend of one euro and eighty cents (EUR 1,80) per share for the financial year 2019.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 26, 2019 resolved to distribute, for the 2018 financial year, a dividend of one euro and seventy five cents (EUR 1.75) per share, being an aggregate amount of dividend paid of EUR 325 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was April 30, 2019 and the dividend was paid on May 2, 2019.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018 resolved to distribute, for the 2017 financial year, a dividend of one euro and sixty five cents (EUR 1.65) per share, being an aggregate amount of dividend paid of EUR 312 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was April 30, 2018 and the dividend was paid on May 3, 2018.

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, 2019 is 26.4%. For a description of the leverage ratio, see Universal Registration Document, Section 1.3.6 – Financial position, liquidity and capital resources.



In EUR millions		As at December 31, 2019 Book value	As at December 31, 2018 Book value
26%	Subordinated debts	2,409	2,277
	Accrued interest on subordinated debts	(38)	(38)
	Swaps on subordinated debts	(79)	(34)
74%	Shareholders' equity at book value	6,374	5,828
CAPITALIZATION AND INDEBTEDNESS		**8,666**	**8,033**

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 business units, which are aligned with performance objectives and promote the creation of shareholder value.

In this regard, and in line with its strategic plan "Quantum Leap" for the period from mid-2019 to 2021, 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 range between 185% and 220%.

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 predefined risk tolerance limits, to help the Group achieve its return on capital and solvency objectives.

(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.

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 initiatives 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 3, 2019, SCOR arranged a contingent capital facility with J.P. Morgan 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 arrangement, SCOR issued 9.4 million warrants in favor of J.P. Morgan, each warrant giving J.P. Morgan the right to subscribe to two new SCOR shares. J.P. Morgan has undertaken to exercise accordingly the number of warrants necessary for the subscription of up to EUR 300 million (issuance 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, 2020 and December 31, 2022 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, 2019 and December 31, 2022 reaches certain contractual thresholds subject to review 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.

J.P. Morgan is committed to subscribing the new shares, in case of exercise of the warrants, but does not intend to become a long-term shareholder of SCOR and would therefore resell the shares by way of private placements and/or sales on the open market. In this respect, SCOR and J.P. Morgan have entered into a profit sharing arrangement, whereby 75% of the gain generated by the resale of the new shares, if any, would 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.

Share buy-back program

On July 27, 2017, SCOR announced its intention to buy-back own shares on the basis of robust underlying fundamentals and strong solvency. From that date, SCOR started buying back its own shares with an amount up to EUR 200 million over the next 24 months, subject to market conditions. The buy-back has been conducted within the framework approved by the Annual Shareholders' Meeting held on April 27, 2017, renewed by the 2018 Annual Shareholders' Meeting, which authorizes a share buy-back program capped at 10% of the Group's share capital.

As part of this program, SCOR purchased 5,440,081 shares at an average purchase price of EUR 36.76 for an aggregated amount of EUR 200 million. All shares repurchased were cancelled by SCOR SE's Board of Directors in 2018 and 2019.

Note•12.3 REGULATORY FRAMEWORK

One objective of insurance and reinsurance regulators is 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. 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 requirement) 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 supervision or administration of the activities of the operating company by the local regulator.

In the majority of countries in which the Group operates, regulatory filings 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 presents an overview of the debt issued by the Group:

		As at December 31, 2019		As at December 31, 2018	
In EUR millions	Maturity	Net book value	Fair value	Net book value	Fair value
Subordinated debt					
CHF 125 million	Perpetual	114	117	111	115
EUR 250 million	Perpetual	250	289	250	258
USD 625 million	Perpetual	569	572	553	455
USD 125 million	Perpetual	112	112	-	-
EUR 250 million	06/05/2047	253	289	253	252
EUR 600 million	06/08/2046	602	683	602	600
EUR 500 million	05/27/2048	509	605	508	518
Total subordinated debt (1)		**2,409**	**2,667**	**2,277**	**2,198**
Investments properties financing		218	218	249	249
Own-use properties financing		299	299	261	261
Total real estate financing (2)		**517**	**517**	**510**	**510**
OTHER FINANCIAL DEBT (2)		**101**	**101**	**44**	**44**
TOTAL FINANCIAL DEBT		**3,027**	**3,285**	**2,831**	**2,752**

(1) Includes EUR 38 million in accrued interest at December 31, 2019 (December 31, 2018: EUR 38 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 as 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.

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 + 3.7%.

USD 625 million perpetual subordinated debt

On March 13, 2018, SCOR issued perpetual deeply subordinated notes on the "Regulation S" USD market in the amount of USD 625 million. The coupon has been set at 5.25%, until the first call date of March 13, 2029, and resets every 5 years thereafter at the prevailing 5-year US Treasury yield plus 2.37% (no step-up).

In March 2018, in order to hedge the foreign exchange risk associated with this new debt issued, SCOR entered into cross-currency swaps which exchange the principal and the coupons on the notes into Euro and mature on March 13, 2029. See Note 7 – Insurance business investments (Derivative instruments).

USD 125 million perpetual subordinated debt

On December 17, 2019, SCOR issued perpetual deeply subordinated notes on the "Regulation S" USD market in the amount of USD 125 million. These new notes are assimilated and form a single series with the existing USD 625 million perpetual deeply subordinated notes issued on March 13, 2018. The new issued notes bear the same terms and conditions as the original notes. The coupon has been set at 5.25%, until the first call date of March 13, 2029, and resets every 5 years thereafter at the prevailing 5-year US Treasury yield plus 2.37% (no step-up).

In December 2019, in order to hedge the foreign exchange risk associated with this new debt issued, SCOR entered into cross-currency swap which exchanges the principal and the coupons on the notes into Euro and mature on March 13, 2029. See Note 7 – Insurance business investments (Derivative instruments).

EUR 250 million dated subordinated debt

On June 5, 2015, SCOR issued EUR 250 million in 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 always (i) at the option of the issuer and no reimbursement can be imposed on the issuer by the noteholders; and (ii) 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 financed by bank loans of EUR 517 million (December 31, 2018: EUR 510 million), including real estate financing related to MRM property for EUR 78 million (December 31, 2018: EUR 75 million). The Group's head office in Paris has been financed through a real estate loan that has been refinanced in June 2018 for EUR 200 million for a term of 10 years at a fixed interest rate of 1.73%.

The other real estate financing is used to finance other property owned by the Group and bears fixed-rate interest or interest indexed to 3month Euribor covered by interest rate swaps and redeemable between 2020 and 2026. Interest rate swaps related to this financing have been accounted for as cash flow hedges (for further details, see Note 7 – Insurance business investments – Derivative instruments).

The majority of 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) ratio, 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 ratio (DSCR), representing the percentage at which debt amortization and interest expenses are covered by rental income. Under existing financing contracts, LTV ratio vary between 43.5% and 70% and ICR/DSCR between 130% and 300%. As at December 31, 2019, the Group is in compliance with the LTV and ICR/DSCR covenants with respect to its banking partners.

In 2019, the main variation in property debts is due to the partial reimbursement of the loan subscribed by the SAS DB Caravelle following the sale of one building and the reimbursement of the loan subscribed by the SCI Montrouge following the sale of the building for a total amount of EUR 29 million. This decrease is compensated by the reclassification of a debt which was previously reported in other debts for an amount of EUR 36 million.

Note•13.3 OTHER FINANCIAL LIABILITIES

In EUR millions	As at December 31, 2019	As at December 31, 2018
Deposits and guarantees	2	4
Lease liabilities	97	-
Others	2	40
TOTAL OTHER FINANCIAL LIABILITIES	**101**	**44**

At December 31, 2019, the amount of lease liabilities corresponds to the first application of the IFRS 16 standard on lease contracts. (Refer to the Note 1.3 – IFRS standards applies for the first time and IFRS standards published but not yet effective)

The decrease in other debts is due to the reclassification of a debt into real estate debt for an amount of EUR 36 million.

Note•13.4 FINANCING EXPENSES

In EUR millions	2019	2018	2017
Interest on subordinated debt	(44)	(44)	(44)
Interest on perpetual subordinated debt	(43)	(52)	(40)
Interest expense on lease liability	(3)	-	-
Finance lease	-	-	-
Real estate financing	(14)	(14)	(16)
Other financial costs	(39)	(43)	(49)
TOTAL	**(143)**	**(153)**	**(149)**

The amounts presented in other financial liabilities include certain letters of credit charges, custodian and overdraft fees, amortization of issuance fees and other bank charges (commissions, etc.).

Note•13.5 MATURITY

The maturity profile of financial debt is included in the Universal Registration Document, 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 provisions:

In EUR millions	Reserves for post-employment benefits	Other reserves	Total
At January 1, 2018	**182**	**22**	**204**
Acquisition of a subsidiary	-	5	5
Current year provision	11	-	11
Used reserves	(17)	(4)	(21)
Reversal of unused reserves	-	(2)	(2)
Foreign exchange rate movements	2	1	3
Adjusted discount rate	24	-	24
At December 31, 2018	**202**	**22**	**224**
Acquisition of a subsidiary	-	-	-
Current year provision	17	15	32
Used reserves	(15)	(6)	(21)
Reversal of unused reserves	-	-	-
Foreign exchange rate movements	2	-	2
Adjusted discount rate	31	-	31
AT DECEMBER 31, 2019	**237**	**31**	**268**

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 (pensions).

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 some countries receive additional pension benefits, 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 institution, 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 overhead expenses. The payments made by the Group are expensed during the period in which the expense is incurred.

Defined benefit plans are those where an amount 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 where the Group operates. Modifications to actuarial assumptions or differences between these assumptions and actual outcomes 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 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 professional 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.

Post-employment and other long-term benefits

Provisions amounted to EUR 237 million and EUR 202 million at December 31, 2019 and 2018 respectively, and include post-employment benefits related to pension plans of EUR 233 million (2018: EUR 198 million) and provisions for other long-term benefits of EUR 4 million (2018: EUR 4 million).

Defined contribution plans

Defined contribution plans include plans whereby an employer makes periodic contributions to an external institution which manages all administrative and financial aspects. These institutions relieve the employer from all future obligations and manage the payment to employees of all amounts due (*e.g.* statutory pension scheme, complementary pension schemes (AGIRC/ARRCO in France), defined contribution retirement plans).

The amounts paid under defined contribution plans were EUR 28 million, for the year ended December 31, 2019 (2018: EUR 29 million; 2017: EUR 27 million). Contributions to these plans are recognized in the period to which they relate.

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 are mainly located in Switzerland, North America, France and Germany. These locations represent 43%, 20%, 20% and 11% respectively, as at December 31, 2019, (42%, 22%, 21% and 11%, respectively, as at December 31, 2018), 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

	Euro zone	UK	Switzerland	US	Canada
Assumptions as at December 31, 2019					
Discount rate	0.77%	2.00%	0.20%	3.17%	2.90%
Salary increase	2.50%	-	1.50%	-	-
Assumptions as at December 31, 2018					
Discount rate	1.57%	3.00%	0.90%	4.15%	3.95%
Salary increase	2.50%	-	1.50%	-	-
Assumptions as at December 31, 2017					
Discount rate	1.48%	2.60%	0.70%	3.83%	3.45%
Salary increase	2.50%	-	1.50%	-	-

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" and "AA" rated bonds to be high quality.

As at December 31, 2019 and 2018, the sensitivities of provisions to a change in discount rate are as follows:

	Impact on obligation*	
In EUR millions	2019	2018
Impact of increase in discount rate by 0.25 bp	(18)	(15)
Impact of decrease in discount rate by 0.25 bp	19	16

** The result of change in discount rate is recorded with the offsetting impact in the other comprehensive income.*

The average duration of plans by geographical area is disclosed in the table below:

	Euro Zone	UK	Switzerland	US	Canada	Global
Duration as at December 31, 2019	9 years	25 years	19 years	13 years	8 years	15 years
Duration as at December 31, 2018	9 years	25 years	18 years	13 years	8 years	14 years

Defined benefits pension cost

	2019				2018				2017			
In EUR millions	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America
Service cost, net of plan amendments	11	5	6	-	7	3	4	-	11	4	7	-
Interest cost on obligation	9	3	2	4	7	2	1	4	7	2	1	4
Interest income on plan assets	(5)	(1)	(2)	(2)	(4)	(1)	(1)	(2)	(4)	(1)	(1)	(2)
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	1	-	-	1	1	-	-	1
Settlement	-	-	-	-	-	-	-	-	-	-	-	-
Total pension cost	17	8	6	3	11	4	4	3	15	5	7	3

The actual returns on plan assets were EUR 25 million for the year ended December 31, 2019 (2018: EUR (4) million and 2017: EUR 17 million).

Balance sheet amounts

In EUR millions	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
Defined benefit obligation	503	450	424
Plan assets	266	248	242
Deficit	237	202	182
Asset ceiling limitation	-	-	-

The following table reconciles movements in the balance sheet amounts for the years ended December 31, 2019, 2018 and 2017:

In EUR millions	Total 2019	Europe	Switzerland	North America	Total 2018	Europe	Switzerland	North America	Total 2017	Europe	Switzerland	North America
RECONCILIATION OF DEFINED BENEFIT OBLIGATION												
Obligation as at January 1	**450**	**164**	**187**	**99**	**424**	**142**	**182**	**100**	**435**	**140**	**189**	**106**
Service cost	11	5	6	-	11	4	7	-	11	4	7	-
Interest cost on obligation	9	3	2	4	7	2	1	4	7	2	1	4
Employee contributions	4	-	4	-	3	-	3	-	3	-	3	-
Past service costs	-	-	-	-	(4)	(1)	(3)	-	-	-	-	-
Acquisition/divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Settlement	(11)	-	-	(11)	-	-	-	-	-	-	-	-
Benefit payments	(21)	(5)	(11)	(5)	(17)	(6)	(7)	(4)	(9)	(4)	-	(5)
Actuarial (gains)/losses due to change in assumptions (1)	56	19	25	12	7	19	(7)	(5)	(4)	1	(10)	5
Experience (gains)/losses	(4)	(3)	(1)	-	9	3	5	1	5	(1)	6	-
Effect of foreign exchange	9	1	5	3	10	1	6	3	(24)	-	(14)	(10)
Obligation as at December 31	**503**	**184**	**217**	**102**	**450**	**164**	**187**	**99**	**424**	**142**	**182**	**100**
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS												
Fair value of assets as at January 1	**248**	**30**	**159**	**59**	**242**	**30**	**154**	**58**	**238**	**28**	**148**	**62**
Interest income on plan assets	5	1	2	2	4	1	1	2	4	1	1	2
Employer contributions	15	6	6	3	17	6	6	5	12	5	5	2
Employee contributions	4	-	4	-	3	-	3	-	3	-	3	-
Acquisition/divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Settlement	(11)	-	-	(11)	-	-	-	-	-	-	-	-
Benefit payments	(21)	(5)	(11)	(5)	(17)	(6)	(7)	(4)	(9)	(4)	-	(5)
Asset gains/(losses) due to experience	20	2	10	8	(8)	(1)	(3)	(4)	13	2	7	4
Administration expenses paid	(1)	-	-	(1)	(1)	-	-	(1)	(1)	-	-	(1)
Effect of foreign exchange	7	1	4	2	8	-	5	3	(18)	(2)	(10)	(6)
Fair value of assets as at December 31	**266**	**35**	**174**	**57**	**248**	**30**	**159**	**59**	**242**	**30**	**154**	**58**
NET DEFINED BENEFIT OBLIGATION AS AT DECEMBER 31 – DEFICIT	**237**	**149**	**43**	**45**	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**

In EUR millions	Total 2019	Europe	Switzerland	North America	Total 2018	Europe	Switzerland	North America	Total 2017	Europe	Switzerland	North America
Asset ceiling limitation	-	-	-	-	-	-	-	-	-	-	-	-
Accrued/(prepaid)	**237**	**149**	**43**	**45**	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**
ANALYSIS OF FUNDED STATUS												
Funded or partially funded obligation as at December 31	372	63	213	96	326	49	184	93	362	94	174	94
Fair value of plan assets as at December 31	266	35	174	57	248	30	159	59	242	30	154	58
Funded status as at December 31 – deficit	**106**	**28**	**39**	**39**	**78**	**19**	**25**	**34**	**120**	**64**	**20**	**36**
Unfunded obligation as at December 31	131	121	4	6	124	115	3	6	62	48	8	6
TOTAL FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**237**	**149**	**43**	**45**	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**

(1) Actuarial (gains)/ losses due to changes in assumptions include for 2019 actuarial (gains)/ losses due to changes in financial assumptions for EUR 51 million (EUR (11) million in 2018) and actuarial (gains)/ losses due to change in demographic assumptions for EUR 5 million (EUR 18 million in 2018).

The following table summarizes the movements in accrued (prepaid) balances recorded in the consolidated balance sheet as at December 31, 2019, 2018 and 2017:

In EUR millions	Total 2019	Europe	Switzerland	North America	Total 2018	Europe	Switzerland	North America	Total 2017	Europe	Switzerland	North America
Accrued/(Prepaid) as at January 1	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**
Total pension cost	17	8	6	3	11	4	4	3	15	5	7	3
Benefits paid by employer	-	-	-	-	-	-	-	-	-	-	-	-
Employer contribution	(15)	(6)	(6)	(3)	(17)	(6)	(6)	(5)	(12)	(5)	(5)	(2)
Acquisitions/divestitures	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (gains)/losses immediately recognized in other comprehensive income (OCI)	31	13	14	4	24	23	1	-	(12)	(2)	(11)	1
Effect of foreign exchange	2	-	1	1	2	1	1	-	(6)	2	(4)	(4)
ACCRUED/(PREPAID) AS AT DECEMBER 31	**237**	**149**	**43**	**45**	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**

Plan assets

The following table includes the allocation of plan assets as at December 31, 2019 and 2018:

In EUR millions	Total	Europe	Switzerland	North America
2019				
Equities	86	49%	25%	44%
Debt securities	124	9%	57%	39%
Property	28	-	16%	-
Insurance contracts	12	34%	-	-
Other	16	8%	2%	17%
TOTAL	**266**	**100%**	**100%**	**100%**
2018				
Equities	76	47%	25%	39%
Debt securities	126	13%	59%	47%
Property	26	-	16%	-
Insurance contracts	12	40%	-	-
Other	8	-	-	14%
TOTAL	**248**	**100%**	**100%**	**100%**

In EUR millions	Total	Europe	Switzerland	North America
2019				
Equities	86	17	44	25
Debt securities	124	3	99	22
Property	28	-	28	-
Insurance contracts	12	12	-	-
Other	16	3	3	10
TOTAL	**266**	**35**	**174**	**57**
2018				
Equities	76	14	39	23
Debt securities	126	4	94	28
Property	26	-	26	-
Insurance contracts	12	12	-	-
Other	8	-	-	8
TOTAL	**248**	**30**	**159**	**59**

As at December 31, 2019, employer contributions for the year ahead are expected to amount to EUR 51 million (2018: EUR 14 million).

Note•14.2 Other provisions

At December 31, 2019, other provisions (EUR 31 million; at December 31 2018: EUR 22 million) include mainly EUR 23 million related to provisions for litigation (2018: EUR 15 million) and EUR 4 million covering contingent liabilities related to the Generali U.S. acquisition in 2013 (2018: EUR 4 million). For more information on litigation, refer to note 25 - Litigation.

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 different reserving 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 in the US, payment in annuity on Motor Liability and Medical Malpractice which are discounted.

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.

	As at December 31, 2019			As at December 31, 2018		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
GROSS CONTRACT LIABILITIES						
Gross claim reserves	6,618	13,253	19,871	6,368	12,815	19,183
Mathematical reserves	7,884	-	7,884	8,095	-	8,095
Unearned premium reserves	178	2,980	3,158	165	2,496	2,661
Total gross insurance contract liabilities	**14,680**	**16,233**	**30,913**	**14,628**	**15,311**	**29,939**
Reserves for financial contracts	-	323	323	-	314	314
Total gross contract liabilities	**14,680**	**16,556**	**31,236**	**14,628**	**15,625**	**30,253**
REINSURANCE RECOVERABLE						
Ceded claims reserves & claims expense reserves	(685)	(1,300)	(1,985)	(555)	(1,283)	(1,838)
Ceded mathematical reserves	33	-	33	(95)	-	(95)
Ceded unearned premium reserves	-	(275)	(275)	-	(208)	(208)
Ceded contract liabilities	**(652)**	**(1,575)**	**(2,227)**	**(650)**	**(1,491)**	**(2,141)**
NET CONTRACT LIABILITIES	**14,028**	**14,981**	**29,009**	**13,978**	**14,134**	**28,112**

Contract liabilities are subject to the use of estimates. Payments linked to these reserves are usually not fixed, neither by amount nor by due date. Liquidity information related to contract liabilities is included in the Universal Registration Document, in Section 3.1.5 – Liquidity risks.

An aging analysis of reinsurance assets is included in the Universal Registration Document, in Section 3.3.5 – Management of credit risks.

Note•15.1 SCOR GLOBAL P&C

The first table of this section presents the net claims reserves, net unearned premiums reserves and net deferred acquisition costs with ten years of history, recorded at the exchange rates applicable at each corresponding reporting date.

The next table of the section provides Non-Life claims development information per underwriting year and reporting period, taking into account the neutralization of fluctuations in foreign exchange rates.

A significant portion of SCOR Global P&C's reserves relates to liabilities payable in currencies other than Euro. To permit an analysis of claims developments excluding the impact of foreign exchange movements, all figures are translated into Euro at current balance sheet foreign exchange rates as of the date of these financial statements.

The first part of the table shows net incurred losses which is the sum of paid claims, the change in claims reserves and incurred but not reported reserves and the claims handling provisions, net of external retrocession.

The second part of the table shows net paid claims at constant exchange rates.

Finally, the third part of the table presents the net earned premiums history at current balance sheet foreign exchange rates per underwriting year.

In EUR millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross claims reserves & estimates – end of year [(1)]	9,156	9,696	10,602	10,857	10,691	11,088	11,750	11,784	12,318	12,815	13,253
Ceded claims reserves & estimates – end of year [(1)]	473	412	765	690	629	619	634	660	1,175	1,283	1,300
Net claims reserves & estimates – end of year	8,683	9,284	9,837	10,167	10,062	10,469	11,116	11,124	11,143	11,532	11,953
UNEARNED PREMIUM RESERVE (UPR)											
Gross UPR – end of year	1,135	1,384	1,516	1,683	1,663	1,938	2,239	2,261	2,270	2,496	2,980
Ceded UPR – end of year	40	51	84	93	101	142	187	167	160	208	275
Net UPR – end of year	1,095	1,333	1,432	1,590	1,562	1,796	2,052	2,094	2,110	2,288	2,705
DEFERRED ACQUISITION COSTS (DAC)											
Gross DAC – end of year	238	278	325	359	379	441	536	551	560	615	735
Ceded DAC – end of year	-	1	5	7	8	10	14	13	9	25	34
Net DAC – end of year	238	277	320	352	371	431	522	538	551	590	701

(1) At period end exchange rates.
(2) At constant exchange rate.

In EUR millions	≤2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NET CLAIMS INCURRED TRIANGLES [(2)]											
Current year	-	1,429	1,407	1,724	1,840	1,763	1,820	1,893	2,293	2,339	2,339
1 year later	-	2,996	2,530	2,826	2,924	2,962	3,020	3,381	3,790	4,018	-
2 years later	-	3,101	2,657	2,843	2,906	3,020	3,108	3,518	3,932	-	-
3 years later	-	3,095	2,557	2,800	2,843	3,039	3,038	3,498	-	-	-
4 years later	-	3,076	2,495	2,769	2,826	2,996	3,047	-	-	-	-
5 years later	-	3,059	2,475	2,804	2,767	2,959	-	-	-	-	-
6 years later	-	3,030	2,446	2,747	2,740	-	-	-	-	-	-
7 years later	-	2,995	2,458	2,748	-	-	-	-	-	-	-
8 years later	-	2,963	2,406	-	-	-	-	-	-	-	-
9 years later	-	2,948	-	-	-	-	-	-	-	-	-
10 years later	(145)	-	-	-	-	-	-	-	-	-	-
NET CLAIMS PAID TRIANGLES [(2)]											
Current year	-	89	104	55	75	72	37	71	122	(3)	(2)
1 year later	-	1,029	1,003	992	1,089	1,106	995	1,219	1,591	1,576	-
2 years later	-	1,632	1,405	1,488	1,578	1,561	1,505	1,866	2,194	-	-
3 years later	-	2,130	1,817	1,964	2,083	2,229	2,207	2,569	-	-	-
4 years later	-	2,322	1,935	2,095	2,233	2,382	2,401	-	-	-	-
5 years later	-	2,491	2,012	2,207	2,325	2,471	-	-	-	-	-
6 years later	-	2,566	2,066	2,299	2,415	-	-	-	-	-	-
7 years later	-	2,631	2,110	2,369	-	-	-	-	-	-	-
8 years later	-	2,663	2,147	-	-	-	-	-	-	-	-
9 years later	-	2,710	-	-	-	-	-	-	-	-	-
10 years later	223	-	-	-	-	-	-	-	-	-	-
Earned premiums [(2)]	**-**	**3,561**	**3,816**	**4,248**	**4,313**	**4,681**	**4,869**	**5,164**	**5,249**	**5,470**	**3,130**

(1) At period end exchange rates.
(2) At constant exchange rate.

The table below presents a reconciliation of the opening and closing liability for claims reserves and claims estimates of SCOR Global P&C for the years ended December 31, 2019 and 2018.

In EUR millions	2019	2018
Gross claims reserves and claims estimates as at January 1	**12,815**	**12,318**
Ceded claims reserves and claims estimates as at January 1	**(1,283)**	**(1,175)**
Net claims reserves and claims estimates as at January 1	**11,532**	**11,143**
Revaluation of opening balance at current year end exchange rates	180	70
Net claims reserves and claims estimates as at January 1 – revalued	**11,712**	**11,213**
Net claims incurred relating to the current calendar year	2,339	2,296
Net claims incurred for prior calendar years	1,535	1,183
Total net claims incurred	**3,874**	**3,479**
Net claims payments for the current calendar year	2	1
Net claims payments for prior calendar years	(3,635)	(3,345)
Total net claims payments	**(3,633)**	**(3,344)**
Other movements	-	184 [1]
Net claim reserves and claims estimates as at December 31	**11,953**	**11,532**
Ceded claims reserves and claims estimates as at December 31	**(1,300)**	**(1,283)**
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT DECEMBER 31	**13,253**	**12,815**

(1) Mainly due to ESSOR integration.

Analysis of asbestos & environmental IBNR reserves and claims paid

	For the year ended December 31			
	Asbestos		Environment	
	2019	2018	2019	2018
Gross reserves, including IBNR reserves *(in EUR millions)*	68	70	8	16
% of Non-Life gross reserves	0.4%	0.4%	0.0%	0.1%
Claims paid *(in EUR millions)*	4	6	1	1
Net % of Group Non-Life claims paid	0.1%	0.2%	0.0%	0.0%
Actual number of claims notified under non-proportional and facultative treaties *(in units)*	11,176	11,043	8,612	8,583
Average cost per claim *(in EUR)* [1]	21,533	21,110	5,223	5,072

(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 SCOR Global Life mathematical reserves for the years ended December 31, 2019 and 2018 is as follows:

In EUR millions	2019	2018
Gross mathematical reserves as at January 1	**8,095**	**8,550**
Change in scope of consolidation	-	106
Change in reserves from portfolio movements and actuarial calculation	(301)	(674)
Impact of foreign exchange movements	90	113
Gross mathematical reserves as at December 31	**7,884**	**8,095**
Reinsurance Recoverable	**-**	**-**
Ceded mathematical reserves as at January 1	**(95)**	**(240)**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	126	143
Impact of foreign exchange movements	2	2
Ceded mathematical reserves as at December 31	**33**	**(95)**
NET MATHEMATICAL RESERVES AS AT JANUARY 1	**8,000**	**8,310**
NET MATHEMATICAL RESERVES AS AT DECEMBER 31	**7,917**	**8,000**

Liability adequacy test

The liability adequacy test conducted at each closing date did not detect any deficiency for either SCOR Global P&C or SCOR Global Life.

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, 2019 and 2018 is as follows:

In EUR millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2019
Share of retrocessionaires contract liabilities	**-**	**631**	**1,089**	**38**	**6**	**463**	**2,227**
Securities pledged	-	-	19	6	-	924	949
Deposits received	-	121	382	22	-	63	588
Letters of credit	-	64	89	-	-	8	161
Total collateral from retrocessionaires in favor of SCOR (1)	**-**	**185**	**490**	**28**	**-**	**995**	**1,698**
Share of retrocessionaires contract liabilities net of collateral	**-**	**446**	**599**	**10**	**6**	**(532)** (2)	**529**

(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 millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2018
Share of retrocessionaires contract liabilities	**-**	**673**	**1,085**	**40**	**4**	**339**	**2,141**
Securities pledged	-	-	13	5	-	912	930
Deposits received	-	134	362	23	-	45	564
Letters of credit	-	98	56	-	-	3	157
Total collateral from retrocessionaires in favor of SCOR (1)	**-**	**232**	**431**	**28**	**-**	**960**	**1,651**
Share of retrocessionaires contract liabilities net of collateral	**-**	**441**	**654**	**12**	**4**	**(621)** (2)	**490**

(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 has established various long-term compensation plans (stock options and free shares allocations) in favor of some of its employees and Corporate Executive Officers. The terms of these plans are defined and approved or agreed by its Board of Directors at the grant date. The plans are equity settled only.

These awards result in the recognition of personnel charges with a corresponding increase in equity over the vesting period.

The total amount recognized over the vesting period is measured by reference to the fair value of long term compensation instruments granted, and by reference to the number of instruments expected to vest, taking into account presence conditions and performance conditions when they are not linked to the stock price. At each closing date, the number of instruments that are expected to vest is reviewed and the impact of any adjustments to initial estimates is recognized in the income statement with a corresponding increase in equity over the remaining vesting period.

The dilutive effect of options granted is reflected in the diluted earnings per share calculation.

The total expense for 2019 relating to share-based payments is EUR 32 million (2018: EUR 43 million), with EUR 1 million (2018: EUR 1 million) relating to stock options granted under the 2015 to 2019 plans (2018: 2014 to 2018) and EUR 31 million (2018: EUR 42 million) relating to free shares allocated under the 2013 to 2019 plans (2018: 2011 to 2018).

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2019.

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
2009	March 23, 2009	March 24, 2013	March 24, 2019	14.92	1,399,500
2009	November 25, 2009	November 26, 2013	November 26, 2019	17.12	88,500
2010	March 18, 2010	March 19, 2014	March 19, 2020	18.40	1,378,000
2010	October 12, 2010	October 13, 2014	October 13, 2020	17.79	37,710
2011	March 22, 2011	March 23, 2015	March 23, 2021	19.71	703,500
2011	September 1, 2011	September 2, 2015	September 2, 2021	15.71	308,500
2012	March 23, 2012	March 24, 2016	March 24, 2022	20.17	938,000
2013	March 21, 2013	March 22, 2017	March 22, 2023	22.25	716,000
2013	October 2, 2013	October 3, 2017	October 3, 2023	24.65	170,000
2013	November 21, 2013	November 22, 2017	November 22, 2023	25.82	25,000
2014	March 20, 2014	March 21, 2018	March 21, 2024	25.06	694,875
2014	December 1, 2014	December 2, 2018	December 2, 2024	24.41	9,000
2015	March 20, 2015	March 21, 2019	March 21, 2025	29.98	669,131
2015	December 18, 2015	December 19, 2019	December 19, 2025	35.99	45,250
2016	March 10, 2016	March 11, 2020	March 11, 2026	31.58	631,368
2016	December 1, 2016	December 2, 2020	December 2, 2026	29.57	750
2017	March 10, 2017	March 11, 2021	March 11, 2027	33.78	480,000
2017	December 1, 2017	December 2, 2021	December 2, 2027	34.75	145,410
2018	March 8, 2018	March 9, 2022	March 9, 2028	35.10	380,000
2018	December 22, 2018	December 23, 2022	December 23, 2028	40.81	198,088
2019	March 7, 2019	March 8, 2023	March 8, 2029	38.66	428,000
2019	October 25, 2019	October 26, 2023	October 26, 2029	37.11	148,140

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 7, 2019 and October 25, 2019, 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 compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group's ROE (in fiscal year 2019, 2020 and 2021 for the two last conditions).

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.

	2019		2018	
	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	4,466,743	27.10	5,467,076	24.20
Options granted during the period	576,140	38.26	578,088	37.06
Options exercised during the period	509,135	19.46	1,278,077	18.19
Options expired during the period	7,500	15.50	13,000	15.63
Options forfeited during the period	45,163	30.02	287,344	32.06
Outstanding options at December 31	**4,481,085**	**29.39**	**4,466,743**	**27.10**
Exercisable at December 31	**2,300,397**	**23.78**	**2,270,340**	**21.21**

The average weighted remaining life of the options is 5.55 years in both 2019 and 2018.

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 during 2019, 2018 and 2017:

	October 25, 2019 Plan	March 7, 2019 Plan	December 22, 2018 Plan	March 8, 2018 Plan	December 1, 2017 Plan	March 10, 2017 Plan
Fair value at grant date *(in EUR)*	2.29	2.18	1.61	1.88	2.44	4,00
Exercise price *(in EUR)*	37.11	38.66	40.81	35.10	34.75	33.78
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Historical volatility (1)	18.56%	18.18%	18.03%	17.90%	20.67%	23.73%
Dividend	5.00%	5.00%	4.90%	4.77%	4.77%	4.77%
Risk-free interest rate	-0.604%	-0.360%	-0.240%	0.017%	-0.193%	0.276%

(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 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 *(in EUR)*
September 1, 2011 (LTIP)	September 2, 2019	297,500	16.68
July 26, 2012 (LTIP)	July 27, 2020	51,000	19.27
March 5, 2013 (LTIP)	March 6, 2019	85,500	22.22
March 5, 2013 (LTIP)	March 6, 2021	232,500	22.22
March 4, 2014 (LTIP)	March 5, 2020	31,500	24.70
March 4, 2014 (LTIP)	March 5, 2022	88,500	24.70
December 1, 2014	December 2, 2019	26,000	25.18
March 4, 2015	March 5, 2017	240,000	29.36
March 4, 2015 (LTIP)	March 5, 2021	40,000	29.36
December 18, 2015 (LTIP)	December 19, 2021	106,432	34.59
February 23, 2016	February 24, 2019	1,670,588	31.82
February 23, 2016 (LTIP)	February 24, 2022	257,732	31.82
December 1, 2016	December 2, 2019	40,064	29.92
February 21, 2017	February 22, 2020	505,000	32.72
February 21, 2017 (LTIP)	February 22, 2023	50,000	32.72
December 1, 2017	December 2, 2020	728,612	34.08
December 1, 2017 (LTIP)	December 2, 2023	232,238	34.08
February 21, 2018	February 22, 2021	475,000	35.81
December 22, 2018	December 23, 2021	841,082	37.88
December 22, 2018 (LTIP)	December 23, 2024	96,596	37.88
December 23, 2018	December 24, 2021	249,923	37.88
February 19, 2019	February 20, 2022	535,000	38.32
February 19, 2019 (LTIP)	February 20, 2025	205,000	38.32
October 23, 2019	October 24, 2022	890,800	36.90
October 23, 2019 (LTIP)	October 24, 2025	91,798	36.90

All grants under the free share plans of February 19, 2019 and October 23, 2019 (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 compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group’s ROE (in fiscal year 2019, 2020 and 2021 for the two last conditions). Furthermore, all grants under the free share plans of February 19, 2019 and October 23, 2019 (except LTIP) are subject to a 3-year presence condition.

All shares granted under the “LTIP” plans of October 23, 2019 are subject to a 6-year presence condition and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group’s ROE between 2019 and 2024.

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 in 2019, 2018 and 2017:

	October 23, 2019 Plan	October 23, 2019 Plan (LTIP)	February 19, 2019 Plan	February 19, 2019 Plan (LTIP)	December 23, 2018 Plan	December 22, 2018 Plan
Fair value (in EUR)	31.76	27.34	32.98	28.39	32.70	32.70
Vesting period	3 years	6 years	3 years	6 years	3 years	3 years
Dividend	5.00%	5.00%	5.00%	5.00%	4.90%	4.90%

	December 22, 2018 Plan (LTIP)	February 21, 2018 Plan	December 1, 2017 Plan	December 1, 2017 Plan (LTIP)	February 21, 2017 Plan	February 21, 2017 Plan (LTIP)
Fair value (in EUR)	28.23	31.03	29.53	25.59	28.36	24.58
Vesting period	6 years	3 years	3 years	6 years	3 years	6 years
Dividend	4.90%	4.77%	4.77%	4.77%	4.77%	4.77%

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. An entity needs to consider whether an uncertain tax treatment will be accepted by the tax authorities. If acceptance is considered probable no provision is required. If acceptance is not considered probable, this uncertainty must be reflected by determining an expected value or the most likely amount. SCOR considered uncertain tax positions individually and by measuring the most likely amount. 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.

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, 2019, 2018 and 2017 are presented below:

In EUR millions	2019	2018	2017
AMOUNTS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME			
Current tax – current year	(157)	(64)	(66)
Current tax – prior years	(4)	(14)	35
Deferred taxes due to temporary differences	(60)	(53)	17
Deferred taxes from tax losses carried-forward	74	29	15
Changes in deferred taxes due to changes in tax rates or tax law	-	(5)	(57)
Corporate income tax (expense)/benefit reported in statement of income	**(147)**	**(107)**	**(56)**
Impact from US tax reform reported in statement of income	**-**	**(68)**	**-**
TOTAL INCOME TAX (EXPENSE)/BENEFIT REPORTED IN STATEMENT OF INCOME	**(147)**	**(175)**	**(56)**
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN EQUITY	**(103)**	**96**	**(18)**

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 2019 and 2018, and 44.43% for 2017 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 2019 is 25.7% (2018: 34.7% and 2017: 16.3%).

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 tax rates for certain transactions and other specific items.

In EUR millions	2019	2018	2017
Income before income tax (excluding share in results of associates)	**570**	**505**	**342**
Theoretical income tax at 34.43% (for 2019), 34.43% (for 2018) and 44.43% (for 2017)	(196)	(174)	(152)
RECONCILING ITEMS TO ACTUAL INCOME TAX (EXPENSE)/BENEFIT			
Differences between French and local corporate income tax rates	63	77	67
Tax-exempt income	7	18	18
Non-deductible expenses	(29)	(16)	(19)
Write-down and reversal of previous write-down of deferred tax assets	(1)	-	1
Change in tax risk provision	26	-	54
Non creditable/refundable withholding tax	(3)	(3)	(2)
Change in corporate income tax rates	-	(5)	(57)
Share based payments	(4)	7	8
Corporate income taxes prior years	(8)	(13)	33
Impact from US tax reform	-	(68)	-
Others	(2)	2	(7)
ACTUAL INCOME TAX (EXPENSE)/BENEFIT	**(147)**	**(175)**	**(56)**

The difference between French and local tax rates reflects the geographical tax rate mix of the Group.

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.

French corporate tax rate

For 2019, the French corporate income tax rate is 34.43% for companies with a turnover exceeding EUR 250 million. With reference to the urgency measures taken by the French government in late December 2018 as an answer to the yellow vest movement, the "GAFA" law of July 2019 announced a modification of the decrease of the corporate income tax rate, planned by the 2018 French Finance Bill and further amended by the 2020 Finance law.

The new progressive decrease in corporate income tax rate results in a global income tax rate in 2019 of 34.43%, instead of 32.02% initially planned. The global French corporate income tax rate will be reduced to 32.02% for 2020, 28.41% for 2021 respectively. From 2022 onwards, the tax rate is 25.83% as initially planned.

In 2017, the French corporate income tax rate was 44.43%. In addition to the 34.43% initial corporate income tax rate, the enactment of two additional contributions to the French corporate income tax for companies with revenues exceeding EUR 3 billion resulted in a 10% additional tax rate applicable only to 2017. The 2017 financials recorded the impact of the decrease in the French corporate income tax rate which was a loss of EUR 19 million for 2017 through profit and loss (decrease in the measurement of the net DTA).

US corporate tax rate

On December 22, 2017, the US Congress enacted the Tax Cuts and Jobs Act (the "TCJA"), reducing the statutory rate of US federal corporate income tax to 21% effective January 1, 2018. The TCJA also introduced a new minimum tax regime, referred to as the Base Erosion and Anti-Abuse Tax ("BEAT") which acted almost as a 5% tax on all deductible payments to non-US related persons – and gross premiums specifically – starting in 2018. The BEAT increased to 10% for fiscal years beginning in 2019 and will further increase to 12.5% for taxable years beginning in 2026 or later. BEAT is payable if, calculated on a modified taxable income base, it is higher than the regular federal corporate tax in a given year.

For the year ended December 31, 2017, the impact of this new legislation mostly related to the DTA on US tax losses carry forward and was a net loss of EUR 39.3 million through profit and loss and a net loss of EUR 4.9 million through other comprehensive income. The BEAT had no impact on the financial statements as at and for the year ended December 31, 2017.

In 2018, SCOR has assessed the TCJA implications, in particular with respect to certain complex provisions including the BEAT. SCOR has implemented an alternate business structure to adapt to the new environment by establishing a new Irish entity, SCOR Life Ireland dac, which is treated as a US taxpayer.

The execution of this implementation was subject to certain standard regulatory approvals which have been obtained before the end of 2018. The TCJA implications including the implementation of the new business structure resulted in an expense of USD 81 million (EUR 68 million) which has been recognized in SCOR's 2018 result.

In 2019, USD 25 million (EUR 22 million) BEAT expense was recognized as part of the current income tax.

The standard tax rates for the primary locations in which the Group has operations are as follows:

	2019	2018	2017
France	34.43%	34.43%	44.43%
Switzerland	21.15%	21.15%	21.15%
Germany	32.45%	32.45%	32.45%
Ireland	12.50%	12.50%	12.50%
United Kingdom	19.00%	19.00%	19.25%
United States	21.00%	21.00%	35.00%
Singapore	17.00%	17.00%	17.00%

Note•17.3 CORPORATE INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

	2019			2018			2017		
In EUR millions	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	(31)	7	(24)	(24)	6	(18)	12	(8)	4
Items that will not be reclassified subsequently to profit and loss	**(31)**	**7**	**(24)**	**(24)**	**6**	**(18)**	**12**	**(8)**	**4**
Effects of changes in foreign exchange rates	126	(3)	123	145	2	147	(521)	(6)	(527)
Revaluation of available-for-sale assets	660	(144)	516	(511)	111	(400)	66	(12)	54
Shadow accounting	(202)	45	(157)	125	(26)	99	(35)	8	(27)
Net gains/(losses) on cash flow hedges	30	(8)	22	(6)	3	(3)	5	-	5
Other changes	2	-	2	(7)	-	(7)	(1)	-	(1)
Items that will be reclassified subsequently to profit income	**616**	**(110)**	**506**	**(254)**	**90**	**(164)**	**(486)**	**(10)**	**(496)**
TOTAL	**585**	**(103)**	**482**	**(278)**	**96**	**(182)**	**(474)**	**(18)**	**(492)**

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, 2018 and December 31, 2019, were generated by the following items:

In EUR millions	Opening balance at January 1, 2018	Changes through P&L	Changes through OCI	Other move-ments	Foreign exchange gains and losses	Balance at December 31, 2018	Changes through P&L	Changes through OCI	Other move-ments	Foreign exchange gains and losses	Balance at December 31, 2019
DEFERRED TAX LIABILITIES											
Deferred acquisition costs	(129)	(195) [1]	1	1	(3)	(325)	(18)	(2)	-	(7)	(352)
Unrealized revaluations and temporary differences on investments	(55)	(10)	33	(5)	1	(36)	(3)	(68)	(4)	(1)	(112)
Retirement scheme	(11)	(6)	1	-	-	(16)	(2)	-	-	-	(18)
Equalization reserves	(63)	14	-	-	-	(49)	3	-	-	-	(46)
Value of business acquired	(222)	(58) [1]	(1)	(1)	(8)	(290)	13	-	-	(7)	(284)
Financial instruments	(37)	1	19	-	-	(17)	8	(16)	(4)	-	(29)
Insurance contract liabilities/assets	(90)	(6)	-	(2)	(4)	(102)	(59)	-	1	(3)	(163)
Shadow accounting	1	-	(26)	-	(1)	(26)	-	21	-	-	(5)
Other temporary differences	(100)	(20)	-	3	(2)	(119)	10	-	1	-	(108)
TOTAL DEFERRED TAX LIABILITIES	**(706)**	**(280)**	**27**	**(4)**	**(17)**	**(980)**	**(48)**	**(65)**	**(6)**	**(18)**	**(1,117)**
DEFERRED TAX ASSETS											
Deferred acquisition costs	29	166 [1]	-	-	2	197	(5)	-	-	5	197
Unrealized revaluations and temporary differences on investments	60	(35)	57	-	3	85	15	(56)	5	-	49
Retirement scheme	53	(1)	5	-	1	58	5	7	1	1	72
Equalization reserves	37	(37)	-	-	-	-	-	-	-	-	-
Net operating losses for carry forward	411	21	-	-	6	438	69	-	-	4	511
Financial instruments	19	4	5	-	-	28	(9)	(11)	4	-	12
Insurance contract liabilities/assets	150	25	-	5	4	184	17	-	1	3	205
Shadow accounting	(1)	-	2	-	(1)	-	-	22	-	-	22
Other temporary differences	143	187 [1]	-	4	3	337	(30)	-	(2)	6	311
TOTAL DEFERRED TAX ASSETS	**901**	**330**	**69**	**9**	**18**	**1,327**	**62**	**(38)**	**9**	**19**	**1,379**

(1) Including the impact of the US tax reform.

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:

(in EUR millions)	2019	2018	2017
Deferred tax liabilities	(270)	(207)	(338)
Deferred tax assets	532	554	533
Net deferred tax assets (liabilities)	**262**	**347**	**195**

Note•17.5 EXPIRATION OF TAX LOSSES AVAILABLE FOR CARRYFORWARD

As at December 31, 2019, the operating tax losses available for carryforward expire as follows:

In EUR millions	Available tax loss carryforwards	Tax loss carryforwards for which no DTA is recognized	At December 31, 2019 Deferred tax assets recognized	At December 31, 2018 Deferred tax assets recognized
2019	-	-	-	-
2020	6	-	1	3
2021	-	-	-	-
2022	4	-	1	2
2023	2	-	-	2
Thereafter	954	(8)	208	149
Indefinite	1,314	(145)	301	282
TOTAL	**2,280**	**(153)**	**511**	**438**

The recognition of deferred tax assets for 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 but the utilization of tax losses is capped at EUR 1 million plus 50% of the remaining current year's taxable result, 20-year carryforward period for US non-Life companies, 15-year carryforward for losses incurred before 2018 and unlimited carry forward for losses incurred after 2018 for US life companies. Considering SCOR's activity and in particular its exposure to natural catastrophes, the time horizon over which the Group expects to utilize its losses carryforward can evolve. SCOR remains confident it will utilize all recognized tax loss carryforwards prior to their 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 millions	2019	2018	2017
Interest income on investments	474	435	368
Dividends	30	20	23
Rental income from real estate	38	42	48
Other income (including from cash and cash equivalents)	(9)	(18)	(16)
Other investments expenses	(11)	(12)	(17)
Investment revenues	**522**	**467**	**406**
Interest income on funds withheld and contract deposit	164	157	187
Interest expense on funds withheld and contract deposit	(6)	(6)	(10)
Interest on deposits	**158**	**151**	**177**
Realized gains and losses on investments	**86**	**127**	**268**
Change in fair value of investments	**25**	**(13)**	**2**
Investment impairment	(24)	(6)	(8)
Real estate amortization and impairment	(16)	(26)	(21)
Change in investment impairment and amortization	**(40)**	**(32)**	**(29)**
Currency gains (losses)	**3**	**(13)**	**(27)**
INVESTMENT INCOME	**754**	**687**	**797**

Note•18.2 ANALYSIS BY CATEGORY OF FINANCIAL ASSET

In EUR millions	2019	2018	2017
Real estate investments	71	26	219
Available for sale investments	522	532	384
Investments at fair value through income	28	6	(1)
Loans and receivables	184	170	192
Derivative instruments	16	(19)	46
Other (including from cash and cash equivalents), net of other investment expenses	(67)	(28)	(43)
INVESTMENT INCOME	**754**	**687**	**797**

Note•19 NET RETROCESSION RESULT

The table below shows the net retrocession result for the years ended December 31, 2019, 2018 and 2017:

	2019			2018			2017		
In 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
Ceded written premiums	(846)	(1,052)	(1,898)	(646)	(833)	(1,479)	(699)	(626)	(1,325)
Change in ceded unearned premiums reserves	-	61	61	-	35	35	-	8	8
Ceded earned premiums	**(846)**	**(991)**	**(1,837)**	**(646)**	**(798)**	**(1,444)**	**(699)**	**(618)**	**(1,317)**
Ceded claims	571	682	1,253	549	472	1,021	735	844	1,579
Ceded commissions	87	170	257	47	112	159	74	62	136
Net retrocession result	**(188)**	**(139)**	**(327)**	**(50)**	**(214)**	**(264)**	**110**	**288**	**398**

The retrocession results of SCOR Global Life in the reporting periods reflect changes in the retrocession portfolio, the claims development over the 3 year-period, correlated reserving adjustments and experience refund calculations.

The second half of 2017 was marked for SCOR Global P&C by an exceptional series of large natural catastrophes, with hurricanes Harvey, Irma and Maria, earthquake in Mexico and fires in California. The in-force retrocession programs have responded as expected, with significant recoveries on proportional and non-proportional covers.

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 defined by management.

Other operating and administrative expenses include expenses incurred by the Group, excluding gross commissions, as follows:

In EUR millions		2019	2018	2017
58%	Staff costs	541	527	518
3%	Taxes other than income taxes	26	20	13
39%	Other costs	370	346	327
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**937**	**893**	**858**

These expenses are further allocated into categories by function as follows:

In EUR millions		2019	2018	2017
60%	Acquisition and administrative expenses	564	537	535
8%	Investment management expenses	75	68	69
7%	Claims settlement expenses	63	62	57
25%	Other current operating expenses	235	226	197
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**937**	**893**	**858**

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			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Audit [(1)]	**5,966**	**5,955**	**85%**	**95%**	**3,610**	**3,510**	**95%**	**96%**	**9,576**	**9,465**	**88%**	**95%**
SCOR SE*	2,015	948	29%	15%	1,665	980	44%	27%	3,680	1,928	34%	19%
Fully consolidated subsidiaries	3,951	5,007	56%	80%	1,945	2,530	51%	69%	5,896	7,537	54%	76%
Other audit related [(2)]	**995**	**107**	**14%**	**2%**	**204**	**155**	**5%**	**4%**	**1,199**	**262**	**11%**	**3%**
SCOR SE	39	59	1%	1%	158	128	4%	3%	197	187	2%	2%
Fully consolidated subsidiaries	956	48	13%	1%	46	27	1%	1%	1,002	75	9%	1%
Other[(3)]	**92**	**160**	**1%**	**3%**	**14**	**-**	**-**	**-**	**106**	**160**	**1%**	**2%**
Legal, tax, social security	92	160	1%	3%	14	-	-	-	106	160	1%	2%
Other	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,053**	**6,222**	**100%**	**100%**	**3,828**	**3,665**	**100%**	**100%**	**10,881**	**9,887**	**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, review of Solvency II reports as well as various mandatory procedures.

(3) Other services, provided by the Auditors to the fully consolidated companies and due diligence.

** Merger of SCOR SE with SCOR GLOBAL P&C SE and SCOR GLOBAL LIFE SE since January 1, 2019.*

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, 2019, 2018 and 2017 respectively:

In EUR millions	At December 31, 2019			At December 31, 2018			At December 31, 2017		
	Net income (numerator)	**Shares (denominator)** *(in thousands)* (1)	**Net income per share** *(in EUR)*	**Net income (numerator)**	**Shares (denominator)** *(in thousands)* (1)	**Net income per share** *(in EUR)*	**Net income (numerator)**	**Shares (denominator)** *(in thousands)* (1)	**Net income per share** *(in EUR)*
Net income – Group share	422	-	-	322	-	-	286	-	-
Basic earnings per share									
Net income attributable to ordinary shareholders	**422**	**185,759**	**2.27**	**322**	**187,341**	**1.72**	**286**	**186,532**	**1.53**
Diluted earnings per share									
Dilutive effects	-	-	-	-	-	-	-	-	-
Stock options and share-based compensation (2)	-	1,880	-	-	2,255	-	-	3,131	-
Net income attributable to ordinary shareholders and estimated conversions	**422**	**187,638**	**2.25**	**322**	**189,596**	**1.70**	**286**	**189,663**	**1.51**

(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 (except key management personnel) meeting the criteria of a related party according to IAS 24 – Related Party Disclosures, for the years ended December 31, 2019, 2018 and 2017.

SCOR SE is the ultimate parent of the Group.

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.

Transactions with associates for the financial years ended December 31, 2019, 2018 and 2017 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, 2019, 2018, and 2017 is outlined below:

In EUR	2019	2018	2017
Fixed cash compensation	5,991,365	5,832,784	6,061,319
Variable cash compensation	5,061,445	4,603,272	6,272,821
Profit sharing	7,624	3,423	33,028
Premiums/allowances	72,966	65,106	154,417
Share-based payments (1)	24,398,653	15,832,066	17,470,800
Termination benefits	-	-	-
Retirement benefits (2)	606,197	-	-
Directors' compensation	76,000	70,000	55,000
TOTAL COMPENSATION AND BENEFITS	**36,214,248**	**26,406,651**	**30,047,386**

(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) as at December 31, 2019 amounts to EUR 41 million (EUR 57 million as at December 31, 2018 and EUR 58 million as at December 31, 2017), i.e. 8% of the total commitment of the Group for pension plans of EUR 503 million. This decrease is mainly due to the departure from the Executive Committee in 2019 of one of its members.

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 Group's net assets 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 given 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, with 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 of 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 millions	As at December 31, 2019	As at December 31, 2018
COMMITMENTS RECEIVED		
Unused lines of credit and letters of credit	316	205
Letters of credit – retrocessionaires	161	157
Pledged assets	1,107	1,262
Endorsements, sureties	6	6
Other commitments received	-	-
TOTAL COMMITMENTS RECEIVED	**1,590**	**1,630**
COMMITMENTS GIVEN		
Pledged assets	4,847	4,313
Endorsements, sureties	23	22
Investment commitments	258	113
Other commitments given	4	2
TOTAL COMMITMENTS GIVEN	**5,132**	**4,450**

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 4,847 million (2018: EUR 4,313 million).

In addition, SCOR pledges assets to the benefit of its consolidated subsidiaries as collateral for its internal retrocessions. As at December 2019, the amount of assets pledged internally is EUR 2,047 million (as at December 2018: EUR 2,432 million).

The total carrying amount of financial assets pledged to the benefit of SCOR as collateral is EUR 1,107 million (2018: EUR 1,262 million). These amounts include securities pledged by retrocessionaires for a total amount of EUR 949 million (2018: EUR 930 million) detailed in Note 15 – Net contract liabilities. The remaining amount relates to pledged assets received on assumed reinsurance.

Letters of credit

As security for the Group's technical liabilities, various financial institutions have provided sureties for the Group in the form of letters of credit. The total amount, not included in the table above, as at the reporting date was EUR 1,364 million (2018: EUR 1,394 million). 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, 2019, SCOR has an outstanding letter of credit capacity of EUR 161 million (as at December 31, 2018: EUR 51 million), recognized as a commitment received from 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 161 million (as at December 31, 2018: EUR 157 million) and are detailed in Note 15 – Net contract liabilities.

Investment commitments

SCOR is committed to grant loans and to invest in various investment funds for a total amount of EUR 258 million (2018: EUR 113 million). Those amounts do not include the commitments taken by SCOR on behalf of third parties as part of its asset management activity.

Real estate commitments

Minimum payments under operating lease commitments, estimated future minimum rental income amounts as part of SCOR's 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 14.2 – Other provisions.

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 RISKS

Please see Section 3.1.2 – Underwriting risks related to the P&C and Life reinsurance businesses and Section 3.3.2 – Management of Underwriting risks related to the P&C and Life reinsurance businesses.

Note•24.2 MARKET RISKS

Please see Section 3.1.3 – Market risks and Section 3.3.4 – Management of market risks.

Note•24.3 CREDIT RISKS

Please see Section 3.1.4 – Credit risks and Section 3.3.5 – Management of credit risks.

Note•24.4 LIQUIDITY RISKS

Please see Section 3.1.5 – Liquidity risks and Section 3.3.6 – Management of liquidity risks.

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, 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.

On March 9, 2017, the CNMC issued a resolution in which it confirmed SCOR's fine at the amount of EUR 18.6 million. SCOR has appealed the CNMC's resolution in front of the AN, and on April 25, 2019, the AN has rejected SCOR's appeal. Subsequently, on June 5, 2019, SCOR has appealed this decision in front of the Spanish Supreme Court. On January 30, 2020 SCOR was notified that the Spanish Supreme Court has not accepted SCOR's appeal, thereby triggering the requirement to pay the EUR 18.6 million fine. SCOR is currently reviewing its legal position and potential next steps.

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.

In addition to the litigation described above, SCOR is involved in court, arbitration and other formal or informal dispute resolution proceedings in its normal course of business. Based on Management's assessment these current proceedings are not expected to have a significant negative impact on the consolidated financial statements.

Legal actions against Thierry Derez, Covéa and Barclays

As announced in SCOR's press release dated January 29, 2019, the gravity of the facts brought to the attention of SCOR and its governance bodies relating to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa, on August 24, 2018, of its unsolicited takeover proposal for SCOR, compelled SCOR to initiate legal actions against Thierry Derez, Covéa SGAM, Covéa Coopérations and Barclays. These legal actions consist of:

- a criminal action, by way of a direct prosecution *("citation directe")* before the Criminal Court of Paris *("Tribunal correctionnel de Paris")*, against Thierry Derez, for breach of trust *("abus de confiance")*;
- a criminal action, by way of a direct prosecution *("citation directe")* before the Criminal Court of Paris *("Tribunal correctionnel de Paris")*, against Covéa SGAM and Covéa Coopérations, for concealment of breach of trust *("recel d'abus de confiance")*;
- a civil action against Barclays before the High Court of Justice of London, for serious breach of confidence and trade secrets;
- a civil action *("action en responsabilite civile")*, before the Commercial Court of Paris *("Tribunal de commerce de Paris")*, against Thierry Derez, for serious breach of his legal and fiduciary duties and obligations as a director of SCOR in his personal capacity (regarding in particular loyalty, conflicts of interest, and confidentiality) as well as SCOR's trade secrets *("secret des affaires")*; and
- a civil action *("action en responsabilité civile")*, before the Commercial Court of Paris *("Tribunal de commerce de Paris")*, against Covéa SGAM and Covéa Coopération, for having directly participated in and benefitted from the serious breaches by Thierry Derez.

In the criminal proceedings by way of direct prosecution *("citation directe")* before the Criminal Court of Paris *("Tribunal correctionnel de Paris")* against Thierry Derez, Covéa SGAM and Covéa Coopérations, the Criminal Court has set May 5 and 6, 2020 as the dates for the hearings on the merits.

In the civil proceedings before the Commercial Court of Paris *("Tribunal de commerce de Paris")* against Thierry Derez, Covéa SGAM and Covéa Coopérations, the Commercial Court has refused, by judgment delivered on November 19, 2019, to order a stay of proceedings pending the outcome of the criminal proceedings. The next procedural hearing will be held on May 11, 2020, to fix the date of the pleadings on the merits of the case.

In the claim against Barclays for breach of confidence and trade secrets, the High Court of Justice of London has declined, by judgment delivered on January 30, 2020, Barclays' application to stay the proceedings until the judgment of the Paris Criminal Court *("Tribunal correctionnel de Paris")* in the criminal proceedings.

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, 2019, 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 Life Ireland dac	6th Floor, 2 Grand Canal Square – Dublin 2 – D02 A342 – Ireland	Reinsurance	100%
SCOR Life Assurance Company	101 South Tryon Street, Suite 3200 – 28280 Charlotte – United States	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	June 22, 1990	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2019
ERNST & YOUNG Audit Represented by Isabelle Santenac and Patrick Menard Tour First – 1, place des Saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	May 13, 1996	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2019

4.8.2. ALTERNATIVE AUDITORS

Name	Date of first appointment	End of current appointment
MAZARS Lionel Gotlib Tour Exaltis – 61, rue Henri Regnault 92075 La Défense Cedex, France CRCC of Versailles	May 6, 2014	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2019
Olivier Drion Tour First – 1, place des Saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	April 26, 2018	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 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 4.6.20 – 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, 2019.

In application of EC Commission Regulation No. 809/2004, the following information is included by reference in this Universal Registration Document:

- The report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2018 published on pages 249 to 254 of the Registration Document filed with the AMF on March 4, 2019 under Number D.19-0092 (and from pages 223 to 224 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, 2017 published on pages 234 to 239 of the Registration Document filed with the AMF on February 23, 2018 under Number D.18-0072 (and from pages 223 to 224 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, 2019 is reproduced below.

This is a translation into English of the auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This auditors' report includes information required by European regulation and French law, such as information about the appointment of the auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the annual General Meeting of SCOR SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SCOR SE for the year ended December 31, 2019.

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, 2019 consisting of the persons and entities included in the consolidation and of the results of its operations for the year then ended in accordance with IFRS accounting principles as adopted in the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*Code de déontologie*) for auditors.

Observation

Without qualifying our opinion, we draw your attention to the matter set out in note 4.6.1.3. of the Appendix to the consolidated financial statements regarding the impacts of the first application of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over income tax treatment".

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of technical reserves related to reinsurance contracts

(Please refer to Notes 1 and 15 of the notes to the consolidated financial statements)

Risk identified	Our response
The gross and net insurance and investment contract liabilities amount to EUR 31,236 million and to EUR 29,009 million (net of share of retrocessionaires in insurance and investment contract liabilities) at 2019 year-end. These liabilities are established to cover the Group's commitments and the payment of benefits relating to reported events or events incurred but not yet reported. As stated in note 15 of the notes to the Consolidated financial statements, the Group uses in determining the amount of technical reserves related to its Non-life business, actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. Technical reserves related to Life business are estimated using actuarial methods based on the present value of projected future payments to cedents less the present value of projected future premiums to be paid by cedents. As stated in note 4, SCOR has changed the estimation method for certain US portfolios by harmonizing the assumptions used and the calculation models. The calculation includes assumptions relating to expected future mortality, morbidity, longevity, disability, lapses, as well as expected future interest rates and expenses. Inherent uncertainties in the Life and Non-Life reserves' estimates are enhanced for reinsurers 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, the dependence on ceding companies for information regarding claims and differing reserving practices among ceding companies. Assets and liabilities relating to reinsurance contract liabilities are subject each year to a liability adequacy test under IFRS 4. In these circumstances, we considered the measurement of technical reserves related to reinsurance contracts as a key audit matter.	To cover the risk on the measurement of technical reserves including the harmonization of Life technical reserves for certain US portfolios, our audit approach was the following: • we obtained an understanding of the report of the Group chief actuary on the global adequacy of reserves; • we updated our understanding of the procedures and methods of measurement used in determining the technical reserves; • we obtained an understanding of the internal controls framework and tested the efficiency of key controls established by management in order to assess the completeness and reliability of the data and of the implemented models; • we appreciated the actuarial methods and parameters used as well as the assumptions chosen for a selection of contracts; • we performed procedures to analyze differences between expected claims and occurred claims in order to control subsequently the quality of estimates produced by the management; • we performed, with our Non-Life actuarial specialists integrated in the audit team, a recalculation using our own assumptions and tools, of technical reserves for the most sensitive actuarial segments reserves; • for Non-Life business, we analyzed the documentation supporting measurement of reserves related to catastrophes, both man-made and natural; • as part of the life reserve harmonization, for certain US portfolios, we obtained an understanding of the internal control framework and governance set up. With our actuarial specialists and for a selection of contracts, we performed with our own tools a recalculation of technical provisions and analyzed the relevance of changes made in assumptions and models; • we included within our team members with specific skills in IT systems to perform procedures aiming at evaluating the internal control environment of the systems used by the management and test the functioning of several automated processes; • we examined the methodology and outputs of the liability adequacy tests carried out by management.

Measurement of reinsurance premiums

(Please refer to Notes 1 and 4 of the Notes to the consolidated financial statements)

Risk identified	Our response
Gross written premiums in 2019 amount respectively to EUR 9,194 million for the Life segment SCOR Global Life and EUR 7,147 million for the Non-Life segment SCOR Global P&C, as stated in note 4 of the notes the consolidated financial statements. The reinsurance entities of the Group record accounts transmitted by ceding companies upon receipt. Accounts not yet received from ceding companies at the end of the 2019 financial year are estimated, in order to better reflect the Group's reinsurance commitments in the financial statements. Written and earned reinsurance premiums are also estimated. As stated in note 1 of the notes to the Consolidated statements: gross written and earned premiums are based upon reports received from ceding companies, supplemented by the Group's own estimates of premiums for which ceding companies' reports have not yet been received. Observing a large part of estimates in the written premiums related to a year is specific to the reinsurance business. Management reviews its estimates and assumptions periodically, based on experience and other factors. Actual premiums can turn out to be different from management estimates. 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. In these circumstances, we considered that the measurement of reinsurance premiums to be a key audit matter.	To cover the risk on the measurement of reinsurance premiums, we implemented the following audit approach: • we obtained an understanding of the internal controls framework on processes related to Life and Non-Life premium estimates and we tested the efficiency of key controls established by management; • we examined the consistency of premium estimates over the period, comparing them both to the operational plan prepared by management and approved by the Board of Directors and to premiums actuals from previous financial years and we investigated, if any, significant differences identified; • we performed, for a selection of contracts, a deep analysis of underlying assumptions taking into account the activity, the records of reinsurance accounts received, and any new information received from ceding companies; • for new contracts underwritten in 2019, we performed on a sampling basis, controls on the consistency of premium estimates based on new business information available at the underwriting department; • we examined the documentation and tests performed by the group regarding the classification of contracts between insurance contracts and financial contracts; • we included within our team members with specific skills in IT systems to perform procedures aiming at evaluating the internal control environment of the systems used by the management and test the functioning of several automated processes.

Valuation of Goodwill and Value of business acquired (VoBA) on Life reinsurance portfolios

(Please refer to Notes 5 and 6 of the notes to the consolidated financial statements)

Risk identified	Our response
The Group's intangible assets are mainly composed of goodwill and Value of Business Acquired of Life reinsurance portfolios respectively for EUR 870 million and EUR 1,302 million as at December 31, 2019. **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 which is calculated as the difference between the business combination cost and the net fair value of identifiable assets and assumed liabilities at the acquisition date. Their fair value depends on forecasts and budgets established by the management. As part of the yearly impairment testing on goodwill, the Group assesses whether the recoverable amount of cash generating units (CGU) to which the goodwill is allocated, is at least equal to their total carrying value, as stated in note 5 of the notes to the Consolidated financial statements. If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable value. Estimates performed to determine the recoverable value of the Group CGUs are based on assumptions and extrapolations involving a significant part of judgement. Furthermore, any negative deviation of expected future results could have an impact on the recoverable value and lead to an impairment of the goodwill.	We examined the methodology used by management to determine whether the potential impairment of the CGUs has been properly applied: We evaluated the models and calculations of the Group company in: • comparing multiples and discount rates used per country with our internal databases; • comparing the expected turnover growth with the economic data of the reinsurance sector; • analyzing the process of preparing and approving budgets and forecasts established by management and approved by the Board of Directors; • analyzing the consistency of information and assumptions used in these models: on the one hand, with the budgets and forecasts abovementioned, on the other hand, with our knowledge of the sector, during the review of the strategic plan, through interviews with members of the executive committee and during studies of the Group's budget process.
Life reinsurance value of business acquired Value of Business Acquired (VoBA) represents the value of Life reinsurance portfolios acquired in a business combination. It corresponds to the present value of expected future cash flows for the assumed and the retroceded reinsurance business. As stated in note 6 of the notes to the Consolidated financial statements, VoBA is amortized over the lifetime of the underlying reinsurance portfolio based on schedules derived from the run-off patterns of expected profit. These projections are assessed and updated regularly. Assets and liabilities relating to reinsurance contracts are subject each year to a liability adequacy test under IFRS 4. The review of flow projections and assumptions used involve a significant part of judgement and uncertainties. Furthermore, it significantly impacts the amortization schedule of VoBA. In these circumstances we consider the valuation of intangible assets to be a key audit matter.	Including our Life Actuarial Specialists, we have completed the following procedures: • we assessed the application of internal procedures on the evaluation of VoBAs, as well as their depreciation schedules; • in order to analyze the valuation of VoBAs and their correct amortization, we examined the expected cash flows on the relevant portfolios; • we assessed the recoverability of the VoBAs taking into consideration the liability adequacy test.

Deferred tax: measurement of deferred tax assets on tax losses carried forward

(Please refer to Note 17 of the notes to the consolidated financial statements)

Risk identified	Our response
Deferred tax assets on tax losses carried forward An asset of EUR 532 million related to tax losses carried forward is recognized in the balance sheet of the Group at financial year ended 2019. 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. As stated in Note 17 of the notes to consolidated financial statements, management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. To the extent that net operating losses carried forward could not be utilized or would expire, deferred income tax expenses may be recorded in the future to reduce corresponding deferred tax assets. We consider deferred assets on losses carried forward to be a key audit matter, given the Management's judgement related to their recognition in the balance sheet.	With team members with specific tax skills, our audit approach consisted in performing the following procedures on the main entities contributing to the Group's deferred tax assets on losses carried forward: • we obtained an understanding of the internal controls framework on processes of the tax department related to the deferred tax measurement; • we examined the documentation prepared annually by the tax department on deferred tax assets; • we examined the business plans used and the probability that tax losses will be utilized in the future. We notably appreciated the tax rates used as well as the profits' forecasts and underlying assumptions, with specific attention to the legal expiry periods in force in certain countries.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law regarding group related information, given in the management report of Board of Directors.

We have no matters to report as to its fair presentation and the consistency with the consolidated financial statements.

We certify that the consolidated declaration of extra-financial performance provided for in Article L. 225 102 1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of article L. 823 10 of the Code, the information contained in this statement has not been the subject of verifications of fairness or consistency of our means with the consolidated financial statements and must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Auditors

We were appointed as auditors of SCOR SE by the Annual General Meeting held on June 22, 1990 for MAZARS and on May 13, 1996 for ERNST & YOUNG Audit.

As at December 31 2019, MAZARS and ERNST & YOUNG Audit were in the 30th year and 24th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting principles as adopted in the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors of SCOR SE.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Collects information related to persons and entities included in the scope of consolidation that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on these accounts.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for auditors. Where appropriate, we discuss with the Audit the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, February 26, 2020

The Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Menard

Other information audited by the Statutory Auditors

The Universal Registration Document as a whole is the subject of a completion letter sent by the Statutory Auditors to SCOR.

The related party agreements executed in 2019 or continued during 2019, 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, 2019, 2018 and 2017, included respectively in Appendix C of this Universal Registration Document, in Appendix C of the Registration Document filed with the AMF on March 4, 2019 under the number D.19-0092 and in Appendix C of the Registration Document filed with the AMF on February 23, 2018 under the number D.18-0072, were the subject of reports by the Statutory Auditors, featured respectively in Appendix C of this Universal Registration Document, in Appendix C of the Registration Document filed with the AMF on March 4, 2019 under the number D.19-0092 and in Appendix C of the Registration Document filed with the AMF on February 23, 2018 under the number D.18-0072.

Notes 1, 2, 3, 4, 5 and 6 of this Universal Registration Document relate to the non-financial performance declaration. The information published in this section has been reviewed by one of the Statutory Auditors whose report is presented in section 6.

05

ADDITIONAL INFORMATION

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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, Deputy Chief Executive Officer (*Directeur Général Délégué*), 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 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 a remuneration, 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 Deputy Chief Executive Officers *(Directeurs Généraux Délégués)* 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 7, 8 and 19 of the bylaws)

As of the date of this Universal 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.

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 to distribute interim dividends without prior shareholder approval.

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 state. 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, 2019, 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), together 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, 2019, 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, 2019, 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 Shareholders' 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 Shareholders' 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 Shareholders' Meeting and the date of the Shareholders' 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 Shareholders' Meetings, subject to confidentiality concerns.

5.1.5. CONDITIONS FOR CALLING ANNUAL SHAREHOLDERS' 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, 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 three following conditions is met:

- the portion of voting rights or capital shares held by said person(s) exceeds or falls below the tenth, fifth, third or half thresholds;
- the Company becomes or ceases to be a subsidiary of said person(s);
- the transaction enables this or these persons to exercise a significant influence on the management of this company.

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).

5.2. DESCRIPTION OF SCOR'S SHARE CAPITAL

Change in capital	Changes						
	Stock option plans	**Share issue price** *(in EUR)*	**Number of shares**	**Share capital** *(in EUR)*	**Additional paid-in capital** *(in EUR)*	**Successive amounts of capital** *(in EUR)*	**Cumulative number of shares**
12/31/2016						**1,516,589,467**	**192,534,569**
Exercise of subscription option	09/13/2007	17.58	386,702	3,046,040.94	3,752,180.22		
Exercise of subscription option	05/22/2008	15.63	176,000	1,386,347.12	1,364,532.88		
Exercise of subscription option	09/10/2008	15.63	106,960	842,520.96	829,263.84		
Cancellation of treasury shares	NA	NA	554,112	4,364,725.00	13,447,177.00		
Exercise of subscription option	03/23/2009	14.92	226,300	1,782,558.83	1,593,158.27		
Exercise of subscription option	11/25/2009	17.12	4,000	31,507.89	36,960.11		
Exercise of subscription option	03/18/2010	18.40	187,898	1,480,067.34	1,977,255.86		
Exercise of subscription option	10/12/2010	17.79	500	3,938.49	4,956.51		
Exercise of subscription option	03/22/2011	19.71	131,000	1,031,883.37	1,550,126.63		
Exercise of subscription option	09/01/2011	15.71	47,000	370,217.70	368,152.30		
Exercise of subscription option	03/23/2012	20.17	135,500	1,067,329.75	1,665,705.25		
Exercise of subscription option	03/21/2013	22.25	98,000	771,943.29	1,408,556.71		
Exercise of subscription option	10/02/2013	24.65	20,000	157,539.45	335,460.55		
12/31/2017						**1,524,196,637**	**193,500,317**
Exercise of subscription option	05/22/2008	15.63	36,000	283,571.00	279,109.00		
Exercise of subscription option	09/10/2008	15.63	191,590	1,509,149.00	1,485,403.00		
Exercise of subscription option	03/23/2009	14.92	279,550	2,202,008.00	1,968,040.00		
Cancellation of treasury shares	NA	NA	1,692,602	13,332,579.00	36,330,992.00		
Exercise of subscription option	03/18/2010	18.40	287,737	2,266,496.00	3,027,864.00		
Exercise of subscription option	10/12/2010	17.79	1,700	13,391.00	16,852.00		
Exercise of subscription option	03/22/2011	19.71	112,500	886,159.00	1,331,216.00		
Exercise of subscription option	09/01/2011	15.71	11,000	86,647.00	86,163.00		
Exercise of subscription option	03/23/2012	20.17	148,500	1,169,730.00	1,825,515.00		
Exercise of subscription option	03/21/2013	22.25	154,000	1,213,054.00	2,213,446.00		
Exercise of subscription option	10/02/2013	24.65	8,000	63,016.00	134,184.00		
Exercise of subscription option	11/21/2013	25.82	5,000	39,385.00	89,715.00		
Exercise of subscription option	03/20/2017	25.06	38,750	305,233.00	665,842.00		
Exercise of subscription option	01/12/2014	24.41	3,750	29,539.00	61,980.00		
12/31/2018						**1,520,931,435**	**193,085,792**
Exercise of subscription option	03/23/2009	14.92	145,450	1,145,706.00	1,023,972.00		
Exercise of subscription option	11/25/2009	17.12	5,000	39,385.00	46,215.00		
Exercise of subscription option	03/18/2010	18.40	139,965	1,102,500.00	1,472,856.00		
Exercise of subscription option	10/12/2010	17.79	2,500	19,692.00	24,783.00		
Cancellation of treasury shares	NA	NA	6,545,416	51,558,061.00	196,755,194.00		
Exercise of subscription option	03/22/2011	19.71	11,500	90,585.00	136,080.00		
Exercise of subscription option	09/01/2011	15.71	3,000	23,631.00	23,499.00		
Exercise of subscription option	03/23/2012	20.17	63,000	496,249.00	774,461.00		
Exercise of subscription option	03/21/2013	22.25	51,345	404,443.00	737,983.00		
Exercise of subscription option	03/20/2014	25.06	55,500	437,172.00	953,658.00		
Exercise of subscription option	03/20/2015	24.41	31,875	251,078.00	526,831.00		
12/31/2019						**1,473,383,817**	**187,049,511**

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 – 5.2.3 Notes to the corporate financial statements – Shareholders' equity.

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 Universal 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 (2019 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 – Internal control and risk management procedures;
- 2018 Society of Actuaries (SOA) and Munich Re Life survey of U.S. life reinsurance, published in 2019, quoted in Section 1.3.5.3 – SCOR Global Life.

5.4. PUBLISHED INFORMATION

The bylaws of the Company are described in this Universal 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 Universal 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.

Provisional schedule for financial publications

April 29, 2020	Quarterly 1 revenues
July 23, 2020	2020 half-year results
October 22, 2020	Quarterly 3 revenues

5.5. MATERIAL CONTRACTS

Not applicable.

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NON-FINANCIAL PERFORMANCE DECLARATION

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This consolidated non-financial performance declaration was prepared in accordance with the provisions set out in Article L. 225-102-1 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated declaration covers SCOR SE and all its fully consolidated subsidiaries (1), hereinafter "SCOR" or "the Group", other than the exceptions stipulated in the note on methodology in the appendix to this declaration.

6.1. BUSINESS MODEL

6.1.1. BRIEF DESCRIPTION OF THE GROUP'S BUSINESS ACTIVITIES

SCOR, the world's fourth largest reinsurer, established in about 30 countries and providing its services to over 4,000 clients worldwide, is chiefly active *via* two reinsurance business units (Life and P&C) and a business unit specialized in proprietary investments and third-party asset management.

The Group is structured around three regional management platforms, or organizational Hubs (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

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 are 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.

6.1.1.1. Reinsurance business

The reinsurance industry has a specific feature that it does not share with other economic sectors, which tend to be marked by cycles and trends: the reinsurance industry is structurally exposed to shocks. Large risks, which make up the raw material of reinsurance, result into shocks with varying origins, sizes and consequences affecting economies and populations.

The inverse nature of the reinsurance production cycle is another specific feature of the reinsurance business model: the selling price of reinsurance products and services is settled before their actual cost is precisely known.

In this context, reinsurers create diversified risk portfolios. This is achieved through the aggregation of large risks that, as a reinsurer, SCOR mutualizes by business line and by geographical area. The Group thus builds a portfolio with a more regular and predictable risk profile. It also limits its exposure by transferring part of these risks through retrocession and insurance-linked securities.

Reinsurance is therefore a business that involves deliberately taking calculated risks. It enables the Group's clients to cover their risks by transferring some of them, so that they can be pooled worldwide. In return for a premium that it invests to generate investment income , reinsurance absorbs the financial consequences of the major events to which it is exposed.

The Group is active in two reinsurance segments *via* its business units:

- SCOR Global P&C operates in three business areas: Specialty insurance (*e.g.* Business Solutions, Managing General Agencies, SCOR Channel), reinsurance (*e.g.* Property, Casualty, Credit and Surety, Decennial Insurance, Transport, Construction, Agriculture risks and Natural Catastrophes), and P&C Partners (alternative solutions and new products);
- SCOR Global Life covers Life and Health insurance risks through three product lines – Protection, Longevity and Financial Solutions – with a strong focus on biometric risks.

The Group's reinsurance activities and the types of reinsurance it engages in are presented in greater detail in Sections 1.2.5.1, 1.2.5.2 and 1.2.5.3 of the Universal Registration Document. Additional information about developments in the Life and Non-Life reinsurance market is provided in Section 1.3.1 of the Universal Registration Document.

6.1.1.2. Investments and asset management

The Group also conducts investment activities *via* SCOR Global Investments, its third business unit, which is tasked with managing the investment portfolio of the Group's legal entities. Within this business unit, SCOR Investment Partners also manages funds on behalf of third-party clients.

SCOR Global Investments, its organizational structure and vehicles open to third parties are presented in Sections 1.2.3.1 and 1.2.5.6 of the Universal Registration Document. Additional information about developments in the financial markets is provided in Section 1.3.1 of the Universal Registration Document.

6.1.2. RESEARCH AND RISK MANAGEMENT

Risk management is at the heart of the Group's reinsurance and investment activities. It is underpinned by a risk appetite framework built around four concepts (2) : Risk Appetite, Risk Preferences, Risk Tolerances and "Footprint" scenarios.

Reinsurance requires a robust risk management system, strong modeling capabilities in order to assess, quantify and actively manage risks (*e.g.* risk pooling and hedging), and a skilled workforce able to combine theoretical and analytical considerations with empirical experience.

At the forefront of risk modeling, particularly for extreme risks in Life and P&C business, the Group devotes significant resources to fundamental research and the promotion of scientific risk management techniques in various disciplines.

In order to ensure that the Life business unit is continually up to date with biometric trends and scientific developments, the expertise of its dedicated Research & Development (R&D) Centers is used to assess the key factors inherent to mortality, longevity, morbidity and policyholder behavior. Biometric risks such as

(1) Except for the Remark Group (direct marketing) and Château Mondot (vineyard) owing to the substantial differences in their business model and risk profile. Other fully consolidated undertakings were excluded because they were only recently added to the scope of consolidation (e.g. Coriolis) or, depending on the information categories, because they were not included in the Group's management and reporting processes. These exclusions are listed in the note on methodology in the appendix to this declaration.
(2) These concepts are defined in Section 1.2.5 of the Group's Universal Registration Document.

mortality, longevity, disability and long-term care are at the heart of underwriting in Life reinsurance. The R&D Centers have entered into many scientific partnerships over the years, the current ones being with: ADERA (*Association pour le développement de l'enseignement et des recherches auprès des universités, des centres de recherche et des entreprises d'Aquitaine* – INSERM) on Long-Term Care risk and the Pierre et Marie Curie University at the Pitié-Salpêtrière Hospital on HIV developments.

In addition, the Group has established the SCOR Corporate Foundation for Science to promote scientific research. Founded in 2011 with a EUR 7.5 million endowment for its first five-year program, the Foundation is now working on its next five-year program. Since 2011, SCOR has devoted more than EUR 13 million to promoting scientific research.

Since it was created, the SCOR Corporate Foundation for Science has financed seminars and colloquiums on scientific subjects such as emerging infectious diseases, longevity risk for modern retirement schemes and the expectations of economic agents in an economic crisis, as well as an international seminar in Paris on meteorites in collaboration with the French national museum of natural history. The Foundation also jointly organizes similar events. Moreover, it supports research projects across a variety of disciplines, as well as scientific and actuarial awards and research chairs.

SCOR and the SCOR Foundation also organize Actuarial Awards in Europe (France, Germany, Italy, Spain & 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 this field.

Additional information about the R&D centers, the SCOR Corporate Foundation for Science, and other research activities is presented in Section 1.2.6 of the Group's Universal Registration Document.

6.1.3. GOVERNANCE SYSTEM FOR SOCIAL AND ENVIRONMENTAL ISSUES AND RISKS

An integrated governance system has been established to consider social and environmental issues arising from business activities, including the principal environmental, social and governance (ESG) risks related to them, as well as broader corporate social responsibility (CSR) initiatives. This system is predicated on five core pillars:

- a general reference framework consisting of the Group's mission statement and adherence to global initiatives supported by UN programs, supplemented where appropriate by theme-specific reference frameworks and transposed into standards (*e.g.* Code of Conduct) and relevant activities;
- a structured governance framework, which the Board of Directors is responsible for overseeing, assisted, as provided for in its internal regulations, by the preparatory work of its specialized committees, in particular the Corporate Social and Societal Responsibility and Environmental Sustainability Committee, the Risk Committee and the Audit Committee;
- integrated initiatives, translated into operational measures in annual action plans, the implementation of which is periodically reported to the supervisory and management bodies;
- a risk management system shaped by the formal procedures in place and applied to the most relevant functional processes, building on the risk analyses performed in connection with this performance declaration and the monitoring of megatrends and associated emerging and operational risks;
- a framework of performance conditions indexed to CSR criteria, applied in a manner appropriate to the responsibilities exercised within the Company.

These elements are presented in greater detail in the following subsections.

6.1.3.1. General governance framework and translation into norms and standards

The consideration of social and environmental risks related to the Group's business activities and operations, and more generally the Group's CSR policy, is guided by the adherence to UN-led global initiatives and by the multi-stakeholder orientations set out in its mission statement: "to offer its clients an optimum level of security, to create value for its shareholders, and to contribute to the welfare and resilience of Society by helping to protect insureds against the risks they face".

These initiatives provide a general reference framework and useful principles for addressing social and environmental issues, given that the Group conducts business in countries with legal and governance environments with varying degrees of maturity in these areas:

- at cross-sector level, as part of its longstanding participation in the United Nations Global Compact, SCOR is pursuing a process of integrating the 10 principles set out therein, covering human rights, international labor standards, environmental protection, and the fight against corruption, in a framework tailored to its sphere of influence;
- at the level of the (re)insurance sector, SCOR, as part of its (re)insurance activities, has been a founding member since 2012 of the Principles for Sustainable Insurance, and is a member of the Principles for Responsible Investment in its capacity as an institutional investor (2019) as well as *via* its asset management subsidiary, SCOR Investment Partners (2017). These initiatives provide a multi-stakeholder and partnership framework for the integration of risks and opportunities arising from environmental, social and societal issues, including the development of expertise and solutions to address issues relevant to the business activities under consideration.

This general reference framework is supplemented, where appropriate, by theme-specific local (*e.g.* disability-related) and global (*e.g.* Geneva Association's Climate Risk Statement) charters.

The principles contained in these initiatives are translated into standards and norms in the Group's main reference texts, including: (i) its Code of Conduct, a complete section of which is dedicated to the Group's mission, the United Nations Global Compact and the Principles for Sustainable Insurance, (ii) its climate policy, which sets out the three main orientations pursued by the Group in this area, and (iii) its sustainable investment policy.

The principles adopted in this general reference framework are also translated into operational form *via* internal guidelines setting out the rules of conduct and the procedures to be respected in the exercise of the Group's business activities (*e.g.* anti-corruption policy, ESG underwriting guide for the Group's P&C insurance activities).

6.1.3.2. Role of the supervisory and management bodies

SCOR's Board of Directors has various advisory committees responsible for preparing its discussions, assisting it in its supervisory role, and making recommendations to it in specific areas, including on environmental, social and governance matters.

Under the conditions defined by the Board's internal regulations, four specialized committees of the Board of Directors provide regular supervision of the initiatives conducted by the Group's management within the framework of its CSR policy and, in particular, in the management of the non-financial risks identified in this declaration:

- the Corporate Social and Societal Responsibility and Environmental Sustainability Committee ensures that the Group's CSR approach is consistent with its long-term development, and that the direct and indirect effects of its activities on the environment and society are incorporated into its strategy. As such, this committee oversees the execution of the CSR action plan, which puts the Group's approach in this area into practice on an annual basis. This plan covers a range of relevant topics, such as relations with the Group's stakeholders, integrating ESG into (re)insurance and investment activities, the Group's environmental performance with regard to its operations, and the areas covered by the #WorkingWellTogether program described in Section 6.2.1.2. of this declaration. In addition, this committee is also responsible for making proposals to the Board of Directors on how to take social and environmental issues into account in the Group's orientations. It also makes sure that executive officers implement a policy of non-discrimination and diversity, in particular with regard to the balanced representation of men and women on the executive bodies. In this regard, the Committee is kept regularly informed of the trends observed;
- the Risk Committee examines, on the basis of risk and solvency assessments, the major risks facing the Group on both the assets and liabilities side of its balance sheet and ensures that the means to monitor and control these risks have been implemented insofar as possible. It examines strategic risks as well as the Group's main technical and financial commitments, which consist of underwriting, reserving, market, concentration, counterparty, asset-liability management, liquidity and operating risks, as well as risks arising from changes in prudential regulations. In this regard, the Risk Committee is kept regularly informed of the major social and environmental issues that may influence the Group's activities, including megatrends (*e.g.* climate change and damage to the environment, changing demographics and lifestyles, digitalization of the economy) and the associated emerging risks closely linked to these issues;
- in addition to its accounting and financial remit, the Audit Committee has ethics-related, internal audit and compliance responsibilities. Accordingly, the Committee reviews the annual compliance plan and is kept informed about the Company's activities in this area. The compliance plan addresses the main risks identified in Section 6.3. of this declaration. It sets out the activities of the compliance function, its annual priorities – defined on the basis of a prior risk analysis – and the procedures for detecting, preventing and responding to the most significant risks facing the Group;
- the Compensation and Nomination Committee is charged with drawing up the rules used to calculate variable remuneration payments to executive corporate officers and ensuring that these rules are in line with the annual assessment of the performance of executive corporate officers, taking the Group's strategy into account. The Committee is also responsible for examining the terms, amount and allocation of options and shares programs for all the Group's employees. The Group's environmental and social performance is one of the performance conditions associated with these compensation instruments, as specified in Section 6.1.3.5 of this declaration.

The composition of these committees, the combination of skills brought together within them, the preparatory work conducted by each of them ahead of Board meetings, and the regular interactions with senior management and the Executive Committee, are all factors providing a structured environment within the framework of this performance declaration for the analysis of social and environmental issues, from both a financial materiality angle and a social and environmental materiality angle.

At the level of the management bodies, SCOR set up a Corporate Social and Societal Responsibility and Environmental Sustainability Committee at Executive Committee level in 2018. In addition to this committee, the Executive Committee is also guided by the work of a Risk Committee and an Investment Committee when considering the social and environmental risks arising from the Group's activities and operations and formulating the CSR approach.

The coordination and execution of the aforementioned action plan, which is shaped by this CSR approach, is entrusted to a cross-functional internal committee that brings together representatives from the three business units mentioned in point 6.1.1.1 of this declaration, and Group functions (*e.g.* Risk Management, Human Resources, Compliance, Investor Relations, Communications, and Group Hub representatives). This Committee is led by the Group's Head of CSR under the authority of the General Secretariat. Its operational role aims to favor a cross-functional approach to CSR and the management of non-financial risks, in order to harmonize the initiatives taken by the Group and ensure the consistency of the action plans drawn up by each business unit and Group function.

6.1.3.3. Integration of social and environmental issues in the Group's strategy

SCOR is at the heart of the key social, economic and environmental challenges facing society, as its activities help to build the resilience of societies *via* its risk identification, analysis, transfer and sharing techniques. These challenges are regularly analyzed by the Group's teams, both from a risk angle and from the perspective of development opportunities, particularly in the context of its system for identifying and analyzing megatrends and the associated emerging risks, as well as in the analysis of non-financial risks covered by this declaration.

Regularly informed of these analyses by its advisory committees (see above), which also hold specific thematic focus sessions during their meetings, the Board of Directors approved the Group's new strategic plan, "Quantum Leap", following a review by the Strategic Committee. The orientations formulated under this new plan emphasize the Group's ability to contribute to the resilience of societies. Several of the incremental focal points developed over the course of the plan address longer-term social and environmental issues and the related risks and opportunities. Four challenges in particular influenced the orientations announced in the strategic plan, some of which are related to the risks presented in Section 6.1.3.4 of this declaration and, more generally, to the Group's CSR policy:

- social challenges linked to attracting and retaining talent: the nature of the Group's business activities and the corresponding competitive environment require skills in several specialized disciplines in a narrow labor market concentrated over a few locations worldwide, where some labor markets are highly competitive. In this context, the ability to attract and retain talent is important given the importance of human capital in the Group's business model;
- environmental challenges, including climate change: against the backdrop of climate disruption, which, may have medium- to long-term implications depending on the risks considered, the strategic plan includes orientations designed to support the energy transition, to develop adaptation solutions to the physical risks associated with climate change (through the activities of the Group's P&C business unit), to finance a sustainable world and to reduce and offset the carbon impact of the Group's operations;
- challenges linked to prevention, health, welfare and insurance access: in a context of changing morbidity and mortality causes, contributing to the collective understanding of the causes behind these risks and to the effectiveness of prevention and treatment, and translating this risk knowledge into impacts through the development of products providing greater protection for a larger number of people, is an integral part of the strategic plan for the Group's Life business unit. Other aspects of this business unit's development plan encompass the ability of the business to promote lifestyles with a positive impact on human health, and to build solutions with its partners that respond to the needs of vulnerable populations (*e.g.* health conditions) ;
- societal challenges arising from the digitalization of the economy and societies: accelerating the Group's transformation *via* greater use of new technologies (*e.g.* artificial intelligence, robots, blockchain, big data, multi-cloud, satellite imaging), with a view to expanding its product and service offering, providing added value to its customers in their own digital transformation, and bridging the protection gap, is a key focus of the "Quantum Leap" plan. It is supported by dedicated policies for the protection of the Group's information systems and the data (notably personal data) it manages.

Additional information on the Group's strategic plan is available on its website in its 2019 investor day presentation.

6.1.3.4. Management of non-financial risk: risk presentation and analysis

The non-financial performance declaration provides a current view of the non-financial risks arising from the company's business activities, based on the information categories referred to in III of Article 225-102-1 of the French Commercial Code.

In accordance with the requirements of the French non-financial reporting directive and its most recent non-binding guidelines, SCOR has conducted an internal assessment of the main non-financial issues and risks relating to its business activities.

The identification of significant issues and risks as defined in Article 225-102-1 of the French Commercial Code, led by the department in charge of corporate social responsibility, follows an analysis of non-financial risks based on the information categories established in this article and their first-level breakdown in Article R. 225-105 of the French Commercial Code. These categories have been supplemented by the analysis grids traditionally used by non-financial rating agencies, and by a materiality analysis conducted using a questionnaire that aims to identify the ESG integration areas (*e.g.* ethics and transparency, the integration of ESG in investments, the integration of ESG in underwriting activities, the development of (re)insurance solutions aligned with the needs of society, responsible purchasing, diversity) that are most relevant, both from the perspective of stakeholders, including the Group's employees, and from the perspective of the Group's supervisory and management bodies. The expectations of external stakeholders have been identified in consultation with the Group's internal departments responsible for developing and maintaining relationships with them.

These issues and the associated risks have been cross-checked against the results produced by other mechanisms for identifying existing risk factors within the Group (*e.g.* megatrends and emerging risks, operational risks). Non-financial risks have been assessed qualitatively by specialists based on their frequency, severity, the Group's ability to influence them and their impact on its activities, particularly in financial, reputational and operational terms. This analysis, which was carried out on the basis of the internal methodology developed in the previous year and on innovations made to stakeholder analysis, took place in several stages using an iterative process involving the Board's Corporate Social and Societal Responsibility and Environmental Sustainability Committee.

The main risks identified as a result of this review are:

- risks of diminished appeal to potential talent, in particular as a result of reputational and operational factors, which may arise through an inadequate compensation policy, a lack of support for the development of skills, or insufficient consideration of diversity;
- risks associated with business ethics, particularly legal, reputational and financial risks which may arise from issues relating to economic sanctions programs, anti-corruption, anti-money-laundering and anti-terrorism regulations, personal data protection and security, and regulatory tax requirements, including tax evasion matters;
- risks arising from society's expectations of financial companies in terms of ESG integration and high-impact products and services, particularly with regard to reputation, and more particularly in this area, risks related to climate change, including operations-related emissions given the corresponding commitments made by the Group in this field, and expectations in terms of support for the energy transition;
- risks associated with the digitalization of the economy, including legal, reputational, operational, financial risks, potentially caused by incidents linked to cybercrime, with possible ramifications for other non-financial risks mentioned above, such as the protection of personal data.

These risks, and the associated policies or programs and performance indicators, are presented in Sections 6.1.3.4 to 6.2.1.2 of this declaration.

6.1.3.5. Performance conditions and social and environmental issues

SCOR has incorporated social and environmental criteria into the compensation of its teams, based on arrangements appropriate for the relevant compensation mechanisms and the responsibilities held by staff within the organization:

- part of the short-term variable remuneration paid to the Group's executive corporate officer has since 2015 expressly been based on personal CSR objectives. These objectives, their achievement and their attainment levels, are set out in the report on corporate governance included in the Universal Registration Document for the 2019 financial year;
- from 2020, part of the short-term variable remuneration of the members of the Group executive committee will also be based on CSR objectives;
- all the beneficiaries of long-term compensation mechanisms (*e.g.* performance shares, stock options) must satisfy the CSR-based grant conditions, and in particular, since 2012, comply with ethical principles as provided for in the Code of Conduct, and since 2017 complete CSR training. In 2019, this CSR criterion consisted of completing two online training modules on combating harassment and discrimination;
- finally, as part of its Annual Appraisal and Development Interviews, in 2019 SCOR introduced the option for managers and their employees to set specific CSR-related goals covering the principal headings of the CSR action plan (*e.g.* diversity, wellbeing at work, environmental performance, integration of ESG issues into the Group's business activities).

6.2. SOCIAL IMPACT OF SCOR'S ACTIVITY

SCOR's Human Resources strategy is based on unifying values that reflect its commitment to its clients, to the employees themselves and to the shareholders. Alongside financial capital, human capital is an essential resource for the Group. Financial capital ensures solvency, while human capital ensures profitability. In this sense, one of SCOR's strategic objective resides in its ability to attract, mobilize, optimize and retain talented people to achieve excellence in terms of expertise. Inadequate remuneration policy, lack of initiatives to develop employees' skills, or insufficient consideration for diversity may contribute to an operational risk of lack of key people attraction and retention (see Section Risk factors – operational risks). In this respect, the human capital management, steered by the Group Chief Operating Officer, member of the Executive Committee, strives to retain women and men working in the Group, particularly through its compensation policy, and through structuring actions designed to develop employees skills (SCOR University) and promote diversity, well-being in the workplace and community engagement *(#WorkingWellTogether)*.

Programs implemented in these areas and associated performance indicators are described in the following sections.

6.2.1. HUMAN CAPITAL AS KEY SUCCESS FACTOR FOR THE GROUP

Considering diversity and inclusion as a strong asset, the Group has implemented a global harmonized human capital management strategy, based on respect and dignity, where individual differences are valued, skills and knowledge are developed throughout the employees' career.

Thanks to the many initiatives taken in the recruitment process and a strong employer brand, the Group identifies the best candidates available in the market and facilitates their integration. Once hired, new employees are supported throughout their SCOR career path. The Group pays particular attention to the recognition of the contribution of each individual's performance to the strategic objectives of the Group, thanks to a homogeneous and global remuneration structure, aligned with shareholders' interests, with regulatory and prudential (*e.g.* Solvency II) requirements, and with the labor market practices prevailing in the reinsurance industry. The Group also offers employees the opportunity to develop their individual skills regarding the business needs and it encourages professional mobility.

Proposing an innovative and dynamic working environment, SCOR finally facilitates the transmission of knowledge and know-how through the implementation of dedicated programs (*e.g.* mentoring) and the definition of succession plans.

6.2.1.1. Alignment of stakeholders interests and retention of talented people through a merit-based compensation policy

The Group's compensation policy is designed with the objective of aligning interests by discouraging excessive risk taking, while attracting and retaining employees and rewarding individual performance [(1)].

It is governed by the regulations specific to the insurance sector (*e.g.* Solvency II) and asset management (*e.g.* CRD IV and AIFMD), as well as by specific local requirements, and aligned to the Group Fit & Proper policy.

In terms of risk and regulation, SCOR is committed to maintaining a compensation policy that is fully in line with SCOR's controlled risk appetite and discourages taking excessive risks, to aligning management incentives with shareholders objectives, to having an innovative compensation policy, to motivating and retaining its pool of talent and to being fully compliant with the regulations and guidelines defined by the regulators regarding compensation policies.

Key elements of the compensation policy

Compensation comprises several components: a fixed and a variable portion, an immediate and a deferred portion, and 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 undertaken 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.

For employees who are not Partners, the SCOR cash bonus rewards individual performance over the previous year [(2)].

In addition, the Group [(3)] pursues a policy of employee share ownership, which resulted in share allocations to the employees (depending on their performance) in 2010, 2011, 2013, 2014, 2015 and 2018.

(1) SCOR Channel is currently not included in the Group compensation policy but applies the main principles including the ones described under, exceptions will be duly mentioned.
(2) SCOR Channel does not have a partnership scheme. A specific short-term incentive plan based upon individual and collective performance applies to all staff.
(3) For SCOR Channel, a specific long-term incentive plan (based on two main elements, one related to the performance of SCOR Channel and the other linked to the price of SCOR shares) is in place to reward and retain senior staff and key individuals.

"Partners" program

This program involves approximately 25% of the total number of employees (excluding SCOR Channel). In addition to specific compensation plans, this program gives access to selective information and proposes specific career development solutions.

There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). Apart from the EGPs, these levels are then sub-divided into two levels, to take into account seniority or special achievement promotions.

The Company has a formalized and carefully designed procedure for appointing and promoting Partners implemented every year during an Executive Committee meeting. Candidates for a nomination or a promotion within the partnership must have consistently demonstrated their skills, leadership and commitment in the past.

The level of Partnership determines the bonus components of the Partners. Calculated from the basic gross annual salary, 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.

The Partners of SCOR are also eligible to receive 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, the Group has set up a complementary system, the Long Term Incentive Plan (LTIP), to retain some of its key employees. The free shares and stock options process is supervised by the Compensation and Nomination Committee.

Following decisions from the General Assembly of Shareholders and from the Board of SCOR SE, the vesting of these share-based compensation plans is now subject to the satisfactory completion of training linked to Corporate Social Responsibility (CSR). Adding this requirement is in line with the extension of the commitments made by the Group in the area of CSR, and the dialogue with the shareholders that the Group is actively pursuing. In 2019, the CSR training requirement consisted of Anti-Harassment and Anti-Discrimination digital modules, helping SCOR employees to recognize situations that may involve harassment or discrimination and identify what to do when they experience or witness these situations in the workplace.

The Group's compensation policy reflects the desire to implement compensation schemes in accordance with best market practices and to involve key employees in the medium and long-term development of the Group. The Group's will to carry out compensation systems that are in line with the best market practices enables it to involve key employees in the long-term development of the Group.

Compensation (composition of the package) – in EUR (1)

(1) Excluding SCOR Channel and SCOR's executive corporate officer. Total compensation is calculated on the basis of 2,902 employees as at December°31, 2019.

(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.

In 2019, SCOR Channel's average compensation was EUR 136,522 composed of an average fixed remuneration of EUR 107,424 and of an average bonus of EUR 29,097 which includes the specific long-term incentive plan.

In 2019, the turnover rate was 9.8% (number of departures in 2019, excluding dismissals, deaths, internal mobility and trainees / headcount as at December 31, 2018). This rate is in line with the market benchmark and at an acceptable level in regard to this talent retention challenge.

6.2.1.2. Promoting diversity, well-being and engagement in an inclusive company

Promoting diversity and equal treatment is an essential objective of the Group's human capital management policy. It is part of the social commitments regarding fight against discrimination, while contributing to its economic and financial performance and to the recognition of the Group's employer brand which helps attracting and retaining skills.

Aligned with the SCOR Group Code of Conduct, this commitment to provide a work environment free from discrimination was reaffirmed in 2019 at the highest level of the Group, i.e. the Board of Directors. Approved in 2019 and communicated to all employees, SCOR's Diversity and Inclusion policy describes the Group's commitment to comply with the respect of the principle of equal opportunities in all the aspects related to the employment conditions of its employees, in terms of recruitment, evaluation, compensation and talent management. To that end, this policy defines a global harmonized framework while defining roles and responsibilities of the various stakeholders regarding its enforcement and the eventual means of redress in the event of non-compliance to the principles enunciated.

One of the goals of this policy is to achieve equal treatment and a balanced representation of men and women within governing bodies and senior positions.

The promotion of diversity and gender equality is also based on a global program, #WorkingWellTogether, the purpose of which is to offer a working environment suitable for developing an inclusive culture, well-being and engagement to the Group's employees. This program takes the form of various interactive events (workshops, conferences, digital training modules.) held in each Hub in order to fully engage employees and implemented by the Group during Inclusion & Diversity weeks. In order to ensure its full promotion within the Group, SCOR has set up a communication plan that includes a brand *(#WorkingWellTogether)*, a corporate identity and a local embodiment based on testimonials. To establish a shared and inclusive culture, the "Diversity and Inclusion" section of the intranet site has been completely revised in order to offer more dynamic content for employees to better raise their awareness.

The promotion of diversity, which is an integral part of the #WorkingWellTogether program, is a major aspiration of this approach, which took form through deploying initiatives participating in the diffusion of a culture of openness. In addition to promoting diversity and equality among all employees, the other areas covered by this program involve diversity related questions:

- promoting a multicultural environment;
- leveraging on generational diversity;
- facilitating employment and integration of disabled employees;
- respecting sexual orientations and gender identity of SCOR's employees.

Alongside diversity challenges, well-being at work is *#WorkingWellTogether's* second pillar and more recently, engagement in favor of communities became its third pillar.

1st #WorkingWellTogether pillar: Diversity & Inclusion

In this section, aspects related to the Group's policy to achieve a balanced representation of men and women in senior positions are developed in a first section. The other dimensions included in the *#WorkingWellTogether* program are described in a second section.

Equal treatment policy between female and male employees, and balanced representation in senior positions

SCOR's policy regarding Diversity and Inclusion extends the commitments made in the past by the Group to achieve equal treatment between men and women, at first regarding its European perimeter, then since 2016, more globally through their formalization in a global charter. In addition to cultural development through the *#WorkingWellTogether* program, the Diversity and Inclusion policy, and the charter mentioned above lead to executing a road map which was presented in 2018 to the Corporate Social and Societal Responsibility and Environmental Sustainability Committee of SCOR's Board of Directors. Following the missions established in the corresponding annex of the regulations of SCOR's Board of Directors, this Committee aims to *"ensure that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies" and it "reports to Board of Directors".*

This roadmap results from a collaborative construction between the SIGN (SCOR International Gender Network), a mixed and autonomous network of employees, and the teams tasked with carrying out the Diversity and Inclusion policy within the human resources department. It lists 24 actions that contribute to the development of a balanced and more mixed talent pool, leading to a more balanced representation within governing bodies and senior positions. This roadmap includes a set of actions in several areas such as training for women, development and visibility, the promotion of role models, the furthering of SIGN (SCOR International Gender Network) within the organization, work-life balance and other measures that support this policy.

The roadmap submitted to the Corporate Social and Societal Responsibility and Environmental Sustainability Committee is based on an analysis of the men-women paths observed in the Partners program during the past five years, and a projection of those to determine, on one hand, the time horizon of a balanced representation in senior positions and, on the other hand, identify realistic measures to facilitate the conditions under which they will be achieved. This roadmap capitalizes on various mechanisms experienced during the past few years that have gradually shown effects, as illustrated in the representations' evolution within the Partners program and the Group's Executive Committee.

As an illustration, at the end of 2019, the Group's governing body, the Executive Committee, included 11% of women, and women represented approximately 19% of the top 10% senior positions and 30% [(1)] of the Group's Partners. As a comparison, at the end of 2015, the Executive Committee did not include any women, and women represented approximately 16% of the top 10% senior positions and 26% of the Group's Partners.

2019 Achievements:

As part of its Diversity and Inclusion policy and the associated roadmap, SCOR has continued to deploy supporting actions contributing to its human capital management, alongside an internal communication orchestrated with the *#WorkingWellTogether* brand:

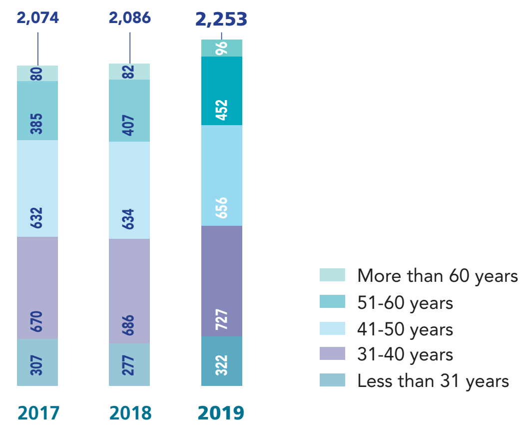
- Recruitment: SCOR conducted a comparative analysis of the hired profiles and their gender with recent graduates of a selection of academic institutions training them for positions in the fields of information technology and actuarial science. Based on this first analysis, the men and women distribution of the hired profiles of the Group in these positions corresponds to the one observed when they graduate from these schools or universities. In addition to this study, the Group has updated its guide regarding job interviews by making available online training in respect of (i) diversity and inclusion in the workplace, and (ii) unconscious biases.
- Mentoring: an important axis of the above-mentioned roadmap and transcribed in the CSR action plan, which is reported every three months to the Corporate Social and Societal Responsibility and Environmental Sustainability Committee of SCOR's Board of Directors, involves mentoring of women. Originally developed in 2017 and then deployed in 2018 through the SIGN network (cf. supra), this program was integrated into the management process of the Group's human capital the following year and extended to its male population. In 2019, 21 high potential employees benefited from this operation, including 13 women (62%).

(1) Without SCOR Channel. Calculated on the basis of the Group's headcount at the end of the year. This figure includes the decisions taken during the 2020 Partners promotions and nominations process which took place at the end of 2019.

- Training: development towards high responsibility positions through the access to leadership training programs was also strengthened in 2019, with a special focus on a balanced representation of men and women with the Group's three flagship programs, Global Leadership Program, SUL (Stepping Up to Leadership) and its regional version ASPIRE. In 2019, 35% of the participants of those three training programs were women. In addition, the Group has continued its efforts in terms of training and awareness of discrimination and harassment related issues, especially through concrete examples of unfair and reprehensible treatment between men and women. These modules, designed for all the Group's employees, address inappropriate behavior with respect to gender, race, nationality, religion and other attributes, and contribute to create the conditions of an open culture, respectful of differences.
- Evaluating, nominating and promoting: based on the observation that the share of women within the Partners program was a necessary condition to increasing the share of women in higher responsibility positions, the Group focused on ensuring a balanced representation of the employees who accessed it in 2019. Beginning 2019, women represented 58% of the new nominations in this program, and 26% of the promotions. SCOR strives to maintain a female promotion rate in the Partners program that is at least equivalent to the observed representation of women within the partnership. In practice, from 2015 to 2019, the presence of women in the Partners program went from 26.6% to 29%.
- Mobilizing employees and promoting role models: in addition to the support from the Group and its direction to continue SIGN network activities at a global and local scale that includes now more than 300 employees, SCOR also involves its teams, especially through their contribution to promoting role models in positions and disciplines in which the female pool is traditionally underrepresented (Science, Technology, Engineering, Mathematics). The Group highlighted on its intranet female career paths, especially career testimonies as part of Women In Tech in order to fight against a number of stereotypes, and promote potential careers within this type of industry.
- Calibrating performances: the Group's will to include its policy in a continuous improvement approach is also reflected in its involvement in associations working towards female progression in occupations in the financial industry, such as Financielles (France), the Women's Insurance Network (London), or Advance (Zurich). In addition to the connection opportunities that those networks offer, SCOR, through these participations, is able to rate its performances regarding diversity and female representation in high responsibility positions by comparing them to their counterparts in their industry of belonging. Benchmarking of performances was also a great motivation in the Group's decision to answer for the first time in 2019 to the survey realized by Bloomberg as part of the Gender Equality Index. SCOR also uses other sources for benchmarking, such as local obligations of transparency regarding equality between men and women. In this regard, pursuant to French law, SCOR's professional equality between men and women Index in France reached 83/100, a level above the local requirement. This index is calculated based on SCOR's policy regarding compensation, promotion, processes of returning from maternity leave, and gender parity among the ten highest compensated employees.
- Promoting publicly diversity and the place of women in the company. In particular, SCOR's Chairman and CEO affirmed, on October 25, 2019 in "La Tribune", the commitment and the concrete actions undertaken by SCOR in favor of gender equality within the Group.

Promoting cultural and generational diversity

Breakdown by age (1)



With approximately 65 nationalities and substantial cultural uniqueness, the Group pays close attention to the conditions necessary for a collaborative work environment, to the integration of new employees, and to the support given to the older and younger employees in the company. SCOR's ambition is to encourage employees to work better together and to better share their knowledge globally, to accelerate the integration of newcomers, to offer new development opportunities for older employees and to improve visibility of young employees. As part of this overall process SCOR implemented the 2019 Diversity & Inclusion Week, in all Hubs, focusing on raising awareness of unconscious biases, especially cultural.

Regarding generational diversity, the Group also implements non-discriminatory measures for older employees; they may take the form of collective agreement in some countries, such as in France where an agreement on employees' non-discrimination and equal treatment was renewed for the 2017-2019 period, recruitment and job retention, career planning, and skills management for older employees. Personal coaching and support for older employees, along with a pension scheme adaptable according to employees' personal situation is also set up locally such as in Cologne.

Ensuring employment and integration of employees with disabilities

SCOR intends to enhance its support to disabled-people's employment. To do so, SCOR focuses on an internal and proactive communication on the notion of disability, in order to change negative and subconscious attitudes, to inform disabled employees about their rights and to offer them tools and solutions to ensure their full integration.

Employees with declared disabilities account for 0.63% of SCOR's workforce, or 19 employees. Over the last 5 years, this share has remained steady.

Different initiatives were undertaken in 2019 in Paris to sensitize the employees to disabled in the workplace, such as DuoDay (integration of disabled students), conferences, escape game on the "psychic disability", well-being and massage workshops performed by blind people in Paris during the global diversity week.

In addition, SCOR supported and hosted the 23rd edition of the European Week for the Employment of People with Disabilities, launched at SCOR Paris by Mrs Cluzel, French Secretary of State for Disability, on November 19. This event, including testimonials and round tables on the different forms of employment support and handicap in the company, aimed to strengthen the dialogue and the contacts between companies, associations, civil society and

(1) Due to local laws, the age of the employees working in the Americas Hub has not been taken into account in these figures.

disabled jobseekers. Earlier in that month, SCOR had signed a national manifesto for the hiring, the inclusion and the development of people with disabilities in the workplace, reaffirming the engagement of the Group on this topic.

2nd #WorkingWellTogether pillar: Life quality & Employees wellbeing

The Group aims at retaining talented employees by facilitating work-life harmony through the development of an innovative and flexible working environment and dedicated events raising awareness on health and well-being at work.

The Group's absenteeism rate has decreased between 2018 [1] and 2019, from 4.55% to 4.10% (number of days of absence in 2019 including sick leave, divided by the total theoretical number of days worked in 2019). The share of sickness absence, that provides a fair indicator of health and wellbeing at work, followed the same trend going from 1.98% to 1.92% (number of days of absence in 2019 including sick leave, divided by the total theoretical number of days worked in 2019).

2019 achievements:

- Due to its geographical footprint and local regulations, the Group respects all regulations from the International Labour Organization. The topics related to the "Elimination of the discrimination regarding employment and profession" and to the "Freedom of association and the effective recognition of the collective negotiation right" are addressed in the "Treatment Equality between men and women" paragraph and in the Section 6.2.1.4 –"Developing social dialog". Within the Group, the social climate can be considered as good. A high-quality social dialog exists within each Hub. Furthermore, 31 meetings were held with the Group's staff representatives to discuss local health and safety conditions (4 meetings in France, 13 in Switzerland, 1 in Italy, 2 in Brazil, 9 in Colombia, 1 in Mexico, 1 in Germany).
- Local specific events were organized to raise awareness on employees' well-being and health: trainings, "well-being week", professional health awareness initiatives, information meetings. To illustrate, the Breast Cancer prevention conference as part of the "Pink October" conducted by a medical officer of SCOR Global Life, the initiatives around "Movember" on male diseases, or even the benefits of meditation workshop, undertaken by Christophe André, a renowned specialist in that field, have mobilized numerous (about 200) SCOR employees in Paris. They represent key opportunities for employees to discuss the balance between private and professional life.
- In most of the locations, medical and health services are offered to the employees (medical appointments, examination, sport activity - with 23 sports offered in Paris, workstation assessment and ergonomic solutions, and specific solutions for stress management).
- Specific attention is paid to the flexible office solutions proposed to the employees. The main locations of the Group have all implemented a teleworking program.
- In some countries, possibilities are offered to employees to give their own paid vacation days to other employees in a critical personal situation (*e.g.*: in the case of a sick child). In Paris, access to a third party service provider is available, providing accompaniment to employees helping a family member who is losing their autonomy (disability, disease, old age…).
- The "Future@SCOR" program in Asia was continued. It is anchored around three objectives: enhanced employee benefits, scheme to help employee wellbeing in the workplace, and flexible work arrangements.
- A digital employee survey solution was acquired in 2019 and rolled out in February 2020 to assess the satisfaction, motivation and commitment of the employees and define relevant actions plans where necessary. This comes in addition to regular surveys conducted to identify the level of satisfaction of the new employees concerning their on-boarding. In addition, a survey related to the challenges of Corporate Social Responsibility, led by the two directors representing the employees on the Board of SCOR SE, was conducted among all the employees in order to collect their opinion and identify priority engagement axes.

3rd #WorkingWellTogether pillar: Community engagement

The commitment to benefit communities is *#WorkingWellTogether's* third axis. In line with the CSR action plan, it aims to facilitate the commitment of SCOR employees towards communities. This approach, which is being developed, results from a broad consultation that SCOR launched towards its employees on a number of CSR related subjects and the way they could be even more integrated into the organization.

SCOR is globally conducting sponsorship actions that lead its entities and teams to get involved in the communities' lives. Locally driven in order to be as close to the needs as possible, the Group's entities strive to develop and deploy their social engagement program while taking into consideration the cultural and/or regulatory specifics of the countries from which they operate.

For example, SCOR's teams in the United States and in Canada commit themselves socially by supporting a number of charity events on a voluntary basis under the "Give4Others" flag. This program that comprises a set of social and charitable initiatives enables employees to dedicate 48 hours per year to volunteering in favor of non-profit associations of their choice. Numerous drives, donations and other sporting events (Cup Run Marathon, Race for the Cure in Charlotte, company challenges in Kansas City in partnership with Special Olympics…) have been organized in order to support or raise funds for research, education, treating diseases such as cancer, or even support of women victims of violence. Also in the United States, SEAC (SCOR Employee Activities Committee), a SCOR employee association, has been mobilized in 2019 alongside NGOs such as Concrete Safaris and Volunteers of America in particular for the organization of a night with the homeless, and other food drives.

In Europe, SCOR employees are also active in their respective locations. In France for example, in 2019, 77 SCOR employees joined the *"Les Foulées de l'assurance"* race, a charity event that rallies insurance professionals around cardiovascular diseases prevention. Newcomers also had this year, and for the first time, the opportunity to join a support workshop at the *Action Enfance* association, organized as part of the "DISCORvery Meeting" integration seminar. In London, the R.A.I.S.E. (Responsibilities, Awareness/Actions, Initiatives, Social/Staff Engagement) committee gives employees working at SCOR London, SCOR Channel and Remark the opportunity to contribute to the social, environmental, charitable and community challenges impacting their daily lives. In 2019, as part of the partnership with the Tom Bowdidge Youth Cancer Foundation, GBP 12,000 were fundraised, and a workshop was hosted with young people recovering from cancer treatment in order to help and prepare them to integrate the corporate workplace.

Finally, in Asia, a new system was set up that enables all employees of the region to benefit from spending 2 days, per year of their working time, in favor of non-governmental organizations of their choice. For example, they have been mobilized in 2019 for charities protecting the environment (tree planting, beaches cleanup), combating hunger (in partnership with the Willing Hearts association), fighting poverty and supporting people towards the end of their lives (Old Folk's Home).

(1) As a reminder, 2018 data do not include SCOR Channel.

6.2.1.3. Developing skills and preparing for future needs

Developing the expertise, knowledge and career paths is a key condition to ensure employee motivation and wellbeing, and ultimately the Group's performance. In this regard, a whole range of tools have been implemented to support and assist employees in their professional development.

100% of employees took at least one training course in 2019 (83.4% excluding mandatory e-learning training modules).

1 – Developing individual performance

The annual Appraisal and Development Interview gives employees annual objectives and concrete appraisal of their contribution over the past year. It provides them with the means by which to make the most of their skills. This interview is a key element in the human capital management in terms of individual career management, training and salary development.

In addition, for 2019, employees and managers are invited to define CSR objectives (Corporate Social Responsibility). These objectives are optional (except for the executive committee members, for whom at least one CSR objective is mandatory) and confirm SCOR's commitment towards CSR themes. They include civic engagement, well-being and diversity in the workplace developed during the *#WorkingWellTogether* program, environmental protection, alongside the integration of social and environmental challenges in our jobs.

2 – Considering career prospects

Beyond analyzing the employee's performance over the past year and setting new objectives, the annual appraisal facilitates the professional development of each employee. With their managers, employees examine the career prospects available within the Group, based on their personal aspirations and the needs of the Company. Together, they also identify any training actions that could help them to achieve new objectives. Leadership and Organizational Reviews also provide the possibility to implement individual action plans (training, professional development, remuneration, etc.) for each employee.

3 – Identifying the Group's strategic needs and skills and supporting and assisting each employee

The Leadership and Organizational Reviews bring together the top management of each company department and the human resources department. These reviews [(1)] are organized by activity in four steps: review of the organizational structure and the business challenges, individual skills and career prospects analysis, definition of action plans (training, professional development, etc.), definition of succession plans.

From an operational point of view, these solutions enable the Group to meet key business needs: having the right talent in the right place, developing skills and preparing for future needs.

4 – Developing employees' skills

SCOR University is designed to promote a global and dynamic approach to training, supporting the Group's career management policy. In 2019, SCOR Channel also benefited from part of the training offer put in place by SCOR University.

The training offer is structured around three pillars: Business, Management & Leadership, Excellence. The strategic objectives 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 and global process for analyzing, controlling and monitoring SCOR's actual and future strategic needs;
- make training policy a powerful development lever of career and retention, while respecting legal local obligations.

2019 achievements:

Promoting a learning culture based on skills and autonomy, 2019 was a year marked by developing and digitalizing training programs as well as structuring Leadership programs, linked with the Group's talents development policy:

- Roll out of a new platform, "My Learning Platform", easing the access to all learning & development programs, contents and resources for all Group employees worldwide. This new multi-media platform simplifies the access to training, offering learning solutions that combine presential and digital trainings.
- Accompaniment of digital transformation, particularly focusing on the use of collaborative tools, through a set of classroom and digital training led by internal experts, and by the digitalization of the training offer, with the deployment of the LinkedIn e-learning modules, a new digital learning solution providing unlimited access to 13,000 expert-led online courses and 5,000 video tutorials covering technology topics, business expertise and professional efficiency.
- Implementation of new self-service e-learning modules: in compliance with the Group values and with the business requirements, SCOR University proposes a set of solutions to reduce the risk taken by the employees in their daily operational activities: digital training on Anti-harassment and Anti-discrimination, on the Code of Conduct, on the prevention of cyber-risks, on data-protection, and on reporting concerns. Additional trainings are also rolled out to reduce compliance risk, such as an e-learning on Anti-bribery.
- Structuring of the leadership programs: Global Leadership Program focused on Senior Global Partners, Stepping Up to Leadership program focused on Global Partners following a successful pilot in 2018, first-time roll out of the new ASPIRE program in all regions, focused on Associate Partners.
- Implementation of the Key Client Management program for underwriting teams.

In 2019, on average, approximately 17 hours of training were given per employee. Training represented a cost of almost EUR 1.894 million in 2019 [(2)].

(1) SCOR Channel employees are not covered by these reviews.
(2) Data includes global e-learning trainings.
For the EMEA Hub, the number of training hours is calculated on the basis of attendance sheets. For the other Hubs, this number is calculated on the basis of the information indicated on the bills sent to the providers.
For technical reasons, the expense is calculated net of tax for France.

6.2.1.4. Fostering social dialogue

One of SCOR's ambitions is to establish a coherent and harmonized social dialogue aimed at sharing the Group's main principles with all employees.

As a Societas Europaea, SCOR has set up a European committee covering all its European subsidiaries and branches including the one located in Switzerland, corresponding to around 60% of worldwide workforce. The SCOR Common European Companies Committee is made up of employee representatives from all SCOR European subsidiaries, who meet to exchange information concerning the Group, and to maintain an on-going dialogue between employees and management.

2019 Achievements:

- The Common European Companies Committee met 8 times in 2019, on January 18, February 22, April 26, 21 May 21, July 4, October 16, October 24, November 26.
- In addition to these meetings held at European level, social dialogue takes place at local level too. In 2019, 85 meetings (78 in 2018) were held with staff representatives (24 meetings in France [1], 1 meeting in Italy, 27 meetings in Switzerland, 17 meetings in Germany, 5 meetings in Sweden, and 11 meetings in Brazil).
- 9 collective agreements were signed within the Group in 2019 (6 for France, 1 in Germany, 2 in Brazil). These collective agreements are intended to improve the economic performance of SCOR and the working conditions of employees, in particular by associating them more significantly with the Company's performance and improving employee benefits.

(1) For France, this data includes the meetings of the Social and Economic Committee, the work council and the meetings of the staff representatives.

6.2.2. SOCIAL INDICATORS AND METHODOLOGICAL NOTE

The items mentioned in the document below pertain to the entire Group except ReMark (158 employees, fully consolidated entity), MRM (4 employees, fully consolidated entity), Château Mondot SAS (19 employees, fully consolidated entity), Les Belles Perdrix de Troplong Mondot EURL (9 employees, fully consolidated entity), ESSOR (79 employees) and Coriolis (7 employees).

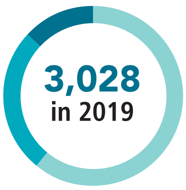
These entities, all wholly owned subsidiaries of SCOR SE except MRM of which SCOR SE holds 59.9% of the capital, are all managed independently from the Group in terms of human resources (HR policies, processes, rules and frameworks, etc.).

6.2.2.1. Social indicators

The social indicators published below include SCOR Channel for 2019, unlike for the previous years.

Breakdown by Hub (1)

"Grenelle II" Indicator: Breakdown of employees by geographical area

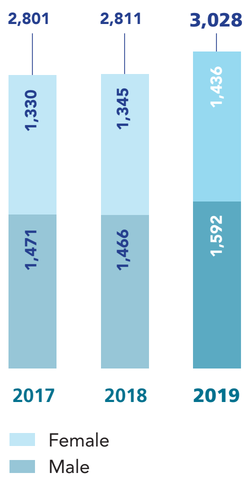


	2019	2018	2017
61% EMEA	1,848	1,694	1,695
26% Americas	775	725	727
13% Asia-Pacific	405	392	379
TOTAL	**3,028**	**2,811**	**2,801**

(1) Headcount is calculated on the basis of employees registered as at December 31. Each Hub covers a region and may have employees in several countries. For example, the EMEA Hub covers France, the UK, Spain, Italy, Belgium, the Netherlands, Russia, Ireland, Switzerland, Germany, Israel, Sweden, Kenya and South Africa. As temporary workers and external service providers are managed according to specific rules in each site, this data is not mentioned in the headcount. For a breakdown of countries per Hub, see Section 2.1.7.

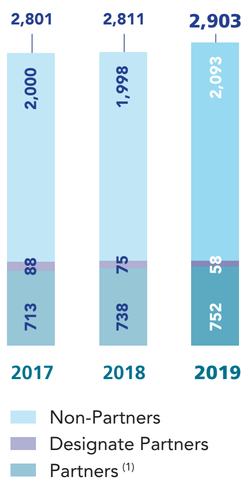
Breakdown by gender

"Grenelle II" Indicator: Breakdown of employees by gender



Breakdown by status (1)

"Grenelle II" Indicator: Breakdown of employees by status

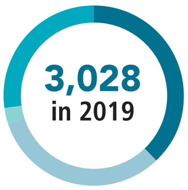


(1) Definition of Partner: see Section 6.2.1.1 – "Partners" program. The executive corporate officer is included in this population. This figure includes the decisions taken during the 2020 Partners promotions and nominations campaign which took place at the end of 2019.

(1) Excluding SCOR Channel as the "Partners" program is not implemented.

Breakdown by business unit

"Grenelle II" Indicator: Total Headcount (by business unit)

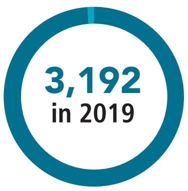


		2019	2018	2017
38%	SCOR Global P&C	1,141	981	972
32%	SCOR Global Life	981	960	959
3%	SCOR Global Investments	85	78	81
27%	Group Functions and Support (1)	821	792	789
TOTAL		**3,028**	**2,811**	**2,801**

(1) The "Group Functions and Support" unit includes the departments reporting to the CFO, CRO and COO of the Group as well as the departments directly managed by the Chairman and Chief Executive Officer.

Breakdown by type of contract

"Grenelle II" Indicator: Total headcount (by contract type)



		2019	2018	2017
99%	Permanent contracts	3,001	2,782	2,770
1%	Fixed-term contracts	27	29	31
	Total	**3,028**	**2,811**	**2,801**
	Trainees (1)	164	143	136
TOTAL INCLUDING TRAINEES		**3,192**	**2,954**	**2,937**

(1) All trainees paid under a tripartite relationship between the company, the school and the student.

SCOR had 164 trainees as at December 31, 2019 (57 in France, 8 in Switzerland, 27 in Germany, 6 in the US, 16 in the United Kingdom, 5 in Russia, 6 in Spain, 1 in Australia, 1 in Hong Kong, 9 in China, 2 in Singapore, 25 in Ireland and 1 in Colombia). The trainees' employment contracts differ depending on the country and training objectives. All trainee programs aim to introduce the students to the work environment, whether through work-study programs or vocational training courses for specific professions.

Breakdown of employees by type of working time (and by gender)

"Grenelle II" Indicator: Organization of working time

	2019			2018			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	1,548	1,298	2,846	1,431	1,208	2,639	1,432	1,182	2,614
Part-time employees	44	138	182	35	137	172	39	148	187
TOTAL	**1,592**	**1,436**	**3,028**	**1,466**	**1,345**	**2,811**	**1,471**	**1,330**	**2,801**

New hires

"Grenelle II" Indicator: New hires (by contract type and by gender)

	2019			2018			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent contracts	210	183	393	127	128	255	200	186	386
Fixed-term contracts	15	8	23	12	7	19	14	21	35
Trainees	119	133	252	101	111	212	92	88	180

Methodology: the definitions of "fixed-term contract" and "trainee" may vary from one country to another. A "fixed-term contract" is a signed employment contract mentioning a termination date, a "trainee" is an employee paid by the company under a tripartite agreement between the company, the school and the student.

Departures

"Grenelle II" Indicator: Departures

	2019			2018			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Retirement	22	16	38	23	17	40	26	13	39
Resignation	127	110	237	107	87	194	68	87	155
Dismissal	22	19	41	12	11	23	34	25	59
End of Fixed-term contract	8	5	13	3	4	7	5	14	19
Decease	-	-	-	-	-	-	-	-	-
Company transfer	2	-	2	-	1	1	1	-	1
Trainees	104	120	224	100	105	205	78	84	162

Methodology: employees on fixed-term contracts are considered to have definitively left SCOR when their contracts expire. Therefore, the 14 employees who signed a permanent contract in 2019 at the end of their fixed-term contract are not included in the indicator "End of fixed-term contract".

6.2.2.2. Methodological note

The report covers the 12-month period from January 1, to December 31, of the year under review.

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 2019 at the end of their fixed-term contract are not included in the fixed term contract endings.

For employees who signed several similar employment contracts during the year, only the initial hiring and the final departure are considered.

2019 Group staff turnover is calculated as follows: number of departures in 2019 (excluding dismissals, deaths, company transfers and trainees)/headcount as at December 31, 2018.

Average fixed compensation is calculated on the basis of the annual reference compensation 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 zero 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 during the year. 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 HR Group Department to ensure the reliability of the information in the Group database. An additional detailed check of the data is performed annually (in December) by the HR Group Department and the local HR managers.

The collective agreements are concluded for a positive impact, in particular for the working conditions of employees and for the economic performance of the company.

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.

6.3. BUSINESS CONDUCT AND COMPLIANCE

As a trusted partner SCOR puts a strong focus on business ethics and compliance matters. In addition to the specific measures detailed in the various sections of this extra-financial performance statement, the Group focuses on compliance matters regarding economic sanctions programs, anti-corruption, anti-money laundering and anti-terrorism regulations, data privacy and protection, as well as regulatory tax requirements, including tax evasion matters.

As described in its Code of Conduct - and further detailed in its various compliance related policies -, the Group emphasizes the importance of complying with all applicable laws and regulations. The Code of Conduct emphasizes integrity, ethics, compliance, professionalism and responsibility in all aspects of business conduct.

The programs implemented in these areas and the associated performance indicators (trainings) are described in the following sections.

6.3.1. CODE OF CONDUCT AND THE COMPLIANCE POLICY

The Group Code of Conduct establishes the key areas of compliance with legal and ethical obligations and the best practices in these areas. The Code addresses important compliance and business ethics issues, such as (without limitation), the rules applicable to business confidentiality, insider information, and the rules relating to the acceptance of gifts and invitations. Additionally, it underlines the importance of knowing stakeholders ("Know Your Customer – KYC") to comply with anti-money laundering regulations and economic sanctions programs.

The Code of Conduct is embedded in the Group's human capital management cycles, for instance, as part of the annual Appraisal and Development Interview described in Section 6.2.1.3 of this statement, as well as through training for new employees and periodically for existing employees.

Failing to comply with the principles of SCOR's Code of Conduct may result in disciplinary action, which may include criminal or regulatory proceedings in compliance with applicable laws. In addition, as per the Group Compensation Policy, and as outlined in Section 6.1.3.5 of this statement, violations of the Code of Conduct can prevent the vesting of shares and stock options.

The Group Compliance Policy, inseparable from the Group Code of Conduct, defines several principles to support the Compliance framework. One of the major principles is the respect of a risk-based approach to compliance in accordance with the SCOR Group Policy on Risk Management. This approach consists of identifying compliance risks existing in SCOR's business activities, prioritizing dedicated efforts and resources to mitigate those risks taking into account both their severity and probability, and establishing ongoing procedures aimed at prevention, detection and response to these risks.

The Group Compliance Policy also defines the roles and responsibilities of key stakeholders, notably the teams in charge of compliance. The teams in charge of compliance carry-out a risk assessment annually (developed in conjunction with Group Risk management), and the results of that risk assessment are used to drive the annual Group Compliance Plan. The latter is approved by the executive committee of SCOR SE annually and is also submitted to the Audit Committee of the Board of Directors of SCOR SE.

The Group Compliance Policy, together with other Group compliance-related policies and guidelines, establishes minimum standards applicable throughout the Group. These standards are published in a central repository available to all employees and include *inter alia* the following policies and guidelines:

- Group data protection policy and its related guidelines on data breach response;
- Group policy on anti-bribery and its appendix on corruption risk mapping;
- Group guidelines on sanctions and embargoes and its related guidelines on sanctions screening;
- Group guidelines on anti-money laundering, combating the financing of terrorism and Know-Your-Customer;
- Group guidelines on the management of inside information and trading in SCOR's securities;
- Group policy on conflict of interest;
- Group fit & proper policy;
- Group policy on outsourcing;
- Group anti-trust policy.

All employees are responsible for ensuring compliance with applicable laws, regulations and policies in their daily duties as well as for escalating any actual or suspected compliance breach, in conformity with the Group's guidelines on reporting concerns, which up until early 2019 provided two channels to raise concerns in a secure manner. In 2019, in order to make it easier for SCOR employees and third parties to raise any relevant concerns, SCOR added a third channel of communication, web based reporting.

Through this new channel, the Group's internal and external stakeholders can report a concern by simply clicking on a link on the SCOR Intranet portal or on the Group's website. This enables secure and confidential reporting of concerns at any time and from any location. The reporting channel permits the inclusion of attachments to the report and also permits anonymous reporting. All reports made through this process are confidentially routed to the appropriate Hub General Counsel and Hub Compliance Officer and to the Group Chief Compliance Officer, so that they are fully reviewed and investigated.

This new web-based, anonymous reporting function has been publicized internally and has been further embedded in the Group through a mandatory e-learning module during the first half of 2019.

In order to ensure proper dissemination of the above compliance requirements among SCOR employees, as well as to keep them informed about the latest development on those issues, training sessions addressed to the underwriting, claims handling and technical accounting departments are regularly held across Hubs. In addition to e-learning modules such as the one mentioned above, 2019 compliance training activities included 19 in-person training sessions in APAC, 27 in-person training sessions in the Americas and 36 in-person training sessions in EMEA.

6.3.2. DATA PRIVACY AND PROTECTION

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.

Apart from the processing of personal data relating to its staff, SCOR's activities may lead to the processing of other personal data, which invokes the requirements of personal data protection and privacy regulation. The Code of Conduct defines the most important principles related to the respect of Personal Data and privacy that are mandatory for all employees.

Additionally, the General Data Protection Regulation (GDPR) (EU 2016/679) has been in force since May 25, 2018 and constitutes the overarching regulation on Data Protection in Europe with the objective to make the companies accountable for their processing of personal data. While the GDPR is general in nature and does not specifically relate to reinsurance, it nonetheless has a significant impact on SCOR's data processing activities.

In early 2018, the Group completed a project designed to ensure compliance with the requirements of the GDPR that has led to the implementation of several organizational and technical measures.

In accordance with the Regulation, the Group appointed a Data Protection Officer who is in charge of building and maintaining the overall data protection framework. The Data Protection Officer works primarily with local compliance officers, legal counsels and IT Security teams worldwide.

As part of the global training program for employees, Data Protection and the GDPR have been integrated in the legal and compliance training curriculums. These sessions are conducted regularly by the legal and compliance teams worldwide. During these sessions staff are trained on Data Protection obligations, the GDPR and any local obligations that may be applicable to the training audience. These trainings are practical and include case studies to help them to identify the issues that can appear during their activities and the good practices to resolve them.

SCOR maintains multiple guidelines and policies that relate to or impact some aspects of data privacy and/or protection:

- Group Data Protection Guideline, which establishes a common minimum standard to be applied by SCOR for processing Personal Data;
- Group Data Breach Response Guideline, which establishes a response process to help staff identify and escalate a potential data breach, to ensure an appropriate and timely company response;
- Group Information Security Policy, which establishes SCOR's commitment to IT security and defines the IT security governance.

These documents are owned by the Group Data Protection Officer, Group Chief Compliance Officer and Group Chief Information Officer, respectively.

6.3.3. ANTI-BRIBERY

As mentioned in the Code of Conduct, SCOR has a zero-tolerance approach towards corruption, including bribery and influence trafficking. The Group Policy on Anti-Bribery clearly defines corrupt practices and provides guidance to the employees in recognizing, preventing and detecting corrupt practices.

In furtherance of the French "Sapin II" law [(1)], the Group conducts a thorough risk assessment annually to identify the countries, sectors and activities that, within the context of SCOR's business, expose the Group to a particular risk of corrupt activity, as well as indications of corruption that may be present regardless of country, sector or activity.

This corruption risk assessment also identified the employees that are most exposed to corruption or corrupt activity by virtue of their job function or activities. Email reminders sent to all employees concerning the need for constant vigilance with respect to corrupt activity and those employees that are most exposed to such activity receive periodic training on anti-bribery and anti-corruption.

In addition to training and reminders, SCOR has implemented pop-up reminders in the technical accounting system which provide a reminder of the "red-flags" of possible corrupt activity whenever a transaction is processed relating to a country that present an elevated risk as identified through the aforementioned risk mapping.

6.3.4. SANCTIONS AND EMBARGOES

It is the policy of SCOR to comply with all applicable laws and regulations regarding economic financial and trade sanctions. In that respect, the Compliance function has developed and implemented a global framework to ensure the Group's compliance with all applicable laws and regulations in this area. This framework includes:

- a risk-based analysis – differentiated by Life and P&C business units – This analysis is updated regularly and guides employees (1) as to when there is a mandatory referral to the legal team, (2) on sectors subject to sanction such as military and nuclear goods; and (3) on screening requirements;
- a risk-based Know-Your-Customer process for the evaluation of new business partners;
- a risk-based sanctions screening protocol;
- a clear definition of roles and responsibilities and a dedicated process for escalation, blocking and remediation in case the screening procedure results in an alert.

SCOR is currently conducting a project to automate many of the screening processes as in order to enhance them. SCOR already screens its main technical accounting system on a weekly basis and other databases on a monthly or quarterly basis depending on the nature of the database and the frequency with which it is updated.

In addition to the above, sanctions and embargoes constitute a mandatory topic for the legal and compliance trainings conducted every year. These in-person training sessions are supplemented by a periodic training *via* an E-learning module for employees who may be exposed to questions relating to economic sanctions and embargoes in the course and scope of their work.

(1) Law on transparency, the fight against corruption and the modernization of economic life.

6.3.5. ANTI-MONEY LAUNDERING, FINANCING OF TERRORISM, KYC

As a reinsurer SCOR does not typically have any contractual relationship with the underlying policyholders of its cedents and most global anti-money laundering laws and regulations do not apply to reinsurance. However, as an international financial group, SCOR still has established a proportionate process to assess and analyze SCOR's exposure to anti-money laundering and combating the financing of terrorism.

SCOR has put in place a risk-based approach, described in Group's Guidelines on Anti-Money Laundering, Terrorism Financing and Know-Your-Customer which includes the identification of business risk indicators by the Group Compliance team and then an application of those indicators in a business risk assessment by each Hub.

6.3.6. INSIDER TRADING

Transparency, accountability and credibility towards our investors are key values for SCOR as a listed company. Therefore, the Group Guidelines on Managing Insider Information clearly prohibit trading in SCOR's securities while in possession of information which, if made public, would be likely to have a significant influence on the stock market 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 establishes and provides notification to affected persons or during any period preceding an important event affecting SCOR and likely to influence the stock market price (the "blackout periods"). SCOR emphasises to the employees the necessity of abiding by the rules on insider trading through regular awareness campaigns and reminders contained in communications concerning blackout periods.

6.3.7. TAX

When SCOR carries out its activities, the Group does not engage in any artificial structure that lacks business purpose or economic substance. The use of tax havens to avoid the payment of taxes due for activities that take place elsewhere is not a practice pursued by the Group. The Group ensures that the pricing of SCOR's intragroup transactions complies with the OECD arm's length principles as well as with local regulations. Accordingly, SCOR pays its taxes on the profit where the economic activities are performed.

Tax is an integral part of SCOR business principles. It is SCOR's group policy to comply with the applicable tax laws wherever it operates. The Group tax department ensures that the various entities of the group comply with the applicable tax laws and regulations wherever they operate. All key entities have a designated tax manager who ensures that the entity complies with its tax obligations. Tax compliance is managed by the business process owner in accordance with the principles governing the Group's Internal control framework.

In line with the Group Code of Conduct, business owner shall not engage in tax planning or tax scheme which do not support genuine commercial activity. ICS processes ensure that a tax analysis is made and documented before entering into a transaction. The quarterly tax reporting process provides the Group with a complete analysis of the P&L tax expense as well as the tax balances in the financial statements of each entity of the Group for each quarter.

Transfer pricing processes ensure a complete review and documentation of the most significant intra group transactions each year (for which the most significant entities of the Group have to submit a compulsory transfer pricing report – the so called "local transfer pricing file" – to their local tax administration every year).

Lastly, other compulsory disclosure provide further transparency on the operations of the Group. The Country by Country Reporting provides an overall map of the profit, activities and tax paid by the Group worldwide. Further, the "DAC 6" Directive makes the disclosure of potential aggressive tax schemes compulsory, beginning with transactions which occurred after June 2018.

6.4. CONSIDERATIONS OF ENVIRONMENTAL AND SOCIAL ISSUES IN THE GROUP'S ACTIVITIES

As a result of its diversified and global business model, SCOR (re)insures and invests in the global economy, including industries with multiple ESG profiles, industries with diverse stakeholders, and industries operating in countries the cultural and normative environments of which have varying degrees of maturity in the social and environmental fields. As such, the Group's reputation may be influenced by the perception of external stakeholders who expect companies to consider societal issues, including the development of products and services to address these.

In this context, the Group continues to develop several initiatives in the field of ESG risk management, as well as opportunities arising from social and environmental issues. These initiatives focus on:

- Institutional commitment, support for scientific research and cooperation with several of the Group's stakeholders, particularly with regard to the modeling of natural events and a framework for the development of sustainable finance;
- the development of guidelines to provide a framework for the Group's activities in business sectors with high ESG stakes, particularly in carbon-intensive industries such as those involving the mining and use of thermal coal. In addition to these guidelines, the Group is developing tools to monitor the ESG quality of its investment and underwriting activities in the field of specialty insurance;
- the design of insurance, reinsurance and investment products that respond to the issues identified as most relevant to the Group's activities, such as issues relating to climate change mitigation and adaptation, health and, to ensure inclusion, access to insurance.

These initiatives are described separately for investment activities (Section 6.4.1) and for insurance and reinsurance activities (Section 6.4.2). They are supported by companion programs such as #WorkingWellTogether (diversity, wellbeing and engagement), support for the knowledge society (SCOR Foundation for Science, dissemination of risk knowledge, etc.), as described in the previous sections of this declaration, and GreenSCOR (Section 6.4.3), which concerns the Group's internal environmental performance.

6.4.1. INVESTMENT ACTIVITIES (1)

As part of its "Quantum Leap" strategic plan, SCOR has further committed to ESG integration by publishing its sustainable investment policy and by making new commitments in relation to climate issues.

Based on structured governance, as introduced in Section 6.1.3.2 of this declaration, the Group's sustainable investment policy is built on five pillars:

- building a resilient investment portfolio with an integrated risk management approach;
- facilitating sustainable investment decisions through negative and positive screening;
- fostering sustainable behavior through engagement;
- financing a sustainable world through thematic and/or impact investments;
- supporting climate awareness through public debate and collective initiatives.

The governance of the responsible investment policy and its pillars are described below.

6.4.1.1. Philosophy and governance of the investment policy

As emphasized in its ESG Report on Investments (2), SCOR's investment philosophy is driven by capital allocation in a regulated Solvency II environment, underpinned by an internal model developed by the Group. The objective of asset management is to optimize the recurrent financial contribution to the Group's results, while protecting asset values. Accordingly, SCOR is prudent in the management of its investment portfolio, focusing on fairly liquid, high-quality fixed-income assets in order to ensure Group solvency in the event of major losses impacting its liabilities. Asset and Liability Management is a critical factor in the selection of assets used to cover SCOR's technical liabilities. In addition, the Group manages assets under the congruence principle, and places great importance on asset allocation, not only in terms of the major asset classes but also in terms of concentration.

The management of investment risks is designed to be holistic and to cover various factors through a global approach. Over the past few years, SCOR has developed a transversal corporate culture of risk management by applying an ERM (Enterprise Risk Management) approach to all its activities. Environmental, social and governance risks fall naturally into this approach and are subject to structured governance at the various levels of the Group:

- SCOR's Board of Directors, assisted by its Corporate Social and Societal Responsibility and Environmental Sustainability Committee, is regularly informed of regulatory changes, developments, stakeholder demands and initiatives undertaken in the context of the action plan relating to the ESG strategy for investments. SCOR's Investment Risk and Sustainability Group (IRSG) reports directly to the Committee on actions taken to apply ESG criteria to its investment strategy and on how the Group's asset management takes climate change risks into account. The Risk Committee assists the Board of Directors in approving risk appetite and risk tolerance limits;
- the Group's Executive Committee, through its specialized committees (notably the Corporate Social and Societal Responsibility and Environmental Sustainability Committee) approves the ESG strategy for investments, and the Group Investment Committee approves normative and thematic exclusions, as well as major asset reallocations related to risk management, particularly for climate risks. During the meetings of the Group Investment Committee, SCOR Global Investments reports on the portfolio's exposure in relation to the risk limits laid down in the strategic plan and operational plans, including to risks arising from ESG criteria;
- on an operational management level, the internal CSR Committee coordinates the Group's actions in terms of social and societal responsibility and sustainable development, in order to foster an overarching approach to CSR, to merge the initiatives taken by the Group, business lines and asset management, and to ensure that the various action plans prepared by each business unit are consistent. In addition, the Mandate Investment Committee, which brings together the Investment Risk and Sustainability Group (IRSG) and

(1) This section describes the Group's sustainable investment initiatives, in accordance with the disclosure requirements set forth in the decree implementing Article 173 VI of Law No. 2015-992 of August 17, 2015 relating to the Energy Transition for Green Growth.
(2) 2018 ESG Report on Investments "Striving for Sustainable and Socially Responsible Investment", available on the Group's website.

representatives from the teams of SCOR Investment Partners, the Group's principal asset manager, regularly analyze SCOR Investment Partners' portfolio positions at a more operational and granular level. This committee discusses strategic choices in light of the Group's ESG criteria. In addition to its role of monitoring the compliance of all investment decisions with the various risk limits set by the Group (*e.g.* risk appetite and tolerance), the IRSG is also responsible for developing the ESG strategy for investments, which is submitted to the Group Executive Committee. In addition, the IRSG risk management team integrates the ESG rating, exclusion lists and operational monitoring of the CSR action plan into the monitoring of the portfolio.

More detailed information on investment policy governance in general, and the Group's sustainable investment policy in particular, can be found in the ESG Investment Report mentioned above.

6.4.1.2. Building a resilient investment portfolio from an integrated risk management perspective

The understanding, modeling and management of climate risks are at the heart of SCOR's business. In its sustainable investment approach, SCOR pays particular attention to climate risks and supports initiatives to better assess risks linked to climate change. The Group pursues a dynamic and progressive approach from a dual perspective, systematically adopting best practices, advances in terms of the knowledge of physical risks, regulatory transition risks and reputational risks, and testing new analytical methodologies. In addition to purely environmental aspects, ESG scores and controversial issues are also analyzed to detect potentially risky positions at an early stage.

Climate change risks

The Group naturally draws on its expertise in the understanding of climate change risks to better grasp their impact on its investment portfolio, while at the same time exploring various methods of assessing the impact of its portfolio's performance on the environment:

- firstly, the identification and assessment of climate change risks that could affect the value of the assets held in the portfolio is subject to various analyses, some of which are still at an experimental stage. SCOR therefore analyzes the "acute" physical risks that could affect its portfolio of real estate debt, infrastructure debt and direct real estate, as well as looking at transition risk through a mapping of the sectors most exposed to transition risk [(1)]. Carried out in 2018, this initial study [(2)] was extended by a new analysis in 2019, with the constant aim of better understanding the risks that could affect the investment portfolio. SCOR used the scenarios provided by the report of the 2° Investing Initiative (2°ii) [(3)] to measure the exposure of its assets to transition risk in 2025 and to physical risk in 2060. While this type of analysis is useful for a more detailed understanding of the potential risk factors, and for raising the awareness of the Group's governance bodies, the uncertainties surrounding the robustness of the results make it impossible at this stage to establish an investment strategy based on this type of analysis. Additional information on the results of this work is provided in the Group's climate report, to be published at a later date;
- secondly, the impact of SCOR's investment portfolio on the climate is based on two main metrics: the carbon footprint and the alignment of the asset portfolio with the 2°C Scenario. However, the methodologies used by the service providers in charge of these calculations are not yet standardized, which limits the significance of the results. Moreover, the carbon footprint is only an indicator at a given time. It provides little information on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions. The ratio of total CO_2 emissions to the amount of investments made by SCOR (tons of CO_2 equivalent per EUR million invested) reflects the impact of SCOR's portfolio on the environment and depends directly on the investment strategy pursued. The carbon intensity per million euros invested was 308 tons at the end of 2019, up by 8% compared to the end of 2018. The calculation covers 85% of the Group's portfolio at the end of 2019. Moreover, SCOR analyzes the alignment of its investment portfolio with the 2°C Scenario defined by the International Energy Agency;

(1) Drawing on the work of Moody's Investor Service, SCOR has identified the sectors most exposed to transition risk according to different investment horizons and quantified the risk according to the maturity of the securities held.
(2) The detailed results of this analysis were published in the 2018 ESG Report on Investments "Striving for Sustainable and Socially Responsible Investment", pages 24-25, which is available on the Group's website.
(3) Storms Ahead" report, published in the first half 2019.

Integration of all ESG criteria

The integration of ESG criteria is measured primarily by assessing the quality of the asset portfolio. Given the extremely high level of diversification of its investments, the Group works with the non-financial ratings agency ISS-ESG to assess its portfolio's standard instruments (government bonds, corporate bonds and listed equities). For debt instruments (infrastructure and real estate debt), SCOR relies on the expertise of its subsidiary SCOR Investment Partners, a recognized leader in the debt instrument management industry.

Using the data provided by ISS-ESG, SCOR is able to rate 75% of its asset portfolio based on non-financial criteria. A line-by-line analysis is regularly performed ex-post. Issuers with the lowest ratings may be placed under review. In addition to applying the ex-ante filters mentioned in the following section, SCOR may make portfolio adjustments following these analyses, as was the case in 2019 for companies involved in the opioid industry.

6.4.1.3. Facilitating sustainable investment decisions through negative and positive screening

As a responsible investor, SCOR applies ESG filters to its investment universe. These may be negative filters as a mitigation action against potential risks (negative financial or non-financial impact) or positive filters to support its sustainable investment strategy.

Negative screening: exclusions

Certain activities may raise sensitive issues or entail a reputational risk for the Group. As such, the Group excludes certain activities or issuers from its investment universe. These exclusions apply to all asset classes falling within the definition of invested assets. The list of exclusions is communicated to all investment managers with immediate effect. New investments are prohibited, and the remaining positions are actively managed in order to accelerate their liquidation.

The Group applies exclusions to:

- companies involved in the production of cluster munitions, and countries that do not adhere to anti-money-laundering and anti-terrorism-financing rules, as defined by the Financial Action Task Force (FATF);
- a number of carbon-intensive sectors, in line with its commitment to make its asset portfolio carbon neutral by 2050, while favoring a balanced approach between CO_2 reduction and economic development. The Group excludes issuers for which thermal coal (mining and power generation) accounts for more than 30% of their turnover or more than 30% of the electricity generated, and companies on the Urgewald list of the 120 largest coal developers. These exclusions also apply to companies involved in oil sands and oil development in the Arctic region, above a threshold expressed as a percentage of oil reserves and set at 30%. As announced in its strategic plan, these thresholds will be gradually lowered to 10% by the end of 2021;
- the tobacco industry, since the Group's signature of the No Tobacco Pledge in May 2018.

Positive screening: best-in-class approach

Given its strong concerns about environmental factors, SCOR also encourages its investment managers to overweight issuers with good ESG ratings and decisive strategies, in order to align with the Paris Agreement. SCOR closely monitors the implementation of all its preferences and regularly reviews its positions.

6.4.1.4. Encouraging sustainable behavior through engagement

Drawing on the voting recommendations of a proxy, SCOR exercises all the voting rights on the shares held directly in its portfolio in accordance with the undertakings made under its action plan for investments. In 2019, except for one resolution, the recommendations were followed in respect of the shares it held.

In addition, as part of its sustainable investment policy, the Group has defined the priority themes of its voting policy. They concern: (i) the independence of the Board of Directors, (ii) its diversity, (iii) compensation, (iv) lobbying transparency, and (v) the company's general behavior in terms of sustainable development.

6.4.1.5. Financing a sustainable world through thematic and/or impact investments

As highlighted in the previous sections, SCOR, through its reinsurance activities, pays particular attention to climate change issues. As such, the Group is investing in the transition to a resilient low-carbon economy. SCOR applies an investment and divestment approach that tends to increase the proportion of green assets in relation to other portfolio assets.

With this in mind, the Group takes a proactive approach to the environmental certification of its real estate investment portfolio. In addition to office buildings acquired for SCOR's own use (see below), the real estate portfolio contains assets purchased solely for investment purposes, most of which are undergoing renovation works with the aim of obtaining environmental or energy efficiency certification. In addition to its tertiary real estate business, the Group invests in real estate debt funds and infrastructure debt funds, most of which aim to provide funding for the transition to a low-carbon economy and energy efficient buildings. These assets, together with investments in green bonds, represented 6.9% of invested assets at the end of 2019, a percentage significantly higher than the recommendation of Christina Figueres, one of the main contributors to COP 21, to devote at least 1% of investments to green finance.

In addition, the Group also participates in climate change resilience strategies through its asset management subsidiary, by developing, distributing and investing in financial products to cover natural disasters (cat bonds and insurance-linked securities).

Aside from climate change, SCOR actively participates in the expansion of the knowledge society by investing in high-quality, medium-sized companies working in the production and publication of certified knowledge. In a context of profuse information, this approach targets a contemporary risk: cognitive risk. SCOR defines this risk as the risk of biased judgment or misunderstanding, which is often the result of low-quality information or insufficient access to knowledge. This policy of "cognitive protection" has been demonstrated by the creation of Humensis, the result of the merger between PUF and Editions Belin and is in line with the many initiatives undertaken by the Group to develop the knowledge society (*e.g.* SCOR Corporate Foundation for Science).

6.4.1.6. Helping to raising awareness of climate issues by participating in public debate and collective initiatives

The Group's institutional commitment to considering the impact of climate change naturally leads it to participate in collective thinking, by involving its experts in the work undertaken by a number of institutions.

In the field of investments, the Group is active in several forums:

- the European Commission's Technical Expert Group on Sustainable Finance, in which SCOR's experts participate. They have been involved in the revision of the non-binding guidelines on non-financial reporting and have contributed to the reflection on a taxonomy for sustainable activities;
- the European Lab Project Task Force on Climate-Related Reporting of the Financial Reporting Advisory Group (EFRAG), which is chaired by SCOR experts;
- the Climate and Sustainable Finance Commission of the *Autorité des marchés financiers* in France, which supports its regulatory and supervisory work on sustainable finance.

In addition to its adherence to the Principles for Responsible Investment, the Group is involved in numerous professional associations that are leading discussions on climate issues and investments, such as the French Insurance Federation, the French Association of Institutional Investors, and others.

6.4.2. INSURANCE AND REINSURANCE ACTIVITIES

Aware of the social and environmental added value of its Life and Non-Life reinsurance activities, of society's expectations in terms of protection, and of its ability to contribute to a more resilient society, SCOR has identified several social and environmental challenges to which reinsurance can, on its own scale, provide elements of response. Issues relating to climate change mitigation and adaptation, as well as those relating to health and, to ensure inclusion, access to insurance, have thus been integrated into the Group's development plan.

6.4.2.1. Contributing to the understanding of climate risks

Climate risk management research, notably in terms of climate risk modeling techniques and climate risk transfer mechanisms, contributes to a better understanding of climate change challenges and adaptation. In this respect, SCOR provides institutional and financial support to targeted institutions involved in the aforementioned areas, while enhancing its own tools and expertise.

This institutional commitment to climate change adaptation is backed at the highest level of the Group. SCOR's Chairman and Chief Executive Officer has co-chaired the Geneva Association's Extreme Events and Climate Risks working group since May 2015 and also is a member of the steering committee of the Insurance Development Forum, an institution that brings the United Nations, the World Bank and several other international bodies together with the (re)insurance industry. SCOR is also a member of InsuResilience (The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions), an initiative more specifically designed to bring insurance solutions to the most economically vulnerable populations.

Moreover, SCOR is one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for the modeling of climate events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships designed to combat climate change. The Group has also joined the European Insurance and Occupational Pensions Authority's working group to discuss how the trends observed can be integrated into current natural disaster modeling techniques.

In addition, the natural catastrophe modeling teams within the Group's P&C business unit try to factor the latest usable scientific knowledge into the models they use. The natural catastrophe modeling tools used by the P&C business unit to assess insurance risks take account of climate risk both implicitly (*e.g.* claims activity is used as the basis for calibrating models) and explicitly (*e.g.* using current estimates of the increase in sea levels to assess the risk of coastal flooding rather than long-term averages). In this way, current changes in the frequency and severity of the natural risks that SCOR underwrites, whether or not they are related to climate change, are taken into account in the pricing of contracts.

The Group's ability to integrate the latest scientific knowledge into its models is illustrated, for example, by (i) the implementation of an explicit pricing approach for forest fires in 2018, which was updated in 2019, (ii) the development of a new forest fire model, which is due to be released next year, and (iii) the studies conducted by its R&D teams to better understand how climate change could affect the most significant perils for the Group.

6.4.2.2. Integrating ESG into insurance activities

Over the past few years, SCOR has undertaken several initiatives aimed at further integrating ESG issues into the insurance activities developed by SCOR Business Solutions (SBS).

The Group has made a commitment not to offer facultative insurance or reinsurance that would specifically encourage the development of new thermal coal mines or lignite mines or plants. This policy was further strengthened in April 2019 with the decision to also exclude the construction of new coal-fired power plants, irrespective of the technologies, the construction, and quality of the coal.

Furthermore, in order to submit all other projects to a reinforced selection process, this Group's P&C business unit has adopted an environmental, social and governance practices internal assessment procedure for operations closely related to coal. This is based on a specific scoring grid for each activity subject to this assessment.

The Group's ESG scoring grid for coal extraction therefore comprises thresholds expressed as a percentage of company turnover and as an absolute value in terms of thermal coal produced each year. Other criteria such as coal quality, trends in coalmining, observance of industry standards and CSR rating are also taken into account. Within the electricity generation sector, the Group's ESG scoring grid includes a threshold expressed as a percentage of GWh generated from the use of thermal coal. Other criteria are also used, such as the technology used, type of coal, CSR rating and the purpose and location of the plant in question.

In addition to the implementation of sectoral guidelines for industries with high coal exposure, the Group integrates other ESG dimensions into the SBS underwriting policy. In 2018, the Group thus confirmed its commitment to exclude the tobacco industry from its activities on both on the asset and liabilities side. In addition, the Group associated itself with the PSI/WWF/UNESCO declaration on the protection of the world heritage sites.

These exclusions were consolidated into an ESG underwriting guide in 2019. This guide also includes instructions to integrate ESG issues specific to certain activities that may present ethical issues in the areas of health (*e.g.* manufacture and distribution of opioids, animal testing), the environment (*e.g.* palm oil production, dam construction) and human rights (*e.g.* textiles and forced labor). For the sectors identified, the underwriting teams are invited to integrate these issues into the "Know Your Customer" procedure. In the event of doubt about the ESG quality of the proposed case, teams are invited to forward the file to their managers and to the SBS underwriting manager for arbitration.

Finally, drawing on the methods developed in connection with its investments, the Group is testing various techniques designed to assess the overall ESG quality of the business portfolio underwritten as part of the business developed by SBS.

6.4.2.3. The development of products meeting specific social and environmental challenges

As illustrated by the strategic orientations set out in its "Quantum Leap" plan, exclusion policies are not the only way in which SCOR strives to take social and environmental issues into consideration in its core business, in both Non-Life and Life reinsurance.

P&C reinsurance activities

In the field of P&C reinsurance, the Group's strategic plan focuses on issues relating to climate change mitigation through support for the energy transition and adaptation to climate risks. These orientations capitalize on the Group's expertise accumulated in its analysis, modeling and risk transfer activities:

- supporting the energy transition: SCOR has strengthened its underwriting team in the field of renewable energy and has identified strategic markets in which it plans to develop as part of the plan. This orientation stems from the reflections undertaken in this area in 2018. In addition, the P&C business unit has developed a strategic partnership with Energetic, a start-up that has developed credit insurance to protect developers of renewable energy projects against payment default;
- development of solutions contributing to climate risk adaptation: long involved in multiple government insurance pools covering climate catastrophes, the Group is developing partnerships with development finance institutions that have climate change adaptation objectives. SCOR, alongside several other (re)insurers associated with the Insurance Development Forum, has thus committed to supporting the resilience of developing countries in partnership with the United Nations Development Program, and with the German and British governments. Collaborations with the World Bank to provide parametric insurance against climate-related natural disasters in the Philippines, and with the World Food Program in the development of livestock insurance for Ethiopian pastoralists, are other recent examples of the Group's engagement with development finance institutions to provide solutions that contribute to resilience. Through these programs, the Group is helping to increase insurance penetration and to improve the adaptability of insurance beneficiaries. In developing countries, there may be a significant protection gap [(1)] and insufficient data to develop compensatory insurance schemes. Parametric insurance schemes, developed in partnership with development finance institutions, offer a solution in terms of providing financial protection for post-event reconstruction.

In addition to these two orientations, the Group has also developed strong expertise in the underwriting of Environmental Impairment Liability (EIL) insurance through its Lloyd's syndicate. SCOR Channel has developed a proprietary rating tool made up of 16 environmental indicators, which informs underwriters about the discipline of the company seeking EIL coverage. This direct insurance product not only incentivizes insureds to better manage risks by offering reduced premiums to companies with good grades, it is also a source of capital that helps to restore the environment when it has been damaged by an insured's activities.

Life reinsurance activities

Reducing the protection gap is also an area developed by the Group's Life business unit as part of the "Quantum Leap" strategic plan. To achieve that goal, the Group is leveraging on multiple partnerships with academics and innovative companies, which will allow to provide a more inclusive insurance, to promote healthier lifestyles, and to make the insurance buying process easier and faster thanks to the use of digital and new technologies. These products have been developed thanks to the expertise developed by SCOR Global Life's R&D centers and based on its multiple partnerships with academics and research institutions (on the cardio-vascular risks, Alzheimer's, etc.). All these R&D efforts are then translated into a deeper underwriting expertise and shared with SCOR Global Life's clients, enabling to expand insurability, and provide peace-of-mind to insured people through tailored-made solutions:

- the development of solutions for under-insured population: for instance, SCOR has co-developed a mortality cover for cancer survivors (Hong Kong), a digital offering for people sick with type-II diabetes (Hong Kong). More recently, a new pricing tool was made available to SCOR's clients to insure women who recovered from breast cancer and who want to get back to a normal life; this progress is due to the use of machine learning on large public database widely supported by the academic world;
- the development of solutions to expand insurability: an innovative solutions was developed in Spain as part of a family cover, offering congenital coverage (*e.g.* Down's syndrome) for newborns, which was developed in close collaboration with a Spanish insurer and required a specific piece of research on congenital diseases;
- the promotion of healthy lifestyles: as an example, SCOR has developed the Biological Age Model (BAM) that encourages people to be active thus reducing some risks related to contemporary lifestyles;
- the development of solutions to support people to live longer and healthier – as an example, SCOR made a recent investment into BioSerenity, a French medical solutions company that aims to optimize the patient pathways in several chronic diseases;
- and lastly, one of the objectives of the strategic plan for SCOR is to develop solutions that accelerate a digital, easier and faster purchasing experience with better value for the consumer. For instance, SCOR recently developed a fully digital health product in China.

(1) Difference between economic losses in a catastrophe-hit country and what is actually covered by insurance.

6.4.3. GROUP'S OPERATIONS

Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to manage the environmental impact stemming from its operational processes, among which are office management, business travel and to a far lesser extent office equipment.

To do so, the Group focuses on the following areas:

- environmental quality and certification of offices;
- energy consumption management, and renewable energy use;
- greenhouse gas emissions and voluntary offsetting.

The focus is placed on greenhouse gas emissions, for which the indicative reduction target in terms of intensity has been raised to 30% [(1)] by the end of the "Quantum Leap" strategic plan. After expanding it in 2018 compared to 2017, the Group has decided to extend its CO_2 offsetting program to all the residual emissions measured in this section.

In addition, the Group has initiated a program to reduce the use of single-use plastics in several of its offices, particularly the largest in terms of staff and size, such as Paris, London, Cologne, Zurich and Singapore.

6.4.3.1. Environmental quality and certification of offices

SCOR conducts its operations from office buildings of varying size that it either owns or rents in around thirty countries.

Whether in its extension or relocation projects, the Group integrates environmental considerations when selecting its offices, notably office buildings it intends to acquire. The Group favors sustainable or eco-responsible construction. SCOR is particularly attentive to obtaining energy efficiency and environmental certifications, whether for design and construction or for renovation. These considerations may be subject to a tradeoff with other constraints such as the location of the office or its availability.

While SCOR takes environmental considerations into account in its extension or relocation projects, the Group also promotes eco-responsible operation by rolling out environmental management systems where possible. In 2019, the management and maintenance of the Paris offices were certified ISO 14001, this international standard being preferred over the High Environmental Quality certification previously used. At the end of 2019, 53% of the Group's employees falling within the scope of the environmental reporting process were covered by an environmental management system (50% in 2017).

6.4.3.2. Management of energy consumption sources and renewable energy use

The Group focuses on the management of its energy consumption sources and the purchase of energy produced from renewable sources.

The Group consumed close to 17.6 GWhs in 2019 to operate the premises occupied by its staff (lighting, heating, cooling – including data centers – and power for operating various equipment). Most of the energy consumed by the Group's sites that were encompassed in the scope of the environmental survey comes from electricity (65%). The share of renewable now accounts for 67% of electricity purchases compared with 31% in 2015.

6.4.3.3. Greenhouse gas emissions and offsetting

As part of its "Quantum Leap" strategic plan, SCOR has raised its reduction objective in terms of carbon intensity per employee under the first two scopes of the GHG protocol to 30% by the end of the plan. (compared to the previous objective of 15% by 2020). At the end of 2019, the Group's carbon intensity reduction reached 34.7%. In addition, the Group, which is committed to offsetting all its emissions measured under this section, submitted three portfolios of offset projects to a staff vote. The Group's employees voted to support two projects designed to preserve forest environments in Brazil and Ethiopia. The Group will have offset all its 2019 emissions upon delivery of the carbon credits generated by these two projects. These carbon credits are not deducted from the greenhouse gas emissions reported below.

Indicator	Unit	Data 2019	Coverage [(1)]	Data 2018	Coverage [(1)]
Energy [(2)]	kWh	17,572,844	84%	18,033,960	83%
Sorted and recycled paper waste	Kg	149,205	80%	147,496	69%
Air transportation	Km	55,568,877	92%	48,862,380	92%
Rail transportation	Km	2,349,757	84%	2,292,664	83%
Greenhouse gas emissions	TeqCO_2	25,223	-	24,716	-

(1) The coverage rates correspond to the number of employees working in the locations surveyed divided by the number of employees working in the entities which are fully integrated in the financial statements. Further information on the scope of reporting can be found in Section 6.6.3 of this declaration.

(2) Of which electricity (65%), fuel and gas (13%), other heating sources (5%) and other cooling sources (17%).

(1) Baseline: 2014

6.5. ADAPTATION TO THE DIGITAL ECONOMY

The Group’s strategic plan aims to create the reinsurance company of tomorrow. To this end, the Group’s transformation is based on the use of new technologies – such as artificial intelligence, robots, blockchain, big data, multi-cloud and satellite imagery – to innovate, expand its product and services offering and increase its efficiency, for the benefit of its clients throughout the world.

The digitalization of the economy is a source of opportunities for the Group, both because of the accompanying need for protection and because of the contribution of new technologies in terms of access to insurance and reduction of the protection gap.

Aware of the expectations of its stakeholders in terms of IT security and internal expertise, the Group has developed a security program against cyber risks and strives to offer its employees the means to develop their digital skills.

6.5.1. ACCOMPANYING THE DIGITALIZATION OF THE ECONOMY AND REDUCING THE PROTECTION GAP

In addition to the new risks that come with the digitalization of the economy, including cyber risk, for which SCOR has developed its own expertise and an underwriting policy proportionate to its risk appetite, new technologies and the processing of the data they enable, offer new possibilities for reducing the protection gap.

The use of new technologies for this purpose is a dimension developed as part of the Group's new strategic plan. The use of these technologies supports a number of initiatives described in Section 6.4.2.3 of this statement, including the development of parametric reinsurance solutions as an alternative to indemnity mechanisms, in order to contribute to climate change adaptation strategies, or to develop inclusive insurance products to cover vulnerable populations.

6.5.2. CYBER SECURITY, A PRIORITY IN THE DIGITAL AGE

Aware of the expectations of its clients and other partners in terms of protection against cyber risks and their consequences, SCOR has developed an IT security policy, supplemented by guidelines and procedures which are implemented through various levels of the organization. This security program against cyber incidents was developed by the IT security team, under the responsibility of the Group's Chief Information Security Officer (CISO), with the assistance of the rest of the IT Department.

Aligned with the Group's commercial strategy, SCOR's IT strategy focuses on the security of information systems and data protection, and revolves around:

- a strengthened security/data protection enterprise-wide governance;
- the implementation of “security and privacy by design” principles;
- the development of a proactive cyber approach to enhance preventive security means.

The SCOR Group Information Security Policy sets minimum requirements that may be adjusted if further and/or more stringent requirements must be observed due to local applicable laws or regulations, Comprehensive and readily available, this policy is based on three key principles:

- support the Group and its development;
- defend the Group;
- promote responsible information security behavior.

In this regard, the Group regularly raises awareness among its staff through security alerts and cybersecurity training sessions. In addition, the legal and compliance training programs referred to in Section 6.3.2 of this statement include data protection aspects.

The Group Information and Cyber security framework sets SCOR’s Information Security Governance and related Security Services and solutions implemented at SCOR.

Developed by combining best-in class international standards such as NIST, Cobit 5, and the IEC's Critical Security Controls to assess cyber risk mitigation measures, the framework specifies procedures for controlling the security of information systems.

The SCOR Security framework details how to detect, log, contain, recover, eradicate and prevent recurrence of IT related incidents. It covers the 20 identified areas of cyber risk, such as: malware defense, controlled access, incident response and management, data protection and data recovery etc.

Moreover, to ensure continuity and security of IT Services, SCOR hosts its applications on secured data centers, certified as SOC2 Type 2 for the most sensitive ones, generally based on a dual site architecture with real time data replication enabling recovery of its applications in an effective manner in case of any major event. In addition, as part of SCOR security assessment, intrusion tests are conducted.

Among the other measures implemented by the Group to protect itself against cyber risks, and in response to the widespread practice of phishing, SCOR has installed a feature facilitating the transmission by its employees of suspicious messages received to the teams in charge of information systems security. This alert process enables these teams, when the message is a proven phishing attempt, to take the appropriate measures to block the source of these attempts. In addition, in order to make Group employees aware of this type of threat, the security teams conduct tests by conducting campaigns of fake phishing attempts to help them identify the signs of an attempt. The Group has conducted four campaigns of this kind since its inception at the end of 2018.

The monitoring of cyber risks is integrated into a dashboard that compares the level of identified threats, the level of protection of the systems concerned, and the resulting residual risk. This dashboard is shared with the Group's Chief Risk Officer, the Risk Committee of the Executive Committee and the Risk Committee of the Board of Directors, as well as with the Boards of Directors of several local entities.

6.5.3. SUPPORTING THE DIGITAL TRANSFORMATION AMONGST EMPLOYEES

SCOR invests in the development of its employees and their expertise to ensure that the Group is able to seize new opportunities in a sustainable way. In this respect, drawing on the success of its SCOR University concept, the Group focuses on enhancing employees' knowledge on digital topics, with three objectives: to leverage the capabilities provided by collaborative and mobility tools in terms of increasing productivity, to develop the digital culture linked to emerging trends, new methodologies and their impact on the wider-society and the insurance industry, and to acquire digital expertise and new skills.

This support is particularly focused on the use of collaborative tools, through a set of face-to-face and digital training courses led by internal experts, and by digitizing the training offer. With the deployment of LinkedIn e-learning modules, a new digital learning solution is offered to Group employees, who have unlimited access to 13,000 online courses given by experts and 5,000 video tutorials covering technical subjects, business expertise, and professional efficiency.

6.6. NOTE ON METHODOLOGY

6.6.1. SCOPE AND CORRESPONDENCE TABLE

This consolidated non-financial performance declaration was prepared in accordance with the provisions set out in Article L. 225-102-1 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated declaration covers SCOR SE and all its fully-consolidated subsidiaries, hereinafter "SCOR" or "the Group", other than the exceptions of Groupe Remark (158 employees), MRM (4 employees), ESSOR (79 employees), Château Mondot SAS (19 employees), Les Belles Perdrix de Troplong Mondot (9 employees) and Coriolis (7 employees). These companies are excluded because of the specific nature of their activities, or their organization, or the recent integration into the scope of consolidation. Associates and affiliates are excluded from the scope (see Section 4.6.2.2 – Notes to the consolidated financial statements and Note 22 – Related party transactions).

Correspondence table with the provisions laid down in article L. 225-102-1 of the French commercial code

Business model description	Section 6.1.1 – Brief description of the Group's business activities
Risk description	Section 6.1.3.4 – Non-financial risk management, presentation of the risks and analysis
Policy	Section 6.2.1 – The human capital as key success factor for the Group Section 6.2.2 – Compliance policy Section 6.2.3 – Climate policy and sustainable investment policy Section 6.2.4 – IT security policy
Performance, resources and results indicators	Section 6.2.1.1 – Turn-over rate Section 6.2.1.3 – Employee trainings Section 6.2.2 – Compliance system – existence of compliance plan Section 6.4.3.3 – CO_2 emissions/employee Section 6.5.2 – Number of fake phishing attempt campaigns

The following categories of information, referred to in III of Article L. 225-102-1 of the French Commercial Code, have been excluded because of their low relevance to the activities developed by the Group:

- circular economy;
- working towards eliminating food waste;
- working towards safe, nutritious and sufficient food;
- animal welfare;
- responsible, equitable and sustainable food.

6.6.2. SOCIAL DATA: METHODOLOGY

See Section 6.2.2. – Social indicators and methodological note.

6.6.3. ENVIRONMENTAL DATA: METHODOLOGY

The environmental data presented in Section 6.4.3 – Group Operations covers the Group as defined in Section 6.6.1 – Scope and correspondence table. These companies account for 91.8% of employees fully consolidated in the financial statements.

6.6.3.1. Scope of data collection

Data was collected on a target scope including all active Group sites with more than 30 employees for all the reporting indicators. This target scope accounts for 84.1% of employees (as of December 31, 2019) of legal entities fully consolidated in the financial statements.

The threshold of 30 employees is not applicable for the calculation of the environmental impact due to air travel. Data relating to the use of air travel covers 91.8% of globally consolidated employees due to the exceptions stipulated in Section 6 – Scope and correspondence table, and 99.9% of them were able to report on this indicator.

A table has been included in Section 6.4.3.3 – Group's operations, providing an overview of the rate of coverage for a selection of indicators.

Consolidated data covers a 12-month period, generally from November 1, 2018 to October 31, 2019.

6.6.3.2. 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 occupied by the Group'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, 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. Other tenants' employees hosted by these sites account for 11.3% of the employees of the legal entities fully consolidated in the financial statements.

6.6.3.3. 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 service providers 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), the Department for Environment, Food and Rural Affairs (DEFRA) database regarding air transportation emissions 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), commuting, business air travel, 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% of emitting sources linked to the management of operational processes 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 linked to the management of operational processes and excluded are commuting as well as the so-called depreciation of equipment, property and some services, such as outsourced data center.

The variation in the intensity ratio presented in Section 6.4.3.3 covers scope 1 and 2 described above and concerns the management of the Group's operational processes.

The main sources of greenhouse gas emissions of the Group may also include emissions stemming from investment. In this regard, SCOR measures the carbon footprint of its invested assets. For each investment, the data provider, ISS, collects emissions data from several different sources (*e.g.* CDP, World Bank). When the data are not available, ISS provides an estimate of the carbon footprint based on a proprietary methodology. Data used cover the scope 1 and 2, excluding sovereign bonds for which scope 1, 2 and 3 are covered. Then ISS calculates the financed emissions of the portfolio by taking into account SCOR's share in the value of the company, the sovereign debt, or a real estate project or an infrastructure. After computing the amount of financed emissions, this value is divided by the market value of considered assets in order to calculate the carbon intensity in millions of euros invested.

6.7. REPORT BY THE INDEPENDENT THIRD PARTY, ON THE EXTRA-FINANCIAL PERFORMANCE DECLARATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the independent third party's 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, 2019

To the Shareholders,

In our capacity as independent third party and certified by COFRAC under number 3-1058 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the extra-financial performance declaration for the year ended December 31, 2019, included in the management report (hereinafter named the "Declaration"), pursuant legal provisions and regulation of article L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for establishing a Declaration which is in accordance with the legal provisions and regulations, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied regarding these risks along with the results of these policies, including key performance indicators.

The Declaration was established in accordance with the protocols used by SCOR (hereinafter the "Guidelines"), which its significant elements are presented in the Declaration (and available on request at the company head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the Code of ethics of the profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements of the professional doctrine and of the applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, our responsibility is to formulate a limited assurance on:

- the compliance of the Declaration with the provisions of article R. 225-105 of the Commercial Code;
- the reliability of the information provided in accordance with the 3° of the I and of the II of article R. 225-105 of the Commercial Code, that is the results of the policies, including the key performance indicators, and the actions, related to the main risks, hereinafter the "Information".

However, it is not our responsibility to attest:

- the compliance with other legal dispositions where appropriate, in particular those included in law n° 2016-1691, dated December 9, 2016, said Sapin II (fight against corruption) and tax evasion;
- the compliance of products and services regarding the applicable legal provisions and regulations.

Nature and scope of our work

Our work described hereinafter was performed in accordance with the provisions of article A.225-1 *et seq.* of the Commercial Code defining the conditions under which the independent third party performs its engagement and in accordance with the professional doctrine from the National Body of the auditors (*Compagnie nationale des commissaires aux comptes*) relating to this intervention with the international standards ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We lead works enabling us to appreciate the compliance of the Declaration with the legal provisions and regulations and the accuracy of the Information:

- we took note of activity of all of the companies included in the scope of consolidation, of the presentation of the main social and environmental risks associated with this activity, and its impacts regarding respect of human rights, the fight against corruption and tax evasion with the policies related from them;
- we assessed suitability of the Guidelines in terms of relevance, completeness, reliability, neutrality and understandability, taking into account industry best practices where appropriate;
- we verified that the Declaration covers each category of information provided for in the III of Article L. °225-102-1 relating to social and environmental information, including the respect of the human rights and the fight against corruption and tax evasion;
- we verified that the Declaration includes an explanation of the reasons justifying the absence of the required information by the sentence 2 of the III of article L. 225-102-1;
- we verified that the Declaration presents the business model and the main risks associated to the activity of all entities included in the consolidation scope, including, when relevant and proportionate, the risks created by its business relations, its products and services, with related policies, actions and results, including key performance indicators;
- we verified that, when they are relevant regarding the main risks and policies presented, that the Declaration presents the information required at the II of article R. 225-105;

- we checked the process of selection and validation of the main risks;
- we verified existence of internal control and risk management procedures;
- we appreciated consistency of the results and key performance indicators selected regarding the main risks and policies presented;
- we verified that the Declaration covers the scope of consolidation, *i.e.* the companies included in the scope of consolidation pursuant the article L. 233-16 with the limits specified in the Declaration;
- we appreciated the data collection process implemented by the entity aiming at the exhaustivity and reliability of the Information;
- we implement for key performance indicators and the other quantitative results which we considered the most important [(1)]:
  - Analytical review to verify the correct consolidation of the collected data along with the consistency of their evolutions,
  - Detailed tests based on sampling to verify the correct application of the definition and procedures and to reconciliate the data with supporting documents. These works were conducted alongside some contributor entities [(2)] and cover between 27% and 53% of the consolidated data of the key performance indicators and results selected for these tests;
- we consulted documentary sources and lead interviews to corroborate the qualitative information (actions and results) which we considered the most important [(3)];
- we appreciated the overall consistency of the Declaration relatively to our knowledge of SCOR.

We believe that our works 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.

Resources

Our works mobilised skills of 5 people and were realized between November 2019 and January 2020.

We lead a dozen of interviews with people in charge of preparing the Declaration, representing the General Secretariat, the Human Resources Direction and the Compliance Direction.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that, the extra-financial performance declaration in accordance with the applicable legal provisions and regulations and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris-La Défense, February 26, 2020

The Independent Third Party, Mazars SAS

(1) Social information: Headcount at December 31; Turnover; Total compensation; Average fixed remuneration; Average bonus; Number of meetings with staff representatives; Number of European Committee meetings; Number of collective agreements signed; Number of training hours.

Environmental information: Volume of sorted and recycled paper waste; Energy consumption; Greenhouse gas emissions related to operationnal processes; CO_2 emission/employee.

IT Security information: Number of false phishing attempts.

(2) Sites: New York, Singapour, Zurich, Charlotte, Paris.

(3) Social information: Measures to promote equality between women and men.
Compliance information: compliance system.

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APPENDIX A

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.

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:

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. objective setting;
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 Section 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 "Monitoring of the risk management and internal control system" 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 business units and legal entities when appropriate. Some mechanisms are only relevant at Group or business unit level and are not implemented specifically at the legal entity level in line with materiality principles.

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.

1. INTERNAL ENVIRONMENT

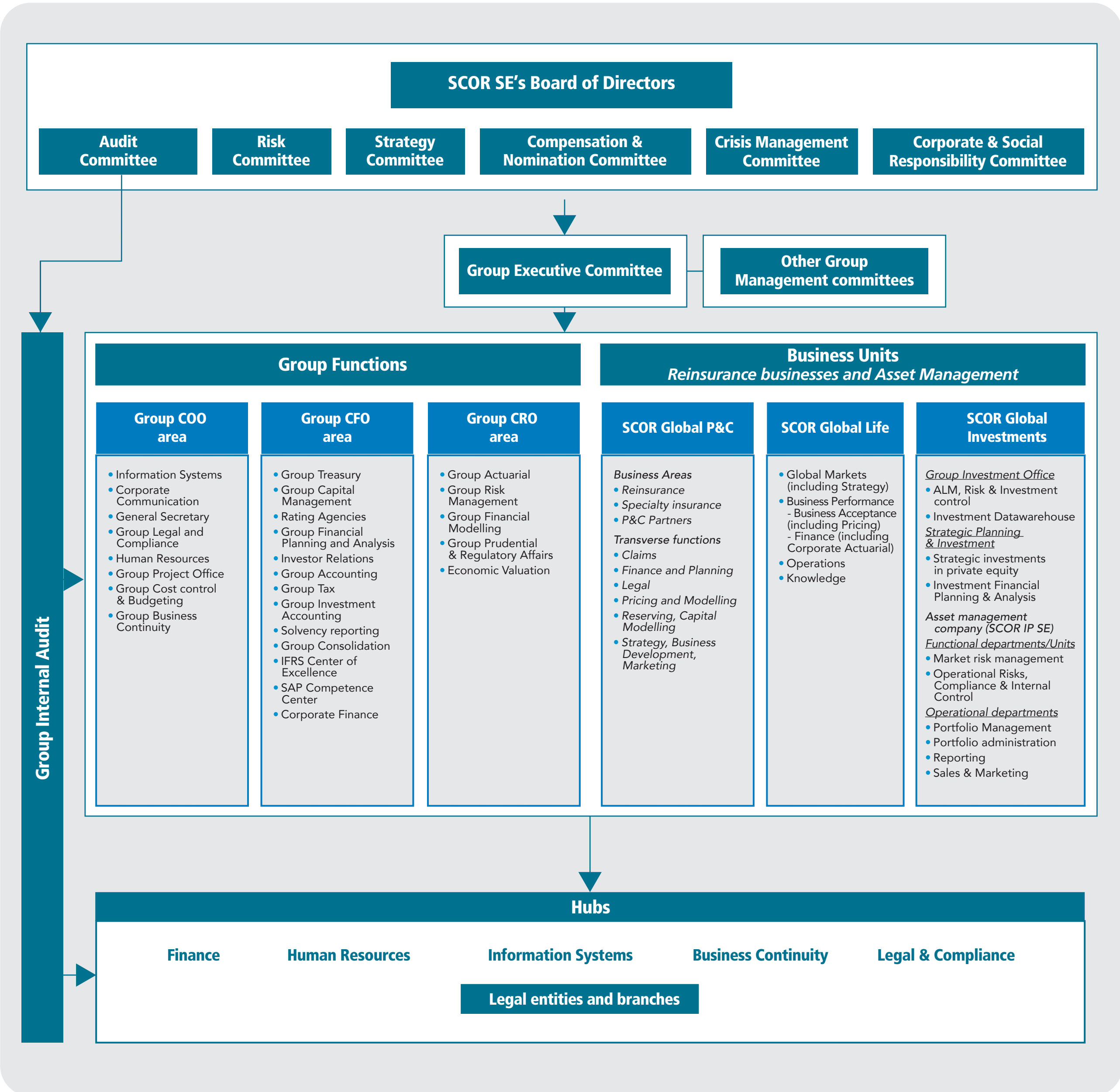
1.1. GENERAL ORGANIZATION OF THE GROUP

The Group is organized around three engines comprising two main reinsurance businesses and one asset management activity: SCOR Global P&C, SCOR Global Life and SCOR Global Investments.

The Group has set up a functional organization structured around regional management platforms, or "Hubs" in the EMEA (Europe, Middle East and Africa), the Asia-Pacific and the Americas regions. Each subsidiary, branch and representative office has a functional link to a 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 several 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 approved by 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);
- the Group Risk Committee meets quarterly and is comprised of the members of the Group Executive Committee. Other risk management and control functions of the business units and the Head of Group Internal Audit are regularly invited to the meetings. The main missions of the Group Risk Committee are to steer the Group's risk profile, maintain an effective ERM Framework and spread an appropriate Risk Culture throughout the Group;
- 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 business units, the group functions, as well as the Hubs' support departments must apply the rules defined above. They carry out all controls related to business management and ensure compliance with regulatory, accounting and fiscal laws, at both local and Group levels;
- the Head of Group Internal Audit 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 Group Internal Audit the necessary independence and objectivity, and allows for the largest possible room for investigation. Group Internal Audit 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 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 Group Internal Audit.

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 business units (SCOR Global P&C, SCOR Global Life, SCOR Global Investments) and the central functions such as Group Internal Audit 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.

SCOR reviews Group policies for accuracy, completeness and reliability on a regular basis.

For Group policies in force and other business-related legal and compliance requirements, training sessions for certain staff are scheduled and conducted on an annual basis, if this is required by the annual compliance plan.

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. Compliance with local regulations and constraints is ensured by Hub General Counsels.

2. SETTING OF OBJECTIVES

For several years, SCOR has implemented and formalized three-year strategic plans. On September 4, 2019, SCOR publicly presented "Quantum Leap", its latest strategic plan (mid-2019 to year-end 2021). "Quantum Leap" builds on the success of SCOR's previous strategic plan, "Vision in Action" and sets the Group's new core objectives of:

- a return on equity (ROE) above 800 basis points over the 5-year risk-free rate over the cycle [(1)]; and
- a solvency ratio in the optimal 185%-220% range [(2)].

The strategic plans establish the Group's 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 facilitate the identification, evaluation and control of risks, whatever their nature (*e.g.* underwriting risk, market risk, and operational risk), possibly caused by these objectives.

(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, "Vision in Action".

3. IDENTIFICATION AND ASSESSMENT OF RISKS

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

- a risk information process: every quarter, the Group Risk Committee 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:
  - a "risk driver" system that enables the Group to manage the annual aggregate exposure to each major risk. The objective is to avoid overconcentration of risk and hence maximize diversification benefits. 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 which are set in the underwriting and investment guidelines;
- "footprint scenarios", which aim to review and assess the potential impact of selected deterministic scenarios on the Group. 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 business units Chief Risk Officers. These groups perform quantitative studies which are summarized in specific reports;
- an Emerging Risks process which is part of SCOR's ERM Framework and is linked to other risk management methods, such as the use of "footprint scenarios". Potential emerging risks are identified and Individual risk assessments are carried out by experts from SCOR Global P&C, SCOR Global Life and the Group functions. Significant emerging risks are then reported to SCOR's Executive Management and Board. SCOR, as a member of the CRO Forum, also actively participates and contributes to the CRO Forum Emerging Risks Initiative alongside other major insurers and reinsurers.
- SCOR's ORSA (Own Risk 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;
- SCOR's internal model, which is deeply embedded in SCOR's risk management system and contributes to the assessment of risks. SCOR uses its internal model for determining economic capital. Its results are used to implement SCOR's underwriting and 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.

4. MAIN CONTROL ACTIVITIES

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 this Universal 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 section summarizes 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.

4.1. GROUP FUNCTIONS

The Group's functions are organized into three departments led by the Chief Operating Officer, Chief Financial Officer and Chief Risk Officers respectively. The Operations area comprises Information Technology, Human Resources, the General Secretariat (including the Compliance and Legal departments), the Group Project Office, Cost Control and Budgeting, and 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 modeling teams and the Prudential and Regulatory Affairs Department. Further information is presented below, excluding the financial reporting and financial communication functions dealt with in Sections 5 and 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. SCOR continually improves 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. In the context of the business continuity plan, the IT disaster recovery plan is constantly reinforced using the latest technology. 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, with 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 the 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 Human Resources Department controls all processes related to the management of human capital.
- The Group Project Office monitors the Group project portfolio and defines standard project management 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 Budgeting 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 the Group accounting policies, handles the accounting of complex transactions and manages the production process of the Universal Registration Document, the Half-Year Report and the Solvency II narratives reports (SFCR and RSR).
- The Consolidation, Investment accounting and Solvency II reporting departments play a major role in both internal management reporting and external reporting, and the analysis thereof.
- The Systems, Process and Projects department maintains the accounting system in collaboration with the Group IT Department, provides both technical and functional support to end-users, promotes operational excellence within the Finance domain, and is actively involved in the delivery of the Finance projects.

Risk Management

- The Group Risk Management Department's primary focus is to develop and manage ERM mechanisms, and to promote ERM concepts throughout the Group, in addition to providing risk management challenge and support for reinsurance underwriting and asset management.
- The Prudential & Regulatory Affairs Department advises the Group on prudential regulations. It ensures the Group actively positions itself in relation to the different jurisdictions and requirements to which it is exposed, or could be exposed and continuously develops and promotes SCOR's leading risk management expertise through regular dialogue with internal and external stakeholders, including our staff, clients, supervisors, the (re)insurance industry, academia and the public. Prudential and Regulatory Affairs also provides specialist expertise to SCOR colleagues *via* the Solvency II Centre of Excellence and prepares the Group for the adoption of major new prudential regulations.
- The Group Actuarial Department provides quarterly approval on the adequacy of the reserves held for both the Life and P&C business units. In the context of Solvency II, the Group Actuarial Department provides an opinion on the Technical Provisions, the underwriting policy and the retrocession arrangements, validates the Group's Internal Model and contributes to the effective implementation of risk management throughout the Group.
- The Financial Modeling and Risk Analysis Department manages and operates SCOR's Internal Model and provides a detailed quantitative analysis on the modelled range of changes in economic value. It provides reports to management on risk assessment and actively assists the Company in its various uses of the Internal Model.

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 businesses.

4.3. ASSET MANAGEMENT

The Group invests in assets through its business unit SCOR Global Investments, composed of an asset management company regulated by the French Autorité des marchés financiers (SCOR Investment Partners SE) and of two services: Investment Business Performance and Group Investment Risk & Sustainability.

Governance and principles

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

- "SCOR Group Policy on Invested Assets" defines the Group's policy and governance in terms of asset management;
- "SCOR Sustainable Investing Policy" defines the main orientations of the sustainability approach of the Group in its asset management;
- "Group Investment Guidelines" determines the limits for concentration risk and of exposure to different asset classes as well as the conditions in which SCOR Global Investments will implement the Group investment policy as defined by the Group Investment Committee.

These three documents are rolled out across all SCOR entities to ensure consistency across the Group. Together, these documents 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 regarding 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's positioning is derived from the risk appetite and risk tolerance allocated by the Group to invested assets.

The primary investment objective of SCOR is to generate recurring investment income in accordance with the risk limits 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;
- contributing to the well-being and resilience of society;
- complying 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;
- implementing strict assets and liabilities management and in accordance with policy congruence on currency.

Operational framework

As a general rule, 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

Group Investment Risk & Sustainability 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. 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 Group Investment Guidelines are subject to special referral procedures managed by the Group Risk Management Department. Investment Business Performance is responsible for monitoring processes related to financial performance and reporting regarding invested assets.

Assets owned by all Group entities are monitored in one central information system under the responsibility of SCOR Investment Business Performance. The information systems of SCOR Investment Partners monitor transactions on publicly traded securities (audit trail, valuation of securities). Investment Business Performance controls the consistency and the completeness of the data used for the valuation of the assets.

Middle office department of SCOR Investment Partners has been reinternalized in the management company during the course of 2019.

4.4. ACCOUNTING MANAGEMENT

See Section 7 – Financial reporting.

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, according to 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 Universal 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 pertaining to certain subjects (*e.g.* emerging risks) from various sources.

SCOR is implementing regular and dedicated ad-hoc Training and Development programs across the Group through SCOR University, 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.

6. MONITORING OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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 3 – Identification and assessment of risks.

In addition, SCOR implements dedicated risk management mechanisms in the three business units in order to evaluate the appropriateness and effectiveness of controls and propose risk-management and mitigation measures. See Section 3.3 – Underwriting risks related to the Life and P&C reinsurance businesses 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 business units 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 maintained 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;
- on a process level, appointment of process owners responsible for documenting processes, identifying the related critical risks, defining the appropriate key controls and ensuring their deployment and application either at Group, business unit or legal entity levels. Process owners are also responsible for assessing processes, risks and key controls;
- monitoring, upon completion of the initial documentation, through a self-assessment procedure on the maturity (quality) of control processes based on pre-defined criteria 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 findings and risks lead to recommendations and management remediation actions which are followed up by Group Internal Audit.

Group Internal Audit 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, Group Internal Audit must inform the Executive Committee and the Audit Committee of any unsatisfactory conditions or risks.

When Group Internal Audit 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.

Group Internal Audit 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.

Group Internal Audit 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 a report on the Internal Audit activities every quarter.

Furthermore, the Finance Department manages the "internal management representation letters" process, detailed in Section 7 on financial reporting, which also incorporates certain points relative to internal control of accounting and financial reporting.

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 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 Investments 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) a system for technical reinsurance accounting; and (2) a system for investments.

The processes for reinsurance accounting and the calculation of underwriting reserves, which are predominantly within the single technical information system (OMEGA), are applied by Group entities.

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. Technical results are analyzed quarterly by the finance departments of SCOR Global P&C and SCOR Global Life, and the Group Chief Actuary regularly performs an actuarial review of the Group technical 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 business unit 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 (including deferred acquisition costs and value of acquired portfolio) are 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) with reports from the various custodians. Portfolios managed directly are monitored in real time.

Accounting and consolidation process

Regarding the processes of preparation of consolidation packages and consolidation of accounting data by the Group Consolidation Department, internal control is ensured by:

- the definition 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 auxiliary, general and consolidation accounting systems;
- at least three levels of control of the consistency and completeness of the consolidation packages, one by the entity concerned, 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.

Since 2015, virtually all of SCOR's entities have a single General Ledger (SAP) in place, bringing the following advantages:

- 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.

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 (IMRL) 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 business units review the individual entity level internal representation letters and submit a business unit 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 to the Internal Audit Department.

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 2019, SCOR continued its efforts on compliance issues, as briefly summarized in this Section, by releasing new Group policies, and by improving existing policies to align them with the Group's developments.

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 having taken all reasonable care to ensure that such is the case, that the information contained in this Universal 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, to the best of my knowledge, that 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 E of this Universal Registration Document, 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.

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 Universal Registration Document:

- (i) the corporate financial statements for the year ended December 31, 2018 and the Statutory Auditors' report pertaining thereto published on pages 280 to 310 and 311 to 315, respectively, of the Registration Document filed with the AMF on February 4, 2019 under number D.19-0092 and from pages 280 to 310 and from pages 311 to 315, 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, 2017 and the Statutory Auditors' report pertaining thereto published on pages 264 to 294 and 295 to 299, respectively, of the Registration Document filed with the AMF on February 23, 2018 under number D.18-0072 and from pages 264 to 294 and from pages 295 to 299, 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, 2019 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 2019, SCOR SE carried out the following significant transactions:

Mergers between SCOR SE ("the Company") and its wholly-owned subsidiaries SCOR Global Life SE, SCOR Global P&C SE and SCOR Holding (Switzerland) AG.

Mergers between SCOR SE ("the Company") and its wholly-owned subsidiaries SCOR Global Life SE and SCOR Global P&C SE

On March 31, 2019, SCOR SE merged with its wholly-owned subsidiaries SCOR Global P&C SE ("SGP&C SE") and SCOR Global Life SE ("SGL SE") with retroactive effect from January 1, 2019.

The financial statements used as a basis for the merger agreement and the calculation of the merger profit are the annual financial statements for the year ended December 31, 2018 of SCOR SE, SGL SE and SGP&C SE.

The difference between net assets of SGL SE contributed (EUR 471 million) and the net book value of equity interests (EUR 851 million) resulted in a merger profit of EUR 380 million. The portion of the merger profit corresponding to the results accumulated by SGL SE since its inception and not distributed to the Company has been recorded as a financial result for EUR 312 million. The residual portion has been recorded in equity for EUR 68 million.

The difference between net assets of SGP&C SE contributed (EUR 1,615 million) and the net book value of equity interests (EUR 2,333 million) resulted in a merger profit of EUR 718 million. The portion of the merger profit corresponding to the results accumulated by SGP&C SE since its inception and not distributed to the Company has been recorded as a financial result for EUR 703 million. The residual portion has been recorded in equity for EUR 15 million.

Merger between SCOR SE ("the Company") and its wholly-owned subsidiary SCOR Holding (Switzerland) AG

As part of an internal restructuring to simplify and streamline the Group structure, SCOR Holding (Switzerland) AG ("SHS") has contributed all of its assets and liabilities to SCOR SE on September 30, 2019. SCOR SE now holds directly the interests in SCOR Services Switzerland AG, SCOR Switzerland AG and SCOR Switzerland Asset Services AG.

The financial statements used as a basis for the merger agreement and the calculation of the merger profit are the quarterly financial statements as at September 30, 2019 of SCOR SE and SHS.

The difference between the net equity interest of EUR 1,969 million hold by SCOR SE in SHS and the net assets contributed by SHS of EUR 2,011 million results is a merger profit of EUR 42 million, recorded in financial result.

Presentation of 2019 financial statements

As the comparative balance sheet as at December 31, 2018 does not include the contributions of SGL SE, SGP&C SE and SHS to the Company, the impacts of the merger after elimination of internal operations between the three companies are presented in a specific column "2019 mergers contributions" of the various financial tables presented in the appendix.

The comparative income statement for the year ended December 31, 2018 does not include the Life and Non-Life activities of SGL SE and SGP&C SE.

While the accounting rules relating to mergers and related transactions do not require the absorbing company (beneficiary of contributions), here SCOR SE, to establish pro forma accounts for previous years presented, it is recommended to indicate the effect of the contributions on the income statement (income, personnel expenses, depreciation and amortization, etc.), *i.e.* in this context the 2019 income statement.

However, it appears that the separate identification of the contribution of the activities of the three companies absorbed into the Company's income statement for the year ended December 31, 2019 and, therefore, the impact of the mergers on the Company's income statement (in addition to the impact of the portion of the merger profit that is already partially identified as a financial result) would not establish consistent comparability. Indeed, the four companies having merged in 2019, a number of transactions carried out in 2018 within the four companies no longer need to be (50% quota-share retrocessions concluded between the Company, SGL SE and SGP&C SE, internal recharges of costs such as overheads, interest on inter-company loans, dividends).

Capital increase in SCOR Global Life Americas Holding

SCOR SE has increased its capital into SCOR Global Life Americas Holding by USD 423 million (EUR 371 million) through the conversion into equity of the loan and the treasury advance granted to its subsidiary.

Capital injections in SCOR Europe SE

SCOR SE carried out two capital injections in SCOR Europe SE: a first one for EUR 2.7 million in November 2019 and a second one in December 2019 for EUR 7 million.

New participation in SCOR Realty Singapore

SCOR SE proceeded with a capital injection in SCOR Realty Singapore for SGD 10 million (EUR 6.5 million).

Capital increase in SCOR Investment Partners

SCOR SE has increased its capital into SCOR Investment Partners by EUR 13 million.

Dividends received

During 2019, SCOR SE received EUR 166 million in dividends from its affiliates (EUR 602 million in 2018, of which EUR 250 million from SCOR Global P&C SE and EUR 100 million from SCOR Global Life SE).

Dividend payment

On May 2, 2019, SCOR SE paid EUR 325 million in dividends to its shareholders (EUR 312 million in 2018).

New cat bond ATLAS Capital UK 2019 PLC

SCOR has sponsored a new catastrophe bond (“cat bond”), Atlas Capital UK 2019 PLC, which will provide the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the U.S., earthquakes in the U.S. and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 will run from June 1, 2019, to May 31, 2023.

The transaction has been approved by the Prudential Regulatory Authority (PRA) and the UK regulatory authorities.

This new obligation was recorded as a derivative asset in “Other receivables”; capital and interests are recorded in “Other liabilities” and the change in fair value is recorded in "Other expenses/other operating income ".

Issuance of USD 125 million in undated subordinated notes

On December 17, 2019, SCOR SE issued a perpetual deeply subordinated note by USD 125 million, redeemable every five years from March 13, 2029. The coupon was set at 5.25% (until March 13, 2029) and will reset every 5 years thereafter at the prevailing 5-year U.S. Treasury yield plus 2.37% per annum.

These new notes are assimilated and form a single series with the existing USD 625 million perpetual subordinated notes, bearing the same terms and conditions as the original notes.

Capital decrease in the Fiducie

SCOR SE made a withdrawal of USD 19.5 million (EUR 13.7 million) from the Fiducie trust as the result of a reduction in its commitments towards Aegon.

Call options

In order to fulfill commitments to beneficiaries of free share allocations, on May 28, 2019, SCOR SE signed a call option agreement with BNPP allowing SCOR SE to buy its own shares after payment of a predefined exercise price. Exercise dates for this option run from January 6, 2020 to January 6, 2025. The total number of options is 3,392,108. A premium of EUR 28 million was paid in 2019 and is recorded in other assets.

New contingent capital

On December 3, 2019, SCOR SE launched a new 3-year contingent capital facility with J. P. Morgan AG for EUR 300 million and issued 9,350,025 warrants in favor of JP Morgan AG. This equity line facility replaces, as of January 1, 2020, the previous contingent capital facility which came to an end on December 31, 2019.

Under the new arrangement, like in previous facilities, protection would be triggered in case of natural catastrophes and in case of extreme life events.

Mangrove Insurance PCC Limited - Quota Share Longevity Retrocession Agreement

On December 18, 2019, as part of its policy of diversifying its capital protection tools, SCOR entered into a structured retrocession transaction with Mangrove Insurance PCC Limited, which provides the Group with a multi-year source of retrocessional capacity.

2. BALANCE SHEET

2.1. BALANCE SHEET – ASSETS

In EUR millions		Gross balance	Depreciation, amortization and impairment	2019 Net	2019 of which mergers contributions (1)	2018
Intangible assets	**5.2.2**	**713**	**(55)**	**658**	**658**	**3**
Investments	**5.2.1 & 5.2.9**	**22,228**	**(1,443)**	**20,785**	**12,290**	**9,388**
Real estate investments		626	(3)	623	373	286
Investments in associates		9,748	(1,427)	8,321	1,832	7,946
Other investments		5,896	(13)	5,883	4,302	1,156
Cash deposited with ceding companies		5,958	-	5,958	5,783	-
Investments representing unit-linked contracts	**5.2.1**	**-**	**-**	**-**	**-**	**-**
Share of retrocessionaires in underwriting reserves	**5.2.9**	**3,210**	**-**	**3,210**	**2,810**	**595**
Reinsurance reserves (Life)		73	-	73	126	1
Loss reserves (Life)		26	-	26	133	-
Unearned premiums reserves (Non-Life)		595	-	595	287	235
Loss reserves (Non-Life)		2,490	-	2,490	2,252	355
Other underwriting reserves (Non-Life)		26	-	26	12	4
Accounts receivable	**5.2.5 & 5.2.9**	**2,397**	**(12)**	**2,385**	**1,756**	**2,637**
Accounts receivable from reinsurance transactions		2,192	(11)	2,181	1,677	2,470
Other accounts receivable		205	(1)	204	79	167
Other assets	**5.2.2**	**433**	**(60)**	**373**	**145**	**431**
Property, plant and equipment		151	(60)	91	14	84
Cash and cash equivalents		228	-	228	131	9
Treasury shares		54	-	54	-	338
Accrued income and deferred expenses	**5.2.8 & 5.2.9**	**492**	**-**	**492**	**188**	**234**
Due and accrued interests on rental income		41	-	41	7	30
Deferred acquisition costs – assumed (Non-Life)		335	-	335	157	153
Reinsurance estimates – assumed		-	-	-	-	-
Other accruals		116	-	116	24	51
Bond redemption premiums		**-**	**-**	**-**	**-**	**-**
TOTAL		**29,473**	**(1,570)**	**27,903**	**17,847**	**13,288**

(1) Mergers contributions from SGL SE, SGPC SE and SHS in 2019 (after eliminations of internal operations).

2.2. BALANCE SHEET – LIABILITIES

In EUR millions		2019	2019 of which mergers contributions *	2018
Shareholders' equity and reserves (1)	**5.2.3**	**4,055**	**1,140**	**3,600**
Share capital		1,473	-	1,521
Additional paid-in capital		678	83	786
Revaluation reserve		-	-	-
Legal reserve		74	-	74
Other reserves		57	-	57
Capitalization reserve		-	-	-
Retained earnings		820	-	646
Net income for the year		908	1,029	499
Regulated reserves		45	28	17
Subordinated liabilities	**5.2.4**	**2,841**	**430**	**2,277**
Gross underwriting reserves	**5.2.7 & 5.2.9**	**17,770**	**14,430**	**3,013**
Reinsurance reserves (Life)		3,437	3,351	2
Loss reserves (Life)		876	2,229	-
Unearned premiums reserves (Non-Life)		1,552	784	639
Loss reserves (Non-Life)		9,932	6,266	2,361
Other underwriting reserves (Non-Life)		1,951	1,761	6
Equalization reserves (Non-Life)		22	39	5
Underwriting reserves for unit-linked contracts				
Contingency reserves	**5.2.6**	**246**	**62**	**177**
Cash deposits received from retrocessionaires	**5.2.5 & 5.2.9**	**1,051**	**2,080**	**420**
Other liabilities	**5.2.5 & 5.2.9**	**1,750**	**(416)**	**3,735**
Liabilities arising from reinsurance operations		1,085	(567)	3,534
Convertible bond issue		-	-	-
Amounts owed to credit institutions		-	-	-
Negotiable debt securities issued by the Company		-	-	-
Other loans, deposits and guarantees received		210	2	61
Other liabilities		455	149	140
Deferred income and accrued expenses	**5.2.8 & 5.2.9**	**190**	**121**	**66**
Deferred commissions received from reinsurers (Non-Life)		142	62	57
Reinsurance estimates – Retrocession		-	-	-
Other accruals		48	59	9
TOTAL		**27,903**	**17,847**	**13,288**

(1) Data for financial years 2019 and 2018 are before appropriation of net income.

** Mergers contributions from SGL SE, SGPC SE and SHS in 2019 (after eliminations of internal operations).*

3. INCOME STATEMENT

In EUR millions	Gross transactions	Retroceded transactions	2019 net transactions	2018 net transactions
UNDERWRITING ACCOUNT, NON LIFE				
Earned premiums	**5,117**	**(1,996)**	**3,121**	**1,458**
Written premiums	5,299	(2,135)	3,164	1,515
Change in unearned premiums	(182)	139	(43)	(57)
Allocated investment income	**507**	**-**	**507**	**269**
Other underwriting income	**181**	**-**	**181**	**257**
Claims expenses	**(3,407)**	**1,245**	**(2,162)**	**(1,835)**
Benefits and costs paid	(3,187)	1,066	(2,121)	(1,837)
Claims reserve expenses	(220)	179	(41)	2
Expenses for increasing risk reserves	**(176)**	**15**	**(161)**	**724**
Acquisition and administrative expenses	**(1,295)**	**506**	**(789)**	**(420)**
Acquisition expenses	(1,252)	-	(1,252)	(579)
Administrative expenses	(43)	-	(43)	(15)
Commissions received from reinsurers	-	506	506	174
Other underwriting expenses	**(239)**	**-**	**(239)**	**(205)**
Change in equalization reserves	**22**	**-**	**22**	**24**
Change in liquidity reserves	**-**	**-**	**-**	**-**
NON-LIFE UNDERWRITING INCOME (LOSS)	**710**	**(230)**	**480**	**272**

In EUR millions	Gross transactions	Retroceded transactions	2019 net transactions	2018 net transactions
UNDERWRITING ACCOUNT, LIFE				
Earned premiums	**2,212**	**(330)**	**1,882**	**339**
Investment revenues	**60**	**-**	**60**	**-**
Investment income	16	-	16	-
Other investment income	2	-	2	-
Realized gains from investments	42	-	42	-
Unit-linked policy adjustments (capital gain)	**-**	**-**	**-**	**-**
Other underwriting income	**5**	**-**	**5**	**-**
Claims expenses	**(1,841)**	**300**	**(1,541)**	**(550)**
Benefits and costs paid	(1,764)	290	(1,474)	(807)
Claims reserve expenses	(77)	10	(67)	257
Expenses for Life reinsurance and other underwriting reserves	**(72)**	**(55)**	**(127)**	**357**
Life reinsurance reserves	(72)	(55)	(127)	357
Unit-linked contract reserves	-	-	-	-
Other underwriting reserves	-	-	-	-
Acquisition and administrative expenses	**(436)**	**32**	**(404)**	**(161)**
Acquisition expenses	(400)	-	(400)	(153)
Administrative expenses	(36)	-	(36)	(10)
Commissions received from reinsurers	-	32	32	2
Investment expenses	**(53)**	**-**	**(53)**	**-**
Internal and external investment management expenses and interest expenses	(24)	-	(24)	-
Other investment expenses	(8)	-	(8)	-
Realized losses from investments	(21)	-	(21)	-
Unit-linked policy adjustments (capital loss)	**-**	**-**	**-**	**-**
Other underwriting expenses	**(123)**	**-**	**(123)**	**(57)**
Change in liquidity reserve	**-**	**-**	**-**	**-**
LIFE UNDERWRITING INCOME (LOSS)	**(248)**	**(53)**	**(301)**	**(72)**

In EUR millions	2019 net transactions	2018 net transactions
NON-UNDERWRITING ACCOUNT		
Non-Life underwriting income/(loss)	**480**	**272**
Life underwriting income/(loss)	**(301)**	**(72)**
Investment revenues	**1,621**	**787**
Investment income	1,525	769
Other investment income	8	2
Realized gains from investments	88	16
Investment expenses	**(345)**	**(231)**
Internal and external investment management expenses and interest expenses	(160)	(22)
Other investment expenses	(20)	(114)
Realized losses from investments	(165)	(95)
Gains from transferred investments	**(507)**	**(269)**
Other non-underwriting income	**-**	**-**
Other non-underwriting expenses	**-**	**(1)**
Non-recurring income/(loss)	**(10)**	**(1)**
Employee profit sharing	**-**	**(1)**
Income taxes	**(30)**	**15**
NET INCOME FOR THE YEAR	**908**	**499**
NET EARNINGS PER SHARE *(In EUR)*	**4.85**	**2.58**

4. OFF-BALANCE SHEET COMMITMENTS

In EUR millions		Related companies	Other	2019	2019 of which mergers contributions after eliminations*	2018
COMMITMENTS RECEIVED	**5.3.8**	**18**	**3,196**	**3,214**	**(5,147)**	**8,173**
Rate swaps		-	-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	677	677	-	550
Foreign currency forward purchases		2	2,070	2,072	1,279	678
Confirmed credit		-	150	150	-	-
Letters of credit (unused portion)		-	155	155	-	197
Endorsements and sureties		-	3	3	-	5
Securities pledged from ceding companies		-	141	141	300	-
Parental guarantees		-	-	-	(6,637)	6,637
Lease		16	-	16	(89)	106
COMMITMENTS GIVEN	**5.3.8**	**9,311**	**5,706**	**15,017**	**(2,378)**	**19,145**
Endorsements, sureties and credit guarantees given		**18**	**17**	**35**	**-**	**40**
Endorsements, sureties		18	17	35	-	40
Letters of credit		-	-	-	-	-
Investment securities and assets acquired with commitment for resale		**-**	**-**	**-**	**-**	**-**
Other commitments on investment securities, assets or revenues		**282**	**797**	**1,079**	**179**	**700**
Rate swaps		-	-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	617	617	-	504
Underwriting commitments		135	180	315	179	186
Trust assets		147	-	147	-	10
Other commitments given		**9,011**	**4,892**	**13,903**	**(2,557)**	**18,405**
Securities pledged to ceding companies		43	2,521	2,564	2,619	11
Marketable securities pledged to financial institutions		-	311	311	216	-
Contract termination indemnities		-	-	-	-	-
Foreign currency forward sales		2	2,043	2,045	1,306	676
Parental guarantees		8,812	-	8,812	(6,706)	17,521
Lease		154	17	171	8	197
COLLATERAL RECEIVED FROM RETROCESSIONAIRES		**-**	**944**	**944**	**923**	**-**

** Mergers contributions from SCOR Global Life, SCOR Global P&C and SCOR Holding Switzerland.*

Various financial institutions provide sureties for SCOR SE 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 755 million, of which EUR 664 million coming from the merger as at December 31, 2019 (EUR 4 million in 2018).

5. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

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5.1. ACCOUNTING POLICIES

The corporate financial statements for the year ended December 31, 2019 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 No. 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 No. 2016-12 of December 12, 2016. In the absence of specific provisions in the aforementioned ANC regulation No. 2015-11, the provisions of ANC regulation No. 2014-03 relating to the general accounting plan (Plan Comptable Général – PCG) are applicable.

5.1.1. 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;
- Non-Life goodwill is depreciable over 10 years.
- Life goodwill relating to the value of life business acquired in mergers is not amortized but impaired if the carrying value is higher than the net present value of the portfolio. An impairment test is performed annually;
- renewal rights acquired from SCOR Switzerland AG.

5.1.2. 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 the revaluated net assets value including the value of Life reinsurance portfolio and the forecasts of future profits in Non-Life reinsurance, net of taxes.

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, 2019 are detailed in 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 regulation No. 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.

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 regulation No. 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.

Cash deposited with ceding companies

Within the framework of reinsurance treaties, the ceding companies can request cash deposits to guarantee the technical provisions ceded to the reinsurer. The receivables representing those cash deposits are recorded in the item "Cash deposited with ceding companies" on the asset side of the balance sheet or in the item "Investments in associates" if the ceding company is an associate company, according to the Reinsurance accounting plan (*Plan Comptable Assurance*). The remuneration of the cash deposits is contractually stipulated and at each closing date accrued interest on the cash deposited with ceding companies is recorded in the item « Accounts receivable from reinsurance transactions » on the asset side of the balance sheet.

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 5.2.1.

Based on the calculations performed, such reserve was neither required nor recorded in the financial statements for 2019 or 2018.

5.1.3. 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.

5.1.4. 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.

5.1.5. 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 out in the form of lump sum capital 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: 0.56%, 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 ("Conseil National de la Comptabilité") Opinion No. 2004-05 dated March 25, 2004 requires the recognition of a provision for long-term service awards as from 2004.

In its Opinion No. 2008-17 dated November 6, 2008 relating to the accounting of stock options and free share allocation plans, the CNC ("Conseil National de la Comptabilité") 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.

5.1.6. FINANCIAL LIABILITIES AND SUBORDINATED LIABILITIES

This caption includes the various subordinated or unsubordinated notes issued by the Company as described in 5.2.4.

Debt issuance costs are amortized over the life of the respective borrowings. Interest on financial liabilities is included in financial expenses.

5.1.7. 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 regulation No. 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 consideration 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 on the balance sheet.

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". Technical provisions ceded to retrocessionaires are shown within assets on the balance sheet.

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 as of the reporting date.

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 regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC).

As a result:

- the deposit portion of the treaty as well as receivables and liabilities with the ceding company are the only balances recognized on the balance sheet;
- treaty income is fully recognized in financial income.

Risk transfer testing is applied to every newly underwritten treaty as well as during an annual review of contractual conditions, which determines whether a treaty is to be accounted for as a finite reinsurance or standard reinsurance contract transferring significant insurance risk.

Outgoing/incoming Life portfolios

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 withdrawals and portfolio entries are recorded as outgoing/incoming premium/claim portfolios that offset the cancellation of underwriting reserves pertaining to those commitments.

The following is applicable:

- outgoing or incoming premium portfolios in consideration of the cancellation of unearned premium reserves. These portfolio transfers are included in premiums in the income statement.
- outgoing or incoming claim portfolios in consideration of all other underwriting reserves. These portfolio transfers are included in benefits and costs paid in the income statement.

Outgoing/incoming portfolios Non-Life

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.

5.1.8. UNDERWRITING RESERVES

Non-Life business

An unearned premium reserve is calculated either *prorata 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.

A provision for claims handling expenses was recorded for EUR 9.6 million in 2019.

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.

The provision for increasing risk is recorded in the item "Other underwriting reserves" as liabilities on the balance sheet.

5.1.9. 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 usually not deferred.

5.1.10. 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 rules relating to the accounting of transactions in foreign currencies by entities subject to the Insurance Code as required by the CRC 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 instruments) 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 instruments", 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 5.3.2.

Differences in interest on forward contracts are recorded over the effective life of the hedged operation.

5.1.11. 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.

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 410-1 and followings of regulation No. 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.

5.1.12. DERIVATIVES 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.

Pursuant to CRC Opinion No. 2002-09 dated December 12, 2002, SCOR uses fair value as accounting method for forward contracts, puts and calls on financial instruments forming part of a yield strategy.

Such instruments may include cross-currency 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 interests 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.

In the accounts of the company, those instruments are considered foreign exchange hedging operations.

5.1.13. CATASTROPHE BONDS – DERIVATIVE INSTRUMENT

Atlas IX

On February 10, 2015 SCOR sponsored a catastrophe bond, Atlas IX Series 2015-1, which provides the Group with multi-year risk transfer capacity of USD 150 million for US named storms and US & Canada earthquake events. The issuer of the cat bond, Atlas IX Capital Limited, is a limited liability company created on August 2, 2013. The risk period for Atlas IX 2015-1 runs from February 11, 2015 to December 31, 2018.

On January 13, 2016 SCOR sponsored a catastrophe bond, Atlas IX Series 2016-1, which provides the Group with multi-year risk transfer capacity of USD 300 million for US named storms and US & Canada earthquake events. The risk period for Atlas IX 2016-1 runs from January 13, 2016 to December 31, 2019.

Atlas Capital UK

Since June 1, 2019 SCOR sponsored a new catastrophe bond, Atlas Capital UK 2019 PLC, which provides the Group with multi-year risk transfer capacity of USD 250 million for US named storms, earthquakes in the US & Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 runs from June 1, 2019, to May 31, 2023.

Accounting

The fair value of Cat bond Atlas IX Series 2016-1 and Atlas Capital UK 2019 PLC is presented in "Other receivables" in the balance sheet and the payment of interests in “Other liabilities”. The change in fair value is recorded in "Other expenses/Other operating income".

Cat bonds amortization stands at USD 45 million (EUR 38 million) in 2019 compared to USD 30 million (EUR 24 million) in 2018.

SCOR benefited in 2019 of an additional recovery of USD 13 million (EUR 12 million) with regards to Atlas IX 2015-1, following the exceptional series of large natural catastrophes that occurred during the second half of 2017. As a reminder, the recovery in 2018 related to Atlas IX 2015-1 amounted to USD 26 million (EUR 23 million).

The recovery impacts are recognized in other operating income and expenses.

5.1.14. CATASTROPHE BOND – REINSURANCE CONTRACT

Atlas Capital UK

On June 1, 2018, as part of its policy of diversifying its capital protection tools, SCOR sponsored a new catastrophe bond (“cat bond”), Atlas Capital UK 2018 PLC, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the U.S., earthquakes in the U.S. and Canada, and windstorms in Europe.

The risk period for Atlas Capital UK 2018 runs from June 1, 2018, to May 31, 2022.

Accounting

In statutory accounts, the contract is accounted for as a reinsurance contract.

5.1.15. QUOTA SHARE RETROCESSION AGREEMENT

Mangrove Insurance PCC Limited – Quota Share Longevity Retrocession Agreement

On December 18, 2019, as part of its policy of diversifying its capital protection tools, SCOR entered into a structured retrocession transaction with Mangrove Insurance PCC Limited, which provides the Group with a multi-year source of retrocessional capacity. The transaction covers longevity risks arising from nine existing in-force reinsurance treaties with clients in the United Kingdom. The risk period for Mangrove Insurance PCC Limited runs from October 1, 2019 until October 1, 2031.

Accounting

The contract has been accounted for as a reinsurance contract.

5.2. ANALYSIS OF KEY BALANCE SHEET ITEMS

5.2.1. INVESTMENTS

Changes in investments

Gross Balances

In EUR millions	Opening balances	Mergers contributions after eliminations*	Impact of foreign exchange on opening balances	Acquisitions creations	Disposals	Closing balances
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Shares in and advances to land and real estate companies	287	374	-	29	65	626
Investments in affiliates	4,615	3,335	-	413	8	8,355
Cash deposited with ceding companies (related and associated companies)	1,758	463	(3)	-	1,618	600
Loans (related and associated companies)	1,576	(543)	-	318	558	793
Other investments	1,156	4,308	51	4,193	3,812	5,896
Cash deposited with other ceding companies	-	5,784	(5)	179	-	5,958
TOTAL	**9,392**	**13,721**	**43**	**5,132**	**6,061**	**22,228**

Depreciation and Impairment

In EUR millions	Opening balances	Mergers contributions after eliminations*	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	2	-	-	-	3
Investments in affiliates	3	1,423	-	4	3	1,427
Loans (related and associated companies)	-	-	-	-	-	-
Other investments	-	6	-	7	-	13
TOTAL	**4**	**1,431**	**-**	**11**	**3**	**1,443**

** Mergers contributions from SCOR Global Life SE, SCOR Global P&C SE and SCOR Holding Switzerland AG.*

Shares in and advances to land and real estate companies

The increase recorded on real estate investments during the year corresponds mainly to merger contributions from SCOR Global P&C SE for EUR 248 million and SCOR Global Life SE for EUR 126 million.

Investments in affiliates

The increase in investments in affiliates during the year is mainly driven by contributions from SCOR Global P&C SE and SCOR Global Life SE following the merger for EUR 1,895 million; by contributions from SHS following the merger for EUR 1,440 million; by the capital increase of SCOR SE in its subsidiary SCOR Global Life America (SGLA) for USD 423 million (EUR 371 million) and the capital increase of SCOR SE in its subsidiary SCOR Investment Partners SE for EUR 13 million.

On November 12, 2019, SCOR SE sold 100% of SGF shares to its subsidiary SCOR Capital Partners for EUR 4 million.

At December 31, 2019, provisions against such investments can be analyzed as follows:

- EUR 1,398 million from the merger with SCOR Switzerland Holding;
- EUR 25 million from the merger with SCOR Global P&C SE and SCOR Global Life.
- SCOR Underwriting Limited: EUR 4 million in 2019.

Cash deposited with ceding companies

At December 31, 2019, cash deposited with ceding companies breaks down as follows:

- Claims for cash deposited contributed by the merger amounted to EUR 6,247 million
- SCOR Reinsurance Company: EUR 81 million ;
- SCOR RE (ASIA) Hong Kong: EUR 13 million ;
- SCOR Global Life Australia: EUR 54 million.

Loans

- The USD 425 million (EUR 371 million) of cash advance to SCOR Global Life America has been converted into capital.
- The cash advance to SCOR GIE Informatique increased by EUR 86 million.
- The cash advance to SGLA Reinsurance Company increased by EUR 19 million.
- The cash advance to SCOR Capital Partners SAS increased by EUR 18 million.

Other investments

Other investments consist mainly of bonds for EUR 3,759 million, mutual funds for EUR 1,542 million, other shares and other variable income securities for EUR 446 million, marketable debt instruments for EUR 41 million and deposits with credit institutions for EUR 109 million.

During the year, the change in "Other investments" was mainly explained by the mergers contribution for EUR 4,308 million, and a net increase of EUR 434 million mainly due to an increase in shares and other variable income securities for EUR 165 million, bonds and similar listed securities for EUR 229 million and treasury bills for EUR 41 million and a decrease in unsecured loans for EUR 2 million.

Statement of investments

In EUR millions	Gross value	Net book value	Realizable value	Unrealized gains and losses
1 – Real estate investments and real estate investments in process	626	623	866	243
2 – Shares and other variable-income securities (other than mutual fund units)	8,529	7,097	11,935	4,838
3 – Mutual funds units (other than those in 4)	271	270	314	44
4 – Mutual fund units exclusively invested in fixed-income securities	1,541	1,540	1,722	182
5 – Bonds and other fixed-income securities	3,800	3,794	3,840	46
6 – Mortgage loans	-	-	-	-
7 – Other loans and similar bills	794	794	794	-
8 – Deposits with ceding companies	6,558	6,558	6,558	-
9 – Cash deposits (other than those in 8) and security deposits	109	109	109	-
10 – Unit-linked investments	-	-	-	-
Sub-total	**22,228**	**20,785**	**26,138**	**5,353**
11 – Other forward instruments	-	-	-	-
• Investment or divestment strategy	-	-	-	-
• Anticipation of investment	-	-	-	-
• Yield strategy	176	176	176	-
• Other transactions	-	-	-	-
• Amortization premium/discount	(23)	(23)	(23)	-
12 – TOTAL LINES 1 TO 11	**22,381**	**20,938**	**26,291**	**5,353**
a) including:	-	-	-	-
• investments valued according to Article R.343-9	3,635	3,628	3,666	38
• investments valued according to Article R.343-10	18,570	17,134	22,449	5,315
• investments valued according to Article R.343-13	-	-	-	-
• forward instruments	176	176	176	-
b) including:	-	-	-	-
• investments and forward instruments issued in OECD countries	20,709	19,273	24,282	5,009
• investments and forward instruments issued in non-OECD countries	1,672	1,665	2,009	344

Forward instruments

In EUR millions	Strategy	Maturity	Asset position	Liability position	Gains and losses realized on derivatives	Margin call on collateral
Foreign currency hedging: Forward trades	Yield	less than 1 year	47	14	(24)	(28)
Foreign currency hedging: Cross currency swaps	Yield	more than 5 years	57	-	15	(78)
Forward instrument: Cat bond	Yield	between 1 to 5 years	86	-	(38)	-
TOTAL			**190**	**14**	**(47)**	**(106)**

Subsidiaries and affiliates

Investments in affiliates

On June 13, 2019, SCOR SE carried out a new participation in SCOR Realty Singapore for SGD 10 million (EUR 6.5 million).

As of December 31, 2019, affiliates subject to impairment break down as follows:

- SCOR Switzerland AG for EUR 1,386 million;
- SCOR P&C Ireland Holding LTD for EUR 13 million;
- SCOR Services Switzerland AG for EUR 11 million;
- Revios Canada Holding Corporation LTD for EUR 11 million;
- SCOR Underwriting LTD for EUR 4 million.

Loans and advances to subsidiaries

As of December 31, 2019, loans and advances granted by SCOR SE to its subsidiaries amounted to EUR 790 million, breaking down as follows:

- EUR 284 million with SCOR GIE Informatique;
- CHF 125 million (EUR 114 million) with SCOR Switzerland AG;
- EUR 112 million with SCOR Capital Partners SAS;
- EUR 102 million with SCOR Auber SA;
- USD 65 million (EUR 59 million) with SCOR US Corporation;
- USD 55 million (EUR 50 million) with SGLA Reinsurance Company;
- USD 40 million (EUR 36 million) with SCOR Reinsurance Asia-Pacific Pte LTD;
- SGD 18 million (EUR 12 million) with SCOR Realty Singapore Pte LTD;
- EUR 9 million with ReMark Group BV;
- SGD 8 million (EUR 5 million) with SCOR Services Asia-Pacific Pte LTD;
- EUR 3 million with SCOR Management Services Ireland LTD;
- EUR 2 million with Rehalto;
- USD 2 million (EUR 1 million) with GIE Colombus;
- EUR 1 million with Hokodo.

As of December 31, 2018, loans and advances granted by SCOR SE to its subsidiaries amounted to EUR 1,576 million, breaking down as follows:

- EUR 732 million with SCOR Global Life SE;
- EUR 400 million with SCOR Global P&C SE;
- EUR 199 million with SCOR GIE Informatique;
- CHF 125 million (EUR 110 million) with SCOR Holding Switzerland AG;
- EUR 94 million with SCOR Capital Partners SAS;
- USD 40 million (EUR 35 million) with SCOR Reinsurance Asia-Pacific Pte LTD;
- SGD 8 million (EUR 5 million) with SCOR Services Asia-Pacific Pte LTD;
- USD 1 million (EUR 1 million) with GIE Colombus.

Name *(Amounts in EUR millions)*	Original currency *(in OC)**	Share capital(1) *(in OC)**	Reserves(1) *(in OC)**	Share of capital
A-RELATED ENTITIES: DETAILED INFORMATION				
• SCOR CHANNEL LTD GY1 1GX St Peter Port, Guernesey	EUR	-	1	99.98%
• SCOR UK GROUP LTD LUC 3 Minster Court, Mincing Lane, London EC3R 7DD	GBP	33	-	100.00%
• SCOR UNDERWRITING LTD 10 Lime Street EC3M 7AA, London	GBP	13	(7)	100.00%
• SCOR MANAGEMENT SERVICES IRELAND LTD 6th floo , 2 Grand Canal Square, Dublin 2	EUR	-	-	100.00%
• M&S BRAZIL PARTICIPACOES LTDA Av. Rio Branco 1, Sala 1711, 20090-003 Rio de Janeiro – Brésil	BRL	42	2	100.00%
• SCOR CAPITAL PARTNERS SAS 5 avenue Kléber, 75116 Paris, France	EUR	197	(6)	100.00%
• SCOR REALTY SINGAPORE PTE LTD 160 Robinson Road, SBF Center, Singapore 068914	SGD	18	(6)	83.18%
• SCOR EUROPE SE 5 avenue Kléber, 75116 Paris, France	EUR	15	-	100.00%
• SCOR SWITZERLAND ASSET SERVICES AG General Guisan-Quai 26, 8022 Zurich, Switzerland	EUR	517	1	100.00%
• SCOR SERVICES SWITZERLAND AG General Guisan-Quai 26, 8022 Zurich, Switzerland	CHF	4	(41)	100.00%
• SCOR AFRICA LTD 2nd Floor, West Tower, Maude Street, Nelson Mandela Square, Sandton 2196, South Africa	ZAR	345	2	100.00%
• SCOR AUBER SAS 5 avenue Kléber, 75116 Paris, France	EUR	54	10	100.00%
• SCOR P&C IRELAND HOLDING LTD 36 Lower Baggot Street Dublin 2, Ireland	EUR	14	(1)	100.00%
• SCOR INVESTMENT PARTNERS SE 5 avenue Kléber, 75116 Paris, France	EUR	16	14	100.00%
• SCOR PERESTRAKHOVANIYE.O.O.O. 10 Nikolskaya Street, 109012, Moscou, Russian Federation	RUB	809	978	100.00%
• FIDUCIE c/o BNP PARIBAS SECURITIES SERVICES, 9 rue du débarcadère, 93500 Pantin, France	USD	131	21	100.00%
• MRM 5 avenue Kléber, 75116 Paris, France	EUR	93	(8)	59.90%
• REMARK GROUP BV World Trade Centre Zuidplein 214, Amsterdam, 1077XV Amsterdam, Pays-Bas	EUR	2	56	100.00%
• SCOR GLOBAL LIFE REINSURANCE IRELAND DAC 28,29 Sir John Rogersons Quay 2 Dublin, Ireland	USD	984	776	100.00%
• SCOR GLOBAL LIFE AUSTRALIA Level 33, O' Connell Street NSW, Sydney NSW 2000, Australia	AUD	145	5	100.00%
• SCOR SWITZERLAND AG General Guisan-Quai 26, 8022 Zurich, Switzerland	EUR	735	532	100.00%
• SCOR US CORPORATION 199 Water Street, New York, NY 10038-3526 USA	USD	2,000	(339)	100.00%
• SCOR CANADA REINSURANCE COMPANY BCE Place TD Canada Trust Power 161, Bay Street, Suite 5000 PO Box 615 Toronto, ONTARIO M5J 2S1	CAD	30	121	100.00%
• SCOR BRASIL PARTICIPACOES LTDA Avenida Paisagista José Silva de Azevedo Neto, 200 – Bloco 4 – Sala 404 Barra de Tijuca – Rio de Janeiro – Brasil	BRL	102	-	100.00%
• REVIOS CANADA HOLDING CORP. LTD c/o Lang Michener, Brookfield Place, 181 Bay st eet, suite 2500, M51 2T7 Toronto, Canada	CAD	1	38	100.00%
• SCOR GLOBAL LIFE AMERICAS HOLDING INC. 101 South Tryon Street – 28280 Charlotte, USA	USD	1,238	(49)	100.00%
• SCOR REINSURANCE COMPANY ASIA LTD 3201-3210 Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong	USD	28	200	100.00%
• SCOR REINSURANCE ASIA PACIFIC PTE LTD 143 Cecil Street, 20-01 / GB Building Singapore, 69542 Singapour	USD	74	(47)	100.00%
• SCOR SERVICES ASIA-PACIFIC PTE. LTD 160 Robinson Road, SBF Center, Singapore 068914	SGD	1	(5)	100.00%
TOTAL A				
B- ENTITIES WITH EQUITY INTEREST				
• In France				
• Other than in France				
TOTAL B				
TOTAL				

(1) Data based on 2019 IFRS accounts.
(2) SCOR guarantees with limits as to the amounts listed above, the underwriting liabilities of its (re)insurance subsidiaries pertaining in particular to their obligations relative to the payment of claims.
(*) 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)
1	1	-	-	-	-	-	-
44	44	-	-	-	-	-	-
18	14	-	12	-	503	(7)	3
-	-	3	1	-	-	(2)	-
15	15	-	-	-	-	-	-
289	289	112	-	-	-	(2)	-
6	6	12	-	-	-	(2)	-
15	15	-	105	2	171	-	-
519	519	-	-	-	-	22	-
13	2	-	-	-	-	2	-
24	24	-	30	11	1,285	98	-
149	149	102	13	-	1	13	18
29	16	-	-	-	-	1	1
15	15	-	4	-	-	6	-
21	21	-	12	11	1,797	146	3
149	149	-	-	148	-	3	-
56	56	-	-	-	9	-	3
65	65	9	8	-	-	-	-
625	625	-	11	1,537	1,500	113	45
100	100	-	22	161	259	(9)	-
2,877	1,491	114	1	2,466	1,641	147	80
1,739	1,739	59	-	-	-	2	-
148	148	-	2	221	237	21	-
33	33	-	-	-	-	1	-
17	6	-	-	-	-	-	-
1,082	1,082	-	-	1,139	-	(27)	-
215	215	-	63	276	425	51	-
260	260	36	5	286	158	20	13
1	1	5	8	-	-	3	-
8,525	**7,100**	**452**	**297**	**6,258**			**166**
-	-	287	12	154			-
27	27	51	135	2,883			-
27	**27**	**338**	**147**	**3,037**			**-**
8,552	**7,127**	**790**	**444**	**9,295**			**166**

5.2.2. OTHER ASSETS

Property, plant and equipment and intangible assets

In EUR millions	Opening balances	Mergers contributions after eliminations*	Acquisitions/ creations	Disposals	Closing balances
Gross values	**143**	**726**	**12**	**(17)**	**864**
Intangible assets	**4**	**709**	**-**	**-**	**713**
Goodwill	4	471	-	-	475
Set-up costs	-	-	-	-	-
Other intangible assets	-	238	-	-	238
Property, plant and equipment	**139**	**17**	**12**	**(17)**	**151**
Deposits and security bonds	1	3	2	-	6
Equipment, furniture, fittings and fixtures	138	14	10	(17)	145
Depreciation, amortization and impairment	**(57)**	**(54)**	**(12)**	**8**	**(115)**
Other intangible assets (excluding goodwill)	(1)	(51)	(3)	-	(55)
Equipment, furniture, fittings and fixtures	(56)	(3)	(9)	8	(60)

** Mergers contributions from SCOR Global Life, SCOR Global P&C and SCOR Holding Switzerland.*

Treasury shares

As at December 31, 2019, the number of shares held as treasury shares amounted to 668,058 shares (0.36% of capital) for a total value of EUR 26,464,840. 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	9,137,286	2,040,057	(10,509,285)	668,058
Amount	337,921,306	77,997,210	(389,453,676)	26,464,840*

** SCOR SE has signed a share option agreement with BNPP to which a EUR 28 million premium was paid and shown on the balance sheet in Treasury shares.*

5.2.3. SHAREHOLDERS' EQUITY

The share capital comprising 187,049,511 shares with a par value per share of EUR 7.8769723 amounted to EUR 1,473,383,817 as at December 31, 2019.

In EUR millions	2018 Shareholders' equity before allocation	Mergers contributions after eliminations*	Income allocation	Other movements during the period	2019 Shareholders' equity before allocation
Capital	1,521	-	-	(48)	1,473
Additional paid-in capital	786	83	-	(191)	678
Legal reserve	74	-	-	-	74
Other reserves	57	-	-	-	57
Retained earnings	646	-	174	-	820
Net income	499	1,029	(499)	(121)	908
Regulated reserves	17	28	-	-	45
TOTAL	**3,600**	**1,140**	**(325)**	**(360)**	**4,055**

** Mergers contributions from SCOR Global LIFE SE, SCOR Global P&C SE and SCOR Holding Switzerland AG.*

- The EUR 499 million net income for 2018 was allocated to dividends for EUR 325 million and to retained earnings for EUR 174 million.
- The issuance of shares resulting from the exercise of stock options until December 31, 2019 for a total of EUR 10 million was allocated to share capital of the Company for EUR 4 million and to additional paid-in capital for EUR 6 million. The exercise of options resulted in the creation of 509,135 shares.
- During 2019, the Board decided upon a share capital and additional paid-in capital reduction by cancellation of 1,278,077 treasury shares for a total amount of EUR 48 million; in addition, 5,267,339 shares were cancelled under the share buy-back program for a total amount of EUR 200 million.
- On December 3, 2019, SCOR SE launched a new 3-year contingent capital facility with J. P. Morgan AG for EUR 300 million and issued 9,350,025 warrants in favor of JP Morgan AG. This equity line facility replaces, as of January 1,

2020, the previous contingent capital facility which came to an end on December 31, 2019.

Under the new arrangement, like in previous facilities, the protection would be triggered in case of natural catastrophes and in case of extreme life events.

5.2.4. SUBORDINATED LIABILITIES AND FINANCIAL LIABILITIES

		2019		2018	
In EUR millions	Maturity	Net book value	Fair value	Net book value	Fair value
SUBORDINATED LIABILITIES					
CHF 125 million	Perpetual	114	117	111	115
EUR 250 million	Perpetual	250	289	250	258
USD 625 million	Perpetual	569	572	554	455
USD 125 million	Perpetual	112	112	-	-
GBP 18 million	Perpetual	23	23	-	-
EUR 16 million	Perpetual	16	16	-	-
EUR 600 million	06/08/2046	602	683	602	600
EUR 250 million	06/05/2047	253	289	252	252
EUR 500 million	05/27/2048	509	605	508	518
EUR 159 million	02/11/2020	160	160	-	-
EUR 365 million	09/30/2020	233	233	-	-
TOTAL		**2,841**	**3,099**	**2,277**	**2,198**

The balance includes EUR 44 million of accrued interest (as at December 31, 2018: EUR 38 million).

Financial liabilities include:

Subordinated liabilities

- 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 3.70% thereafter.
- USD 625 million in fixed rate perpetual subordinated notes was issued on March 13, 2018. The notes are redeemable by SCOR from March 13, 2029 on an annual basis on the interest payment dates. The coupon has been set at 5.25% until March 13, 2029 and will be reset every 5 years thereafter at yield for U.S. Treasury Securities at constant Maturity (for a designated maturity of 5 years) plus the margin of 2.37%. The notes are hedged by a cross-currency swap.
- USD 125 million in fixed rate perpetual subordinated notes was issued on December 17, 2019. The notes are redeemable by SCOR from March 13, 2029 on an annual basis on the interest payment dates. The coupon has been set at 5.25% until March 13, 2029 and will be reset every 5 years thereafter at yield for U.S. Treasury Securities at constant Maturity (for a designated maturity of 5 years) plus the margin of 2.37%. The notes are hedged by a cross-currency swap.
- A subordinated debt of GBP 18 million (EUR 21 million) originally set up between the UK branch of SCOR Global P&C and SCOR Holding (UK) Ltd in December 18, 2014, with an interest rate of 4.70%.
- A subordinated debt of EUR 16 million originally set up between SCOR Global P&C and SCOR Global P&C Ireland Ltd in December 1, 2014, with an interest rate of 3.875%.
- On December 7, 2015, SCOR 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 June 5, 2015, SCOR 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 May 27, 2016, SCOR 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% until May 27, 2048, final redemption date.
- A subordinated debt of EUR 159 with a 6.20% interest rate towards SCOR Switzerland Asset Services (SSAG), maturing November 2, 2020.
- A subordinated loan of EUR 232 million between the German branch of SCOR SE and SCOR Switzerland Asset Services (initial principal amount: EUR 365 million out of which EUR 134 million were repaid), with a fixed interest rate of 6.20%, of which EUR 1 million in accrued interest at year-end.

Financial liabilities

- Debt of the German branch for EUR 15 million (EUR 15 million as of December 31, 2018).
- Debt of the Japanese branch for EUR 3 million.
- Loans granted to SCOR SE by its subsidiaries for EUR 193 million. Their breakdown as of December 31, 2019 is as follows:
  - EUR 97 million with SCOR Switzerland AG;
  - EUR 81 million with SCOR Auber SAS;
  - EUR 10 million with SCOR Investment Partners SE;
  - EUR 5 million with SCOR Europe SE.
- As of December 31, 2018, the breakdown was as follows:
  - EUR 33 million with SCOR Auber SAS;
  - EUR 10 million with SCOR Investment Partners SE;
  - EUR 3 million with SGF SAS.

For 2019, SCOR SE recognized EUR 13.7 million in financial income from loans with related companies and EUR 26.4 million in interest expenses on borrowings with related companies.

5.2.5. MATURITY OF ASSETS AND LIABILITIES

The maturity of assets and liabilities at December 31, 2019 is as follows:

	2019				2018
In EUR millions	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
ACCOUNTS RECEIVABLE	**2,397**	**2,397**	**-**	**-**	**2,638**
Accounts receivable from reinsurance transactions	**2,192**	**2,192**	**-**	**-**	**2,470**
Other accounts receivable	**205**	**205**	**-**	**-**	**168**
Employee and other related receivable	-	-	-	-	-
Taxes and related receivable	81	81	-	-	77
Receivables on related companies and other affiliates	30	30	-	-	82
Other	94	94	-	-	9
ACCOUNTS PAYABLE	**5,642**	**3,179**	**15**	**2,448**	**6,432**
Subordinated liabilities	**2,841**	**393**	**-**	**2,448**	**2,277**
Cash deposits received from retrocessionaires	**1,051**	**1,051**	**-**	**-**	**420**
Other liabilities	**1,750**	**1,735**	**15**	**-**	**3,735**
Liabilities arising from reinsurance operations	1,085	1,085	-	-	3,534
Other loans, deposits and guarantees received	210	195	15	-	61
Employee and other related payable	45	45	-	-	27
Taxes and other related payable	69	69	-	-	22
Payables on related companies and other affiliates	54	54	-	-	12
Other	287	287	-	-	79

5.2.6. CONTINGENCY RESERVES

Gross Balances

In EUR millions	Opening balance	Mergers contributions after eliminations*	Increase	Use over the period	Reversal without use	Closing balance
Retirement provisions	96	37	22	(7)	-	148
Free share allocation plans	54	11	15	(37)	-	43
Long service awards	-	1	-	(1)	-	-
Other provisions	27	13	15	-	-	55
TOTAL	**177**	**62**	**52**	**(45)**	**-**	**246**

** Mergers contributions from SCOR Global Life, SCOR Global P&C and SCOR Holding Switzerland.*

Contingency reserves amount to EUR 246 million, of which:

- EUR 43 million for free share allocation plans with the following maturities: EUR 18 million at 2020, EUR 15 million at 2021, EUR 10 million at 2022 and beyond;
- EUR 148 million in reserves for post-employment benefits: retirement provisions (EUR 61 million), supplementary retirement (EUR 87 million);
- EUR 55 million in other provisions.

5.2.7. GROSS UNDERWRITING RESERVES

In EUR millions	2019	2019 of which mergers contributions*	2018	2017
Reinsurance reserves (Life)	3,437	3,351	2	359
Loss reserves (Life)	876	2,229	-	253
Unearned premiums reserves (Non-Life)	1,552	784	639	593
Loss reserves (Non-Life)	9,932	6,266	2,361	2,434
Other underwriting reserves (Non-Life)	1,951	1,761	6	726
Equalization reserves (Non-Life)	22	39	5	28
GROSS UNDERWRITING RESERVES	**17,770**	**14,430**	**3,013**	**4,393**

** Mergers contributions from SCOR Global Life, SCOR Global P&C and SCOR Holding Switzerland.*

Besides the impact of the 3SE merger which explains EUR 14,430 million out of a EUR 14,757 million evolution, the gross underwriting reserves increase by EUR 327 million. For gross technical reserves (Non-Life) the increase of EUR 1,596 million is mainly due to the increase in outstanding loss reserves for EUR 1,389 million, part of loss reserves (Non-Life). For gross technical reserves (Life), the decrease of EUR 1,269 million is mainly driven by the decrease in outstanding loss reserves for EUR 1,176 million.

5.2.8. ACCRUED INCOME AND DEFERRED EXPENSES

The analysis of accrued income and deferred expenses at December 31, 2019 is as follows:

	Assets		Liabilities	
In EUR millions	2019	2018	2019	2018
Due and accrued interests on rental income	41	30	-	-
Deferred acquisition costs – Non-Life	335	153	-	-
Deferred commissions received from reinsurers	-	-	142	57
Other accruals	116	51	48	9
TOTAL	**492**	**234**	**190**	**66**

The item "Reinsurance estimates – assumed" is presented in "Accounts receivable from reinsurance transactions", whereas the item "Reinsurance estimates – ceded" is presented in "Liabilities arising from reinsurance operations".

The breakdown of the reinsurance estimates – assumed is as follows as at December 31, 2019:

- reinsurance estimates — assumed — Life (EUR (9) million) includes premiums for EUR 1,043 million, commissions payable for EUR (273) million, claims payable amounting to EUR (857) million, and EUR 78 million of accrued interest on the cash deposit;
- reinsurance estimates — assumed — Non-Life (EUR 1,328 million) includes premiums for EUR 2,257 million, EUR (495) million of commissions payable, claims payable for EUR (485) million and EUR 51 million of accrued interest on the cash deposit.

The breakdown of other accruals mainly consists of, as at December 31, 2019:

- cross-currency swaps for EUR 58 million, premium/discount for EUR 11 million and foreign exchange derivative instruments for EUR 47 million as assets;
- foreign exchange derivative instruments for EUR 15 million and premium/discount for EUR 33 million as liabilities.

5.2.9. TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND OTHERS

	2019				2018			
In EUR millions	Related companies	Other affiliates	Other	Total	Related companies	Other affiliates	Other	Total
ASSETS (GROSS)								
Investments	**9,993**	**34**	**12,201**	**22,228**	**8,153**	**-**	**1,239**	**9,392**
Investment properties	580	-	46	626	205	-	82	287
Shares other than variable — income securities and bonds	8,022	34	6,087	14,143	4,614	-	1,048	5,662
Loans	791	-	110	901	1,576	-	1	1,577
Cash deposits with ceding companies	600	-	5,958	6,558	1,758	-	108	1,866
Share of retrocessionaires in underwriting reserves	**2,212**	**-**	**998**	**3,210**	**595**	**-**	**-**	**595**
Accounts receivable	**445**	**-**	**1,952**	**2,397**	**1,685**	**-**	**953**	**2,638**
Accounts receivable from reinsurance transactions	358	-	1,834	2,192	1,567	-	903	2,470
Other accounts receivable	87	-	118	205	118	-	50	168
Other assets	**53**	**-**	**380**	**433**	**337**	**-**	**149**	**486**
Accrued income and deferred expenses	**48**	**-**	**444**	**492**	**78**	**-**	**156**	**234**
Accrued interests and rent	6	-	35	41	16	-	14	30
Deferred acquisition costs — assumed (Non-Life)	42	-	293	335	56	-	97	153
Other assumed reinsurance transactions	-	-	-	-	-	-	-	-
Other accruals	-	-	116	116	6	-	45	51
EQUITY AND LIABILITIES								
Subordinated liabilities	**432**	**-**	**2,409**	**2,841**	**-**	**-**	**2,277**	**2,277**
Gross underwriting reserves	**2,355**	**-**	**15,415**	**17,770**	**1,921**	**-**	**1,092**	**3,013**
Contingency reserves	**-**	**-**	**246**	**246**	**-**	**-**	**177**	**177**
Cash deposits received from retrocessionaires	**824**	**-**	**227**	**1,051**	**420**	**-**	**-**	**420**
Other liabilities	**688**	**-**	**1,062**	**1,750**	**2,992**	**-**	**743**	**3,735**
Liabilities arising from reinsurance operations	443	-	642	1,085	2,928	-	606	3,534
Financial liabilities	195	-	15	210	46	-	15	61
Other creditors	50	-	405	455	18	-	122	140
Deferred income and accrued expenses	**133**	**-**	**57**	**190**	**57**	**-**	**9**	**66**
Deferred commissions received from reinsurers (Non-Life)	133	-	9	142	57	-	-	57
Reinsurance estimates — retrocession	-	-	-	-	-	-	-	-
Other accruals	-	-	48	48	-	-	9	9

	2019				2018			
In EUR millions	Related companies	Other affiliates	Other	Total	Related companies	Other affiliates	Other	Total
Other accounts receivable	**87**	**-**	**118**	**205**	**118**	**-**	**50**	**168**
Accounts receivable for Atlas Cat bonds	-	-	85	85	-	-	-	-
Cash advances granted	21	-	-	21	82	-	-	82
Transfer pricing receivables	29	-	-	29	10	-	-	10
Miscellaneous	37	-	33	70	26	-	50	76
Other debts	**50**	**-**	**405**	**455**	**18**	**-**	**122**	**140**
Derivative instrument liabilities for Atlas Cat bonds	-	-	92	92	-	-	-	-
Cash advances granted	5	-	-	5	12	-	-	12
Transfer pricing payables	38	-	-	38	-	-	-	-
Miscellaneous	7	-	313	320	6	-	122	128

5.2.10. ASSETS – LIABILITIES BY CURRENCY

Currency *In EUR millions*	Assets 2019	Liabilities 2019	Surplus 2019	Surplus 2018
Euro	15,401	17,934	(2,533)	78
US dollar	6,837	4,402	2,435	(466)
Pounds sterling	987	1,071	(84)	30
Swiss franc	353	345	8	8
Japanese yen	250	631	(381)	(8)
Australian dollar	231	149	82	(2)
Yuan	1,309	1,075	234	236
New-Zealand dollar	13	18	(5)	(2)
Other currencies	2,522	2,278	244	126
TOTAL	**27,903**	**27,903**	**-**	**-**

5.3. ANALYSIS OF KEY INCOME STATEMENT ITEMS

5.3.1. BREAKDOWN OF PREMIUMS AND COMMISSIONS

Breakdown of premiums by geographical area

In EUR millions	2019	2018
France	1,057	452
North America	788	171
South America	128	108
Asia	1,530	1,087
Europe	3,375	392
Africa	23	66
Rest of the world	610	124
TOTAL	**7,511**	**2,400**

Portfolio development

	2019			2018		
In EUR millions	Prior years	2019	Total	Prior years	2018	Total
Premiums	**537**	**6,959**	**7,496**	**359**	**2,085**	**2,444**
Portfolio entries	12	86	98	-	16	16
Portfolio transfers	33	(116)	(83)	(54)	(6)	(60)
Movements	**45**	**(30)**	**15**	**(54)**	**10**	**(44)**
TOTAL	**582**	**6,929**	**7,511**	**305**	**2,095**	**2,400**

Change in commissions

In EUR millions	2019	2018
Commissions – assumed	1,541	675
Commissions – retroceded	(538)	(176)
TOTAL	**1,003**	**499**

5.3.2. ANALYSIS OF INVESTMENT INCOME AND EXPENSES

	2019			2018		
In EUR millions	Related companies	Other	Total	Related companies	Other	Total
Revenues from securities	192	1,040	1,232	602	1	603
Revenues from other investments	54	256	310	133	34	167
Other revenues	3	7	10	-	1	1
Realized gains	-	129	129	11	5	16
Total investment income	**249**	**1,432**	**1,681**	**746**	**41**	**787**
Management and financial costs	69	115	184	-	9	9
Other investment expenses	4	24	28	21	93	114
Realized losses	2	184	186	-	95	95
TOTAL INVESTMENT EXPENSES	**75**	**323**	**398**	**21**	**197**	**218**

Dividends received from subsidiaries amount to EUR 166 million and mainly include SCOR Services Switzerland AG (EUR 80 million), SCOR Global Life Ireland (EUR 45 million), SCOR Auber SAS (EUR 18 million), SCOR Reinsurance Asia-Pacific Pte Ltd (EUR 13 million), MRM (EUR 3 million), SCOR Underwriting Limited (EUR 3 million) and SCOR Perestrakhovaniye (EUR 3 million).

Foreign currency transactions

Foreign exchange income amounts to a EUR 3.1 million gain in 2019 compared to a EUR 4.4 million loss in 2018.

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 exposure, foreign currency forward transactions are entered into to hedge main currency surpluses in the balance sheet and are adjusted during the year for material arbitrage transactions involving currencies. Hedges include foreign currency spot trades, forward trades and options.

5.3.3. ANALYSIS OF GENERAL EXPENSES BY TYPE AND NON-RECURRING INCOME OR LOSS

General expenses by nature

In EUR millions	2019	2018
Salaries	139	136
Pensions	23	4
Payroll taxes	33	25
Other	24	5
Total personnel expenses	**219**	**170**
Other general expenses	432	227
TOTAL GENERAL EXPENSES BY TYPE	**651**	**397**
Workforce		
Executives – Paris	671	259
Employees/Supervisors – Paris	75	30
Employees/branches	452	528
TOTAL CURRENT WORKFORCE	**1,198**	**817**

The teams of SCOR Global Life SE and SCOR Global P&C SE have been integrated in SCOR SE with the merger on January 1, 2019, bringing the total headcount to 1,159 (645 executives and 82 employees in Paris, 432 in branches).

Non-recurring result

The non-recurring loss amounted to EUR (10) million mainly due to the following items:

- recovery on the collection management contract with Unistrat for EUR 3 million. This profit relates to previous financial years;
- litigation provision for EUR (13) million.

It breaks down into non-recurring income for EUR 13 million and non-recurring expenses for EUR (23) million. The transfer of assets from the London branch to SCOR Services UK Ltd impacts both the expenses and the income for EUR 8 million.

5.3.4. ANALYSIS OF INCOME TAX

The Group in France is consolidated for tax purposes and is composed of SCOR SE as the parent company of the tax group, SCOR Investment Partners SE, SCOR Europe SE, ReMark France SAS, SCOR Auber SAS and its subsidiaries: Mondot Immobilier SAS, Marbot Real Estate SAS and SAS DB Caravelle, SCOR Capital Partners SAS and its subsidiaries: Marbot Management SAS, Château Mondot SAS and Les Belles Perdrix de Trolong Mondot EURL. 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 1,205 million as at December 31, 2019 (EUR 1,117 million as at December 31, 2018).

The 2019 corporate tax loss of EUR (29.6) million relates mainly to:

- the contribution of subsidiaries that are consolidated for tax purposes of EUR 19.6 million;
- tax credit for the tax group for EUR 2.0 million;
- tax expense for previous financial years for EUR (0.9) million, including tax audit settlements;
- Income tax expense from SHS following the merger with SCOR SE for EUR (0.8) million;
- income tax expense from the branches for EUR (49.5) million, mainly from Germany EUR (25.6) million, Italy EUR (10.2) million, Singapore EUR (3.5) million and Argentina EUR (3.4) million

5.3.5. STOCK OPTIONS

The table below summarizes the status of the various stock option plans in force in 2019:

Plan	Date of Shareholders' Meeting	Date of Board of Directors meeting	Number of options open to subscription	Of which to corporate office s	Date of availability of options
2009	05/07/2008	03/16/2009	1,399,500	125,000	03/23/2013
2009	04/15/2009	04/15/2009	88,500	NA	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	NA	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	NA	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	NA	10/03/2017
2013	04/25/2013	11/05/2013	25,000	NA	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	NA	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	NA	12/19/2019
2016-1	04/30/2015	02/23/2016	629,118	25,000	03/11/2020
2016-2	04/27/2016	10/26/2016	750	NA	12/02/2020
2017-1	04/27/2016	03/10/2017	480,000	100,000	03/11/2021
2017-2	04/27/2017	10/24/2017	145,410	NA	12/02/2021
2018-1	04/27/2017	02/21/2018	380,000	100,000	03/09/2022
2018-2	04/26/2018	10/23/2018	198,088	NA	12/23/2022
2019-1	04/26/2018	02/19/2019	428,000	100,000	03/08/2023
2019-2	04/26/2019	10/23/2019	148,140	NA	10/26/2023
TOTAL AT DECEMBER 31, 2019					
VALUATION					

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, 2018
03/23/2019	14.92	NA	1,294,500	105,000	-
11/25/2019	17.12	NA	30,000	58,500	-
03/19/2020	18.40	NA	1,069,000	147,500	161,500
10/13/2020	17.79	NA	17,200	16,210	4,300
03/23/2021	19.71	NA	382,500	78,000	243,000
09/02/2021	15.71	NA	166,500	94,000	48,000
03/24/2022	20.17	NA	426,000	168,000	344,000
03/22/2023	22.25	NA	303,345	67,500	345,155
10/03/2023	24.65	NA	28,000	65,000	77,000
11/22/2023	25.82	NA	5,000	20,000	-
03/21/2024	25.06	NA	94,250	51,750	548,875
12/02/2024	24.41	NA	3,750	3,000	2,250
03/21/2025	29.98	NA	31,875	108,689	526,317
12/19/2025	35.99	NA	-	45,250	-
03/11/2026	31.58	NA	-	105,698	523,420
12/02/2026	29.57	NA	-	-	750
03/11/2027	33.78	NA	-	70,000	410,000
12/02/2027	34.75	NA	-	11,952	133,458
03/09/2028	35.10	NA	-	32,000	348,000
12/23/2028	40.81	NA	-	9,168	188,920
03/08/2029	38.66	NA	-	-	428,000
10/26/2029	37.11	NA	-	-	148,140
			3,851,920	**1,257,217**	**4,481,085**
			69,528,101	**29,465,900**	**131,704,465**

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 granted from 2003 are stock subscription plans that may give rise to a share capital increase.

In 2019, 509,135 options were exercised: 145,450 options exercised under the stock option plan of March 23, 2009 vested on March 23, 2013, 5,000 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 139,965 options exercised under the Stock option of March 18, 2010 vested on March 18, 2014, 2,500 options exercised under the stock option plan of October 12, 2010 vested on October 12, 2014, 11,500 options exercised under the stock option plan of March 22, 2011 vested on March 22, 2015, 3,000 options exercised under the stock option plan of September 1, 2011 vested on September 1, 2015, 63,000 options exercised under the stock option plan of March 23, 2012 vested on March 23, 2016, 51,345 options exercised under the stock option plan of March 21, 2013 vested on March 21, 2017, 55,500 options exercised under the stock option plan of March 20, 2014 vested on March 20, 2018 and 31,875 options exercised under the stock option plan of March 20, 2015 vested on March 20, 2019.

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. Thus, there is no capital dilution resulting from the granting of stock options.

5.3.6. 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	2019	2018	2017	2016	2015
Amount distributed under the profit-sharing plan	769	182	1,665	1,216	1,055

The amount of 2019 profit-sharing payouts has been estimated in the accounts and set aside for EUR 0.4 million.

Amount paid into the Company employee saving plan

In EUR thousands	2019	2018	2017	2016	2015
Profit sharing(1)	642	130	1,217	740	674
Net voluntary payments(2)	1,551	717	607	515	483
Total payments	**2,193**	**847**	**1,824**	**1,255**	**1,157**
NET EMPLOYER CONTRIBUTION(3)	**1,465**	**602**	**630**	**509**	**528**

(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.

5.3.7. COMPENSATION OF THE CORPORATE OFFICER

The following table presents the gross cash compensation paid in 2018 and 2019 to the Group Chairman and Chief Executive Officer:

Chairman and Chief Executive Officer

In EUR	2019	2018
Fixed compensation	1,200,000	1,200,000
Variable compensation	1,184,400	1,120,020
Directors' compensation	76,000	70,000
TOTAL CASH COMPENSATION	**2,460,400**	**2,390,020**

The Chairman and Chief Executive Officer benefits from a company car and a shared driver.

Total pension benefits for the corporate officer amount to EUR 24.7 million.

5.3.8. ANALYSIS OF COMMITMENTS GIVEN AND RECEIVED

	Commitments received		Commitments given	
In EUR millions	2019	2018	2019	2018
Ordinary course of business	**3,214**	**8,173**	**15,017**	**19,145**
Financial instruments	2,749	1,228	2,809	1,190
Confirmed credits, letters of credit and guarantees given	446	197	2,875	11
Other commitments given and received	19	6,748	9,333	17,944
Hybrid transactions	**-**	**-**	**-**	**-**
TOTAL	**3,214**	**8,173**	**15,017**	**19,145**

Commitments received and given in the ordinary course of business

Financial instruments received and given

	Commitments received		Commitments given	
In EUR millions	2019	2018	2019	2018
Rate swaps	-	-	-	-
Cross-currency swaps	677	550	617	504
Currency forward purchases/sales	2,072	678	2,045	676
Trust assets	-	-	147	10
TOTAL	**2,749**	**1,228**	**2,809**	**1,190**

Cross-currency swaps are used to hedge foreign exchange and interest rate risks of perpetual notes in USD issued in 2019: the instruments convert the principal of 2019 placements for a total of USD 750 million into EUR and the coupon on the USD 400 million tranche to 2.945%; on the USD 225 million tranche to 2.955% and on the USD 125 million tranche to 3.115%. All instruments will mature on March 13, 2029.

In 2019, currency forward purchases and sales generated unrealized profits of EUR 28 million.

Confirmed credits, letters of credit, and guarantees received and given

In EUR millions	Commitments received 2019	Commitments received 2018	Commitments given 2019	Commitments given 2018
Confirmed credit	150	150	-	-
Letters of credit (unused portion)	155	47	-	-
Letters of credit	-	-	-	-
Securities pledged to financial institutions	-	-	311	-
Investments in subsidiaries and affiliates pledged to financial institutions	-	-	-	-
Other guarantees given to financial institutions	141	-	2,564	11
TOTAL	**446**	**197**	**2,875**	**11**

Various financial institutions provide sureties for the 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 755 million, of which EUR 664 million coming from the merger as of December 31, 2019 (EUR 4 million in 2018).

Confirmed credit

On December 26, 2018, SCOR SE received from BNP PARIBAS SA a EUR 150 million commitment as an overdraft facility. This commitment remains at December 31, 2019.

Capacity to issue letters of credit

As of December 31, 2019, SCOR SE has an outstanding letter of credit capacity of EUR 155 million (EUR 47 million in 2018), 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:

- CACIB: USD 53 million (EUR 47 million);
- BLB: USD 49 million (EUR 44 million);
- Citibank: USD 34 million (EUR 31 million);
- Deutsche Bank: USD 11 million (EUR 10 million);
- JP Morgan: USD 11 million (EUR 9 million);
- Natixis: USD 6 million (EUR 6 million);
- Helaba: USD 6 million (EUR 6 million);
- BNP Paribas: USD 2 million (EUR 2 million).

Other guarantees given

In return of technical provisions, SCOR SE gave guarantee in the form of securities pledged to ceding companies for an amount of EUR 2,564 million (of which EUR 2,619 million from SCOR Global Life SE and SCOR Global P&C SE).

Other commitments given and received

In EUR millions	Commitments received 2019	Commitments received 2018	Commitments given 2019	Commitments given 2018
Guarantees and securities	3	5	35	40
Underwriting commitments	-	-	315	186
Assets pledged to ceding companies	-	-	-	-
Marketable securities pledged to financial institutions	-	-	-	-
Parental guarantees	-	6,637	8,812	17,521
Contract termination indemnities	-	-	-	-
Lease	16	106	171	197
TOTAL	**19**	**6,748**	**9,333**	**17,944**

As of December 31, 2019, SCOR SE has not received commitments related to parental guarantees due to the merger: in 2018, commitments received amounted to EUR 6,638 million coming from SCOR Global Life SE and SCOR Global P&C SE.

As of December 31, 2019, commitments given by SCOR SE for parental guarantees amount to EUR 8,812 million (EUR 17,521 million in 2018), and benefit mainly to:

- SCOR Holding Switzerland AG: EUR 2,466 million (EUR 2,705 million in 2018);
- SCOR Reinsurance Company: EUR 1,695 million (EUR 1,517 million in 2018);
- SCOR Global Life America Holding Inc: EUR 1,139 million (EUR 963 million in 2018);
- SCOR Global Life Ireland: EUR 1,492 million (EUR 2,203 million in 2018);
- SCOR Life Ireland: EUR 573 million (EUR 0 million in 2018);
- SCOR Global Life SE: EUR 0 million (EUR 5,250 million in 2018);
- SCOR Global P&C SE: EUR 0 million (EUR 3,756 million in 2018).

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.

5.3.9. POST BALANCE SHEET EVENTS

SCOR SE exercised the options to buy 170,037 of its own shares from BNPP that matured on January 6, 2020.

5.3.10. 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, 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.

On March 9, 2017, the CNMC issued a resolution in which it confirmed SCOR’s fine at the amount of EUR 18.6 million. SCOR has appealed the CNMC’s resolution in front of the AN, and on April 25, 2019, the AN has rejected SCOR’s appeal. Subsequently, on June 5, 2019, SCOR has appealed this decision in front of the Spanish Supreme Court. On January 30, 2020 SCOR was notified that the Spanish Supreme Court has not accepted SCOR’s appeal, thereby triggering the requirement to pay the EUR 18.6 million fine. SCOR is currently reviewing its legal position and potential next steps.

In addition to the litigation described above, SCOR is involved in court, arbitration and other formal or informal dispute resolution proceedings in its normal course of business. Based on Management’s assessment these current proceedings are not expected to have a significant negative impact.

6. CERTIFICATION OF AUDIT OF HISTORICAL FINANCIAL INFORMATION

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to 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 Annual General Meeting of SCOR SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of SCOR SE for the year ended December 31, 2019.

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, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*Code de déontologie*) for Statutory Auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of technical reserves related to reinsurance contracts

(see Notes 5.1.8 and 5.2.7 of the notes to the corporate financial statements)

Risk identified	Our response
The technical reserves of your company amount to EUR 4,313 million for Life reinsurance and EUR 13,457 million for Non-Life reinsurance as at December 31, 2019. As explained in Note 5.1.8 of the notes to the corporate financial statements, the Non-Life technical reserves are determined at year-end at a level that covers the estimated amount of its commitments as well as estimated claims management costs for both reported and unreported claims. Ultimate claims cost for a contract is estimated based on statistical experience for similar policies. Technical 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. Your 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. Inherent uncertainties in the Life and Non-Life reserves' estimates are enhanced for reinsurers 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, the dependence on ceding companies for information regarding claims and differing reserving practices among ceding companies. These estimates include significant uncertainties and require a significant degree of judgement from management. In this context, we considered the measurement of technical reserves related to reinsurance contracts as a key audit matter.	To cover the risk related to the technical reserves estimation, our audit approach was as follows: • we obtained an understanding of the report of the group chief actuary, as well as reports from life and non-life divisions actuaries, on the global adequacy of reserves; • we updated our understanding of the procedures and methods of measurement used in determining the technical reserves; • we obtained an understanding of the internal controls framework and tested the efficiency of key controls established by management in order to assess the completeness and reliability of the data and of the implemented models; • we appreciated, for a selection of contracts, the actuarial methods and parameters used and the assumptions chosen; • we performed procedures to analyze differences between expected claims and occurred claims in order to control subsequently the quality of estimates performed by the management; • we realized, with our Non-Life actuarial specialists integrated in the audit team, a recalculation using our own assumptions and tools of technical reserves for the most sensitive actuarial segments reserves; • for Non-Life business, we analyzed the documentation supporting the measurement of reserves related to catastrophes, both man-made and natural; • we included within our team members with specific skills in IT systems to perform procedures aiming at reviewing the internal control environment of the systems used by the management and test the functioning of several automated processes.

Measurement of reinsurance premiums

(see Notes 5.1.7 and 5.3.1 of the notes to the corporate financial statements)

Risk identified	Our response
SCOR SE gross written premiums amount to EUR 7,511 million, during 2019 financial year. Accounts not received from ceding companies at the year-end are estimated, as stated in the Note 5.1.7 of the notes to the corporate financial statements. Overall, the premiums recorded for the year (premiums reported in the accounts received from cedants and estimated premiums) correspond to the estimated premium expected at the time the policy was underwritten. Your company periodically reviews its assumptions and estimates based on experience as well as various other factors. Actual premiums can turn out to be different from management estimates. Observing a large portion of estimates in the written premiums of a financial year is specific to the reinsurance business. In this context, we considered the measurement of reinsurance premiums as a key audit matter.	To cover the risk on the measurement of reinsurance premiums, we implemented the following audit approach: • we obtained an understanding of the internal controls framework on processes related to Life and Non-Life premium estimates and we tested the efficiency of key controls established by management; • we examined the consistency of premiums estimates over the period, comparing them both to the operational plan prepared by management and approved by Board of Directors and to premiums actuals from previous financial years and we investigated, if any, significant differences identified; • we performed, for a selection of contracts, a deep analysis of underlying assumptions taking into account the activity, the records of reinsurance accounts received, and any new information received from ceding companies; • for new contracts underwritten in 2019, we performed on a sampling basis, controls on the consistency of premium estimates based on new business information available at the underwriting department; • we included within our team members with specific skills in IT systems to perform procedures aiming at evaluatiog the internal control environment of the systems used by the management and test the functioning of several automated processes.

Measurement of investments in affiliates

(see Notes 5.1.2 and 5.2.1 of the notes to the corporate financial statements)

Risk identified	Our response
On December 31, 2019, investments in affiliates were recorded for a net book value of EUR 8,321 million. They are initially measured at historical acquisition cost. Subsequently, their value is determined based on their nature and holding period: • For active reinsurance companies, the fair value is the revaluated net assets value including the value of Life reinsurance portfolio and the forecasts of future profits of Non-Life reinsurance, net of taxes. At each reporting date, if the fair value 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, 2019, are detailed in 5.2.1 of the notes to the corporate financial statements. Given the weight of investments in affiliates, the complexity of models used and their sensitivity to changes in data and assumptions, we considered the measurement of investments in affiliates as a key audit matter.	To cover the risk related to the measurement of investments in affiliates, our audit approach was as follows: • examining the estimates determined by management and analyzing the valuation methodology and the figures used, based on the information communicated to us; • comparing, on a sample basis, the data used in the impairment tests of investments in affiliates to source data per entity as well as results of work on these affiliates, if appropriate; • examining, on a sample basis, the calculation of recoverable values used by the Company.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the Management Report and of the Other Documents Provided to Shareholders with respect to the financial position and the financial statements

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 other documents provided to shareholders with respect to the financial position and the financial statements, except for the below mentioned observation reminded that it is not our responsibility to conclude on the fair presentation and consistency with the financial statements of the solvency related information required by article L. 355-5 of the French Insurance code (*Code des assurances*).

The sincerity and consistency of the information relating to the payment terms mentioned in Article D.441-4 of the French Commercial Code (*Code de Commerce*) with the financial statements lead us to report the following observation: As indicated in the management report, this information does not include insurance and reinsurance transactions, as your company considers that they do not fall within the scope of the information to be produced, in accordance with the circular of the Fédération Française de l'Assurance of May 22, 2017.

Information with respect to the corporate governance

We attest the existence, in the Management Report section on corporate governance, of information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by, or attributed to, 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 controlled by you and which are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of SCOR SE by the Annual General Meeting held on June 22,1990 for MAZARS and on May 13, 1996 for ERNST & YOUNG Audit.

As at December 31, 2019, MAZARS and ERNST & YOUNG were in the 30th year and 24th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors of SCOR SE.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (Code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris La Défense, February 26, 2020

MAZARS		ERNST & YOUNG Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Menard

APPENDIX D

GLOSSARY

This glossary is a list of selected reinsurance terms. It is not a complete list of terms used in this Universal 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.

COMMISSION RATIO

The commission ratio is calculated by dividing Non-Life reinsurance commissions by Non-Life premiums earned. This ratio is net of retrocession.

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 overhead 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 (GMDB)

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).

LEVERAGE RATIO

The leverage ratio is calculated by dividing subordinated debt by the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances. This ratio is used to determine how much lenders are financing the Group's activities over shareholders.

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.

LIFE TECHNICAL MARGIN

The Life technical margin is calculated as a percentage of the net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums.

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.

LOSS RATIO

The loss ratio is calculated by dividing Non-Life claims (including claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

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.

NATURAL CATASTROPHE RATIO

The natural catastrophe ratio is calculated by dividing Non-Life claims arising from natural catastrophes by Non-Life premiums earned. This ratio is net of retrocession.

NET COMBINED RATIO

Sum of the Non-Life net attritional ratio, natural catastrophe ratio, commission ratio and the management expense ratio.

NET WRITTEN PREMIUM

Gross premiums diminished by the portion of premiums paid for retrocession, as opposed to gross written premiums.

NON-LIFE NET ATTRITIONAL RATIO

The Non-Life net attritional ratio is calculated by dividing Non-Life claims (excluding claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

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.

P&C MANAGEMENT EXPENSE RATIO

The P&C management expense ratio is calculated by dividing management expenses incurred for Non-life reinsurance operations by Non-Life premiums earned. This ratio is net of retrocession.

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 using a prorata temporis). This return is annualized when calculated quarterly.

RETURN ON INVESTED ASSETS (ROIA)

The return on invested assets is used to assess the return on the Group's invested assets excluding funds withheld by cedents. This percentage, return is calculated by dividing the total investment income on invested assets by the average invested assets (calculated as the quarterly averages of the total invested assets).

RETURN ON INVESTMENT (ROI)

The return on investment is used to assess the profitability of the Group's investments, including funds withheld by cedents and other deposits less cash deposits. This percentage return is calculated by dividing the total net investment income by the average investments (calculated as the quarterly averages of the total investments).

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 RATIO

The technical ratio is a P&C indicator and is calculated as the sum of the loss ratio and commission ratio. This ratio is net of retrocession and is used to assess the net performance of reinsurance transactions excluding P&C management expenses.

TECHNICAL RESULT

The balance of income and expenses allocated to the insurance business and shown in the underwriting income statement.

TOTAL LIQUIDITY

This total displays the Group's available short-term liquidity position. It is defined as cash and cash equivalents (which include cash held by the Group on behalf of third parties), short-term government bonds maturing between three months and twelve months from the date of purchase (included in loans and receivables) and bank overdrafts.

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.

VALUE OF NEW BUSINESS (VNB)

A measure of total economic profit (or loss) after risk margin and taxes resulting from underwriting or renewing reinsurance contracts measured on a Solvency basis at the point of sale. It is calculated as the discounted present value of all the expected future Solvency cashflows (*e.g.* premiums, claims, commissions, expenses, collateral costs, cost of cat bonds etc…) and the cost of Solvency risk capital required for the new business, as at the point of sale. The VNB growth is driven by new business premium volume growth, underwriting profitability, operating efficiency and capital efficiency.

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 E

ADDITIONAL INFORMATION RELATING TO THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

The statements and information pertaining to the management report on the Company's and the Group's activities in 2019, as approved by the Board of Directors on February 26, 2020 (the "Report"), are included and presented in the 2019 Universal Registration Document (URD) which will be submitted as such to the Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2019.

Therefore, the sections of the Universal Registration Document (URD) referred to in the correspondence table set forth under Section 6 hereafter, are fully incorporated in this Report of which they are deemed to be an integral part.

The information of the special report relating to the 2019 stock options plans established in accordance with Article L. 225-184 of the French Commercial Code and the special report relating to the 2019 free share allocation plans established in accordance with the Article L. 225-197-4 of the French Commercial Code, appear in Section 2.2.3.4 – Plans providing employee profit sharing.

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 are presented in a separate report of the Board of Directors.

1. OPERATING AND FINANCIAL REVIEW OF SCOR SE

1.1. YEAR 2019

1.1.1. OPERATING AND FINANCIAL REVIEW OF SCOR SE IN 2019

The total assets of SCOR SE as at December 31, 2019 amounted to EUR 27,903,418,601.

The total financial assets (investments) amounted to EUR 20,785,390,488.

Shareholders' equity stood at EUR 4,055,021,707 and subordinated liabilities at EUR 2,840,903,043. Liabilities amounted to EUR 1,295,270,577 including other loans of EUR 210,091,017.

The net amount of underwriting reserves was EUR 14,560,232,902.

The technical result of SCOR SE as at December 31, 2019 was EUR 99,591,534 while the financial result was EUR 1,299,341,346.

SCOR SE's net income amounted to EUR 907,586,683 in 2019.

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 2019, see Section 1.3, Section 4 and Appendix C of the Universal 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.

In application of the circular of the French Insurance Federation (*Fédération Française de l'Assurance*) of May 29, 2017, information presented in the table below, does not include the transactions linked to insurance and reinsurance contracts.

In EUR millions	Article D.441 I.1: Unpaid received bills at the end of the financial year whose term is expired						Article D.441 I.2: Unpaid issued bills at the end of the financial year whose term is expired					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payments												
Number of concerned bills	163					483	89					184
Total amount of concerned bills without taxes	33	1	8	-	14	24	15	-	1	-	46	47
Percentage of total expenses of the year, without taxes	8.15%	0.27%	2.07%	-	3.58%	5.92%						
Percentage of total gross sales of the year, without taxes							7.99%	0.04%	0.77%	-	24.45%	25.19%
(B) Excluded bills from (A) related to debts and contested claims unaccounted												
Number of excluded bills	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded bills	-	-	-	-	-	-	-	-	-	-	-	-
(C) Reference payment term used (contractual or legal term – article L. 441-6 or article L. 443-1 of the commercial law)												
Payment term used to calculate late payments												
Contractual term			30 days end of the month									
Legal term												

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 2019 totals EUR 232,324 and the amount of taxation borne by the Company due to the non-deductibility of such charges should amount to a total of EUR 79,989.

Add-back of general expenditures

In application of paragraph 5 of Article 39 of the French General Tax Code, EUR 5,190,339 of expenses are considered as non-deductible for tax income 2019. The related amount of taxation due by the Company adds up to EUR 1,787,034.

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	2019	2018	2017	2016	2015
I. Financial position at the end of the year					
a) Social capital *(in EUR millions)*	1,473	1,521	1,524	1,517	1,518
b) Number of issued shares	187,049,511	193,085,792	193,500,317	192,534,569	192,653,095
c) Number of convertible bonds to shares	-	-	-	-	-
II. Global Profit and loss of effectives transactions *(in EUR millions)*					
a) Turnover without taxes	7,511	2,400	2,266	2,053	1,748
b) Net profit before taxes, depreciations and reserves	971	508	(90)	507	802
c) Current income tax	30	15	101	46	-
d) Net profit after taxes, depreciations and reserves	908	499	(5)	647	844
e) Allocated net profit amount	337 (1)	338	319	318	289
III. Profit and loss per share:					
a) Net profit after taxes, and before depreciations and reserves	4.69	2.71	0.05	2.87	4.16
b) Net profit after taxes, depreciations and reserves	4.85	2.59	(0.02)	3.36	4.38
c) Paid dividend per share	1.80 (1)	1.75	1.65	1.65	1.50
IV. Salaries:					
a) Number of salaries	1,198	817	805	744	716
b) Gross wages amount	139	136	124	132	124
c) Amount of paid employees benefits (Healthy contribution, others benefits, etc.)	80	34	33	29	27

(1) Subject to adjustment based on 2019 Shareholders' Meeting's decision regarding the allocation of 2019 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:	12/31/2018	12/31/2017	12/31/2016
Number of shares (1)	193,085,792	193,500,317	192,746,124
Net dividend per share	EUR 1.75	EUR 1.65	EUR 1.65
Amount eligible for the deduction allowance specified by Article 158-3 of the French General Tax Code (2)	EUR 1.75	EUR 1.65	EUR 1.65

(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 2017, 2018 and 2019 for the financial years 2016, 2017 and 2018 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 2019

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 2019:

Month	Volume	*Value (in EUR millions)*	Higher *(in EUR)*	Lower *(in EUR)*
January	10,663,032	418	42.20	35.20
February	8,510,235	326	39.59	36.48
March	11,539,946	451	40.46	37.49
April	7,732,543	299	39.77	35.86
May	8,769,252	318	37.61	34.69
June	9,857,082	378	39.51	36.08
July	6,783,518	264	40.18	37.02
August	8,836,840	321	37.27	35.35
September	8,656,759	323	38.44	35.79
October	8,622,592	321	38.91	35.96
November	7,394,864	280	39.13	36.80
December	7,896,883	298	39.23	37.19

Following the delisting by SCOR of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE), the final listing of the ADRs on the NYSE occurred on June 4, 2007. Since this date, the ADRs are traded on the US over-the-counter market under the code SCRYY. In addition, SCOR announced on May 24, 2007 to maintain its ADRs program managed by The Bank of New York Mellon as a sponsored level 1 facility. ADRs holders have been able to choose to hold their ADRs following the delisting from the NYSE and the end of the registration of the Company at the US Securities and Exchange Commission (SEC).

3. SOCIAL AND ENVIRONMENTAL IMPACT OF SCOR'S ACTIVITY

See Section 6 – Non-financial performance declaration.

4. CONSEQUENCES OF RESPECT OF HUMAN RIGHTS, THE FIGHT AGAINST CORRUPTION AND FISCAL EVASION

See Section 6 – Non-financial performance declaration.

5. RELATED PARTY AGREEMENTS

See Section 2.3.2. – Related party transactions and agreements.

6. 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 Universal Registration Document referred to in the correspondence table below:

Management report	Universal registration document
STATEMENTS DEALING WITH THE MANAGEMENT OF SCOR SE AND THE GROUP IN 2019:	
Analysis of the Company's and 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
Important events occurred since the closing of the last financial year	Sections 1.3.10
Table of the Company's results in the course of the five last financial years	Appendix E – 1.2.1
Dividends distributed in the course of the three last years and dividends eligible to the 40% relief	Appendix E – 1.2.2
Amount of the intercompany loans – Loans of less than two years granted by the Company, as an ancillary to its main activity, to micro businesses and SME or companies of an intermediate size with which it maintains economical relationships	None
Information on expenses and charges not deductible from taxes	Appendix E – 1.1.2
Clients and suppliers payment terms	Appendix E – 1.1.2
Key financial performance indicators	Sections 1.1, 1.3.5 and 1.3.9
Research and development activities within the Group and SCOR SE	Section 1.2.6
Non-financial performance declaration of the Group and SCOR SE	Section 6
Main risk factors and uncertainties facing the Group	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 3.1.3, 3.1.4, 3.3.4 and 3.3.5
Indication on the financial risks related to the effects of the climate change and presentation of the means taken by the Company to reduce them by implementing a low-carbon strategy at all stage of its activity	Section 6
Main characteristics of the internal control and risk management procedures	Appendix A

Management report	Universal registration document
FINANCIAL AND LEGAL INFORMATION	
Company's securities	
• Shareholding and threshold crossing	Section 2.3.1
• Transactions performed by the Company in its own shares in the framework of Articles L. 225-208, L. 225-209 and L. 225-209-2 of the French Commercial Code	Section 2.3.1
• Notice of holding more than 10% of the share capital of another joint-stock company – Disposal of cross shareholdings	-[1]
• Employee share ownership	Section 2.3.1
• Adjustment of the conversion basis for securities granting access to the share capital	Section 2.3.1.6
• Summary statement on the transactions on titles by the persons referred to in Article L. 621-18-2 (persons discharging managerial responsibilities as well as the persons closely associated with them)	Section 2.2.4
Foreseeable evolution	Sections 1.3.3, 1.3.4, 1.3.5 and Appendix C – 5.3.9
Collective agreements concluded within the Company and the impact on the economic performance and work conditions of the employees (included in the Non- financial performance declaration of the Group and SCOR SE)	Section 6
Financial sanctions and orders by the Competition Authority on express decision for anti-competition behaviors	Section 4.6 Note 25
SUBSIDIARIES AND AFFILIATES	
Group organization chart	Section 1.2.3
Subsidiaries' business overview during the financial year closed	Sections 1.2.3, 1.2.5, 1.3.1, 1.3.5, 1.3.6, 1.3.9 and Appendix C – 5.2.1
Purchase of shareholdings during the financial year closed	Sections 4.6 Note 3 and Appendix C – 5.2.1
Existing branches	Section 1.2.3.2
Transfer or disposal of shares undertaken to regularize cross shareholdings	None
REPORT ON THE CORPORATE GOVERNANCE	
Information related to the remunerations	
For each of the corporate officers Total remuneration and advantages of any kind paid or granted in respect of the mandate during the financial year by the Company, the controlled companies or the company controlling it (L. 233-16), distinguishing between fixed, variable and exceptional items, including in the form of equity securities, debt securities or securities giving access to the capital or entitling the holder to the grant of debt securities of the Company, as well as the main conditions for exercising rights, in particular the price and date of exercise and any change in these conditions	Sections 2.2.1.2, 2.2.1.3 and 2.2.3
The relative proportion of fixed and variable compensation	Sections 2.2.1.2 and 2.2.1.3
Exercise of the option to request the return of variable remuneration	None
Any remuneration paid or granted by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	Sections 2.2.1.2 and 2.2.1.3
For the Chairman of the Board of Directors, the Chief Executive Officer and each Deputy Chief Executive Officer, the ratios between the level of compensation of each of these executives and, on the one hand, the average compensation on a full-time equivalent basis of the company's employees other than corporate officers, and on the other hand, the median compensation on a full-time equivalent basis of the company's employees other than corporate officers	Sections 2.2.1.2

E ADDITIONAL INFORMATION RELATING TO THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

Additional information provided in the management report of the Company and the Group – correspondence table

Management report	Universal registration document
The annual evolution of the remuneration, of the company's performance, of the average remuneration on a full-time equivalent basis of the company's employees, other than executives, and of the ratios referred to in 6°, over at least the five most recent financial years, presented together and in a manner that allows for comparison	Section 2.2.1.2
An explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the company, and how the performance criteria have been applied	Section 2.2.1.4
The manner in which the vote of the last ordinary general meeting provided for in II of Article L. 225-100 was taken into account	Section 2.2.1.4
Any deviation from the procedure for implementing the remuneration policy and any waiver applied in accordance with the second paragraph of III of Article L. 225-37-2, including an explanation of the nature of the exceptional circumstances and an indication of the specific elements to which a waiver is applied	Section 2.2.1.1
Clear and concise presentation of the compensation policy for corporate officers, describing all the components of fixed and variable compensation and explaining the decision-making process followed for its determination, review and implementation	Section 2.2.1.4
Commitments of any kind taken by the Company to the benefit of its corporate officers, corresponding to remuneration items, damages or advantages owed or likely to be owed with respect to the taking up, the termination or the change of their functions or after the exercise of such functions, mentioning the precise methods for determining these commitments and the estimated amount of the sums likely to be paid in respect thereof	Section 2.3.3
Choice of the Board related to the means of conservation by the officers of shares granted freely and/or shares resulting from the exercise of stock options	Section 2.2.1.1 and 2.2.1.4
Information related to the composition, the operation and the powers of the Board	
Reference to a corporate governance code in accordance with the principle "comply or explain" as well as location where such code can be consulted	Section 2.1.1
Composition, conditions of preparation and organization of the works of the Board	Sections 2.1.2, 2.1.3 and 2.1.4
Implementation of the principle of balanced representation of women and men within the Board	Section 2.1.2.2
List of all mandates and functions exercised in any company by each corporate officer during the financial year	Section 2.1.2.1
Summary table of the delegations in course of validity granted by the Shareholders' Meeting for increasing the share capital	Section 2.3.1.6
Agreements entered into, directly or through an intermediary, between a corporate officer and a company which share capital is held, directly or indirectly, at more than 50% by the Company	Section 2.3.2
Description of the procedure implemented by the company pursuant to the second paragraph of Article L. 225-39 and its implementation	
Choice made of one of the two means for exercising the General Management	Section 2.1.1.1
Limitations brought by the Board of Directors to the powers of the Chief Executive Officer	Section 2.1.1.1
Specific means for the participation of the shareholders to the Shareholders' Meeting or provisions of the articles of association providing for such means	Sections 2.1.1.2 and 5.1.5

Management report	Universal registration document
Items likely to have an influence in the case of a tender offer	
Share capital structure	Section 2.3.1
Restrictions to the exercise of the voting rights and the transfer of shares pursuant to the articles of association or provisions of the agreements brought to the knowledge of the Company in accordance with Article L. 233-11 of the French Commercial Code	Sections 2.3.1.2, 5.1.3, 5.1.4, 5.1.6, 5.1.7 and 5.1.8
Direct or indirect shareholding interests in the Company of which it is aware pursuant to Articles L. 233-7 (threshold crossing) and L. 233-12 (cross-shareholding)	Sections 2.3.1.1, 2.3.1.3 and 5.1.7
List of the persons holding titles comprising special control rights and description thereof	Section 2.3.1.2
Control mechanism provided for in a potential employee shareholding scheme, when the voting rights are not exercised by the latter	Section 2.2.3.4
Agreements between the shareholders of which the Company is aware likely to trigger restrictions to the transfer of shares and the exercise of voting rights	Section 2.3.1.1
Rules applicable to the nomination and the replacement of the members of the Board as well as the modification of the articles of association of the Company	Sections 2.1.2, 5.1.4,5.1.5 and 2.1.3
Powers of the Board in particular with respect to the issuance or the redemption of shares	Sections 2.3.1.6, 5.1.3 and 5.1.2
Agreements entered into by the Company which are modified or terminated in the case of a change of control of the Company	Sections 2.3.1.5
Agreements providing for damages to the members of the Board or the employees, if they resign or are dismissed without cause or if their employment is terminated because of a cash tender offer or an exchange tender offer	Sections 2.3.3 and 2.2.2.1

(1) The Company did not hold any cross shareholdings in 2019.

APPENDIX F

CORRESPONDENCE TABLE – DELEGATED REGULATION (EC) OF March 14, 2019

Appendix 1 of the Delegated Regulation (EC) No. 2019/980 and No 2019/979 of the European Commission of March 14, 2019		Paragraph		Pages
1	**PERSON RESPONSIBLE**			
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2	**STATUTORY AUDITORS**			
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Appendix 1 of the Delegated Regulation (EC) No. 2019/980 and No 2019/979 of the European Commission of March 14, 2019		Paragraph		Pages
5	**BUSINESS OVERVIEW**			
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8.3.	Borrowing requirements and financing structure	1.3.6	Financial position, liquidity and capital resources	38 to 39
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8.5.	Sources of financing relating to the material investments in progress and for which firm commitments have already been made	1.3.6	Financial position, liquidity and capital resources	38 to 39
9	**REGULATORY ENVIRONMENT**			
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Appendix 1 of the Delegated Regulation (EC) No. 2019/980 and No 2019/979 of the European Commission of March 14, 2019		Paragraph		Pages
10	**TREND INFORMATION**			
10.1	(a) Most significant trends in production, sales, inventory, costs, and selling prices since the end of the last financial year (b) any significative change in the financial performance of the group since the end of the last financial year	1.3.4 & 1.3.5 1.3.10	Information on SCOR's competitive position & revenues and earnings summary Events subsequent to December 31 2019	27 to 37 43
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11	**PROFIT FORECASTS OR ESTIMATES**	**N/A**	**N/A**	
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APPENDIX G

ANNUAL FINANCIAL REPORT – CORRESPONDENCE TABLE

In order to assist readers of the Annual Financial Report, the following table cross-references the information required by Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the AMF.

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SCOR SE
European Company
With a share capital
of EUR 1,473,383,816.88
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To learn more about
SCOR's strategy, goals,
commitments
and markets, visit our
website.

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