SOLVENCY AND FINANCIAL CONDITION REPORT

AS OF 31 DECEMBER 2023

SCOR GLOBAL REINSURANCE IRELAND DAC

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Within the executive summary and the narratives of the rest of this report, figures have been presented in millions of currency units to improve readability. Tables containing figures in the rest of this report are presented in thousands of currency units. Small rounding differences may exist but the numbers included reflect the results presented in the Solvency II Quantitative Reporting Templates.

EXECUTIVE SUMMARY

INTRODUCTION

This document, the Solvency and Financial Condition Report (SFCR) for SCOR Global Reinsurance Ireland dac (further referred to as SGRI or "the Company"), presents information on SGRI and its solvency position as at December 31, 2023 and has been prepared in accordance with Solvency II regulations. SFCR appendices include key financial information in the standard format of Solvency II public Quantitative Reporting Templates.

The SGRI SFCR is available at www.scor.com and has also been submitted to the relevant supervisory authorities.

The Solvency and Financial Condition Report includes the following chapters, which are summarized below:

- **A.** Business and performance
- **B.** System of governance
- **C.** Risk profile
- **D.** Valuation for solvency purposes
- **E.** Capital management

SCOR SE is the immediate and ultimate parent of SGRI. SCOR SE is a European Company domiciled in France. SCOR SE, together with its consolidated subsidiaries (referred to collectively as "SCOR" or the "Group"), form the world's 6th largest reinsurer[1] and is listed on the Euronext Paris regulated market and on the SIX Swiss Exchange (formerly SWX Swiss Exchange) in Zurich. SGRI holds an investment in SCOR Ireland dac (further referred to as SI).

Within the executive summary and the narratives of the rest of this report, figures have been presented in millions of currency units to improve readability. Tables containing figures in the rest of this report are presented in thousands of currency units.

References to additional detail included in the following publicly available documents have been made throughout the report:

- 2023 Document d'Enregistrement Universel – the Universal Registration Document of SCOR SE, including the consolidated financial statements of SCOR Group and unconsolidated corporate financial statements of SCOR SE (Etats financiers non consolidés de SCOR SE), filed with the French financial markets authority (Autorité des marchés financiers – AMF) and available on SCOR's website www.scor.com/en/financial-results (further referred to as the 2023 Universal Registration Document or the URD).
- Solvency and Financial Condition Report for SCOR Group and SCOR SE as of December 31, 2023 (further referred to as SCOR Group SFCR) and available at www.scor.com/en/financial-results.
- SCOR's new strategic plan for 2024-2026, "Forward 2026", available at www.scor.com/en/press-release/scor-launches-its-new-strategic-plan. With "Forward 2026", SCOR will drive value creation for its shareholders, clients, employees, and for society as a whole. The Group maintains a controlled risk appetite and disciplined underwriting as it acts on business opportunities created by the supportive market conditions, fueling growth on its diversified and equally weighted P&C and L&H portfolios.

With the implementation of IFRS 17 (International Financial Reporting Standards), SGRI's underlying statutory accounts have changed. The main impact is on section A.2 Underwriting Performance and, to a lesser extent, chapter D Valuation for solvency purposes, which compares valuations under the Solvency II standard and the current financial statements standard. Section A.2.1 presents underwriting performance mainly through the Insurance Service Result (ISR) for 2023 and 2022.

1 By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2023"

SCOR Global Reinsurance Ireland dac

Business and performance

As at December 31, 2023 SCOR Global Reinsurance Ireland dac (SGRI) underwrites Life and Health and Non-Life reinsurance business.

The SCOR Group has consistently executed its strategic plans combining growth, profitability and solvency, and it continues to take actions to navigate the transition to new risk environments and fully seize new opportunities.

SGRI's Eligible Own Funds at December 31, 2023, consist of 99.9% of Tier 1 capital. As per regulatory requirements, this report focuses on the developments in the financial year ending on December 31, 2023.

SGRI underwrites Life reinsurance business in the Americas, EMEA (Europe, Middle East and Africa) and Asia-Pacific in the following product lines:

- Protection;
- Financial Solutions;
- Longevity.

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

Effective January 1, 2022, SGRI extended its underwriting activity to include Non-Life Reinsurance business, replacing another SCOR subsidiary as an aggregator for Non-Life risks originally written by a number of other SCOR branches and subsidiaries around the world, excluding the US. The lines of business include:

- Property;
- Casualty or Liability;
- Other Speciality Risks;
- Natural and Man-made Catastrophes.

SGRI **in USD millions**	**December 31, 2023**	**December 31, 2022**
Eligible Own Funds (EOF)	2,504	2,361
Solvency Capital Requirement (SCR)	1,416	1,184
Solvency ratio	**177%**	**199%**
Gross written premiums	3,341	6,758

System of governance

SGRI is a designated activity company incorporated in Ireland, with its registered office located at 6th Floor, 2 Grand Canal Square, Dublin 2 and registered with the Irish Companies Registrations Office under the number 366572. It is authorized and regulated by the Central Bank of Ireland as a composite reinsurance company and is also authorized to operate:

- within the European Union pursuant to the European passporting regulation;
- in other countries where operating in reinsurance is not subject to licence.

The Constitution of SGRI and the Internal Regulations of the SGRI Board of Directors set forth the fundamental rules of its governance inter alia the structure, composition and organization of the SGRI Board of Directors as well as the duties and responsibilities of the directors.

Risk profile

SGRI regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial position or results (or capacity to meet objectives) and considers that no significant risk other than those disclosed in the Risk profile chapter of this report exists.

SGRI has identified the following categories of risk:

- underwriting risks related to the Life and Non-Life reinsurance businesses, which can arise when the actual amounts of claims and indemnity payments, or the timing thereof, differ from estimates;
- market risks; the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market prices or macroeconomic variables;
- credit risks; the risk of incurring a loss as a result of an unexpected change in the financial situation of a counterparty;
- liquidity risks, which can arise when available liquidity is not sufficient to meet liquidity needs;

- operational risks, which are inherent to all businesses;
- strategic risks, which can arise either from the strategy itself, from external risks or from internal risks.

All risks described in the Risk profile chapter are managed through a variety of mechanisms in SGRI's Enterprise Risk Management (ERM) framework.

Valuation for solvency purposes

Solvency II requires SGRI to produce an economic balance sheet (subsequently referred to as EBS) representing a market view of its assets and liabilities as at the reporting date. Solvency II regulations require the EBS to include assets valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and liabilities valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction. In addition, liabilities are not adjusted to take account of the credit standing of the reporting entity.

The details of the valuation principles applied in the EBS, including the differences between the valuation principles and those applied in the financial statements, are outlined in Chapter D – Valuation for solvency purposes of this report.

In the EBS both assets and liabilities relating to in-force business are recognized at market-consistent values which constitutes the valuation for solvency purposes. SGRI's EBS as at December 31, 2023 has been prepared based on the assumption that the Company will continue as a going concern, in line with the preparation of the financial statements. SGRI prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). The Company adopted IFRS 17 Insurance Contracts in accordance with the International Reporting Financial Standards requirements in 2023.

The preparation of the EBS requires management to make certain judgements, assumptions and estimates. These affect the reported amounts of assets and liabilities and the additional disclosures. 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 most material financial statement items for which SGRI uses estimates and assumptions are insurance contracts issued, reinsurance contracts held, the fair value and impairment of financial instruments and deferred taxes.

Capital management

Capital management is at the core of SGRI's strategy. SGRI's goal is to manage its capital in order to maximize its profitability, while maintaining solvency, in line with its risk/return strategy as defined in SCOR's current strategic action plan, focusing on 2024-2026 Forward 2026.

As a 100% subsidiary of the SCOR Group, SGRI's capital management governance and processes are in line with those of the SCOR Group.

SGRI considers all its basic own funds, identified in line with Solvency II rules and resulting from economic adjustments made to SGRI's shareholder's equity under IFRS, as available and eligible to cover the SCR.

SCOR developed its internal model to ensure that its solvency is properly measured: the model is part of a comprehensive solvency framework which seeks to ensure that SCOR, including SGRI, is solvent now and will continue to be solvent in the future. Based on a deep understanding of the risks SCOR faces, the internal model uses state-of-the-art techniques to measure solvency and assess capital requirements, including the SCR.

SCOR applies the same internal model across the Group including SGRI. Since January 1, 2016, the regulatory solvency position of SGRI has been assessed using SCOR's internal model, which was approved in November 2015 by the relevant supervisory authorities. An extension for the use of the internal model for Non-Life business was approved in October 2021.

A. BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Overview

A.1.1.1 NAME AND LEGAL FORM

SCOR Global Reinsurance Ireland dac (SGRI) is a designated activity company.

Registered office of SGRI and contact information

6th Floor
2 Grand Canal Square
Dublin 2
Ireland
D02 A342
Tel: +353 1 764 4500
Fax: +353 1 764 4509

A.1.1.2 SUPERVISORY AUTHORITIES FOR SGRI AND SCOR GROUP

SGRI's regulator is the Central Bank of Ireland (CBI).

The Group's principal regulators in France are the financial markets authority (Autorité des Marchés Financiers (AMF)), and the French insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution (ACPR)).

Under Solvency II, supervisors from all EU Member States in which SCOR's subsidiaries are established are involved in the Group's supervision through the College of Supervisors in which the ACPR and the Central Bank of Ireland (CBI) participate.

Name of the supervisory authority	Contact details	Entities in scope
Central Bank of Ireland (CBI)	Central Bank of Ireland New Wapping Street North Wall Quay Dublin 1 Ireland	SCOR Global Reinsurance Ireland dac SCOR Ireland dac
Autorité de Contrôle Prudentiel et de Résolution (ACPR)	Autorité de Contrôle Prudentiel et de Résolution 4 Place de Budapest CS 92459 75436 PARIS CEDEX 09	SCOR SE

A.1.1.3 STATUTORY AUDITORS

Statutory Auditors for SGRI are as follows:

Name	Contact details
KPMG Represented by Hubert Crehan	1 Harbourmaster Place International Financial Services Centre Dublin 1 D01 F6F5 Ireland

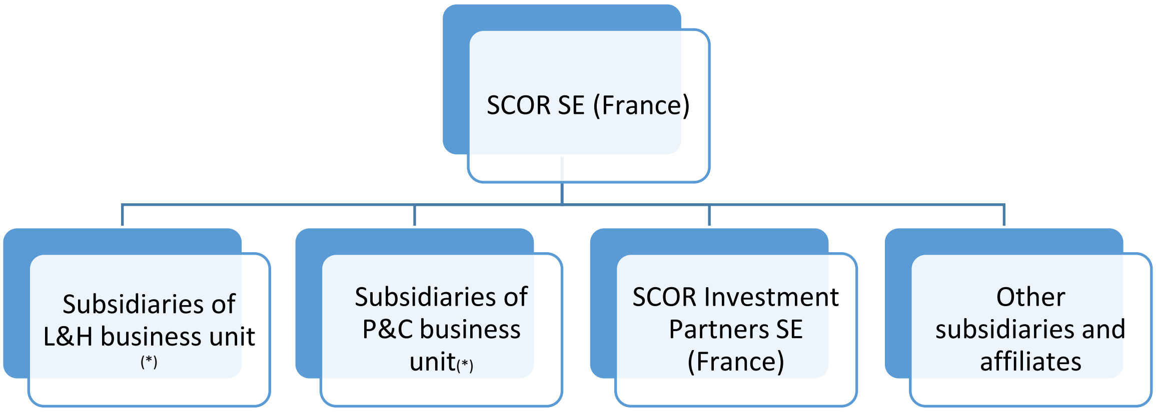
A.1.1.4 SIGNIFICANT SHAREHOLDERS

As at December 31, 2023, SCOR SE is the immediate parent company of SGRI (100% of control and interest). SCOR SE is a European Company domiciled in France.

A.1.1.5 LEGAL AND ORGANIZATIONAL STRUCTURE OF THE GROUP

The Group parent company is SCOR SE, domiciled in France. SCOR SE is listed on the Euronext Paris regulated market and on the SIX Swiss Exchange (formerly SWX Swiss Exchange) in Zurich.

The main elements of the Group's business structure are presented in the chart below[2]:



(*) SGRI is included as a subsidiary of Life and Health business and P&C business units at December 31, 2023

The Group is built on three core businesses: SCOR L&H (Life and Health), SCOR P&C (Property and Casualty) and SCOR 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 P&C, the Group's Non-Life business unit, operates worldwide through SCOR SE and its insurance and reinsurance subsidiaries and branches in the EMEA region, including France, Spain, Irland, Italy, Switzerland, the UK, Germany, South Africa, Russia, the Americas and the Asia-Pacific region, including Australia, China, India, South Korea, Hong Kong and Singapore.

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

SCOR Investments, the Group's third business unit, is in charge of investments of the Group. It is responsible for defining, implementing and controlling the asset allocation of the Group's legal entities investment portfolios on a centralized basis. It is organized around two areas: Group functions and SCOR Investment Partners SE, an AMF-approved portfolio management company, which directly manages the assets of many SCOR Group subsidiaries as well as investment vehicles on behalf of the Group and third-party clients. Please refer to Section C.3.2.1 – Overview of risk management of assets for further details.

The Group's subsidiaries, branches and representative offices are connected through a central network of applications and data exchange platforms (subject to applicable data privacy and protection regulations), 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 across the Group's various offices, SCOR encourages its underwriters, actuaries, modelers, claims management experts and risk controllers to share and exchange experience of its various geographic markets and business lines.

SGRI owns 74% of a subsidiary, SCOR Ireland dac incorporated in and domiciled in Ireland, and regulated by Central Bank of Ireland.

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

A.1.2 BUSINESS DESCRIPTION

A.1.2.1 NON-LIFE BUSINESS

The Non-Life reinsurance portfolio is diversified in terms of business and geography covering various lines of business such as Property, Property Cat, Motor, Credit & Surety, Casualty, Engineering, Marine and Offshore and other smaller portfolios from SCOR entities across Asia Pacific (China, India), South Africa, United Kingdom and Europe (Germany, Switzerland, Spain, Italy).

This Non-Life intragroup retrocession business which has transferred to SGRI is comprised of both Proportional and Non-Proportional business and consists of:

- Inwards intragroup retrocession contracts with branches and subsidiaries of SCOR SE; and
- Outwards intragroup retrocession contracts with SCOR SE.

SGRI underwrites EEA risks on the basis of its European Passport and risks outside the EEA on a non-admitted basis to the extent permitted.

The lines of business currently written by SGRI since January 1, 2022, include:

Property

Property lines cover damage to the physical assets of the insured, as well as to their business income. It provides financial compensation, renovations or replacements for the physical damage sustained, and financial compensation for the loss of income that a business may experience as a consequence of the physical damage, if its business activity has been interrupted. Perils insured are both natural and man-made, and include notably fire, floods, water damage, explosion and theft. The sum insured and the specific types of events covered depend on whether the coverage is property or property catastrophe.

Casualty or Liability

The Casualty or Liability lines of business provide coverage for a broad variety of underlying liability indemnity products, encompassing both general and professional liability business. The underlying products, events or circumstances covered are driven by the underlying market the risks originate from.

Some specific types of Liability products covered, worth mentioning are:

- **Auto/Motor Liability** – Personal and business insurance for cars, trucks, motorcycles, and other road vehicles. The policy responds when the insured driver or vehicle causes or is accused of physical damage or bodily injury resulting from any liability that arising from incidents in or around a vehicle;
- **Medical Malpractice** – Med Mal provides coverage for the acts, errors, and omissions of physicians, surgeons, and allied healthcare operates such as nurses. This liability policy can encompass physicians only, hospitals only, or physicians and hospitals combined.

Other Specialty Risks

The lines of business considered Specialty consist of the following:

- **Aviation** covers damages to aircraft or equipment, operated by airlines, aircrafts manufacturers, space companies, or operators on the ground. The coverage is often split between hull (damage to or loss of the physical asset) and liability (damages to the passengers), with liability typically representing the largest and longest exposure of the two. SCOR affiliates participate in the aviation business through reinsurance and insurance solutions in all sectors of the Aviation market: airlines, aerospace and general aviation;
- **Marine and Energy** typically includes a hull and a liability part, for damages to cargos or other equipment at sea, such as drilling platforms. SCOR affiliates participate in the marine and energy business through (re)insurance solutions covering hull and cargo as well as marine liability and energy;
- **Engineering** covers risks resulting from the design and constructions of building, as well as related equipment & machinery. SCOR affiliates participate in the Engineering business through a broad range of reinsurance and insurance covering: Construction All Risks (CAR) and Erection All Risks (EAR) insurance, as well as advance loss of profits or delay in startup following a CAR or EAR loss, contractors' plant and machinery, electronic equipment, machinery, machinery loss of profits and combined machinery/electronic equipment and property;
- **Agriculture** SCOR affiliates provide customized risk transfer solutions and innovative approaches in the field of crop/crop hail, aquaculture, forestry, greenhouse and livestock/bloodstock insurance;
- **Credit and Surety** includes covers for payment default, frustration of assets, surety. It applies particularly to businesses trading abroad. SCOR affiliates participate in the Credit and Surety business e.g.
    - Domestic and Export Credit Insurance,
    - Various surety lines, like market surety and professional surety, and

  - Political Risks: Confiscation Expropriation Nationalisation Deprivation (CEND), embargo and no currency transfer.
- **Decennial** covers inherent defects insurance for construction works. SCOR affiliates participate in the Decennial business through customised products and solutions tailored to local situations e.g.
  - 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, and
  - additional extensions to Insurance Defects Insurance ("IDI") policies such as waiver of subrogation against builders and consequential third-party liability.

Natural and Man-made Catastrophes

Natural Catastrophe insurance is coverage dedicated to low-probability, high-cost catastrophic events such as: Hurricanes and typhoons, Extratropical cyclones, Earthquakes and tsunamis, Floods, Thunderstorms including tornados, Hailstorms, Wildfires, as well as man-made risks such as terrorism etc. Catastrophe covers may not be limited to specific perils in the wording, however, generally, what is key to classify a loss as being covered is that the loss effects multiple insureds with amounts aggregating together defining the catastrophic event.

Solvency II lines of business

Under Solvency II, insurance and reinsurance obligations are analysed by defined lines of business. The material lines of SGRI's Non-Life business are as follows:

- Motor vehicle liability insurance;
- Marine, aviation and transport insurance;
- Fire and other damage to property insurance;
- General liability insurance;
- Credit and suretyship insurance;
- Non-proportional property reinsurance;
- Others (regrouping smaller Lines of Business).

A.1.2.2 LIFE & HEALTH BUSINESS

SGRI underwrites Life & Health Reinsurance from the Americas, EMEA and Asia-Pacific 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 behavioural 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 SGRI'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 SGRI's Protection portfolio, is characterized by the dominance of long-term contractual relationships. SGRI 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

SGRI 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.

Critical Illness

Critical Illness 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.

SOLVENCY II LINES OF BUSINESS

In order to align with the lines of business defined under Solvency II (Life and Health), Longevity is classified as purely Life Reinsurance, while the Financial Solutions and Protection businesses include both Life and Health Reinsurance business, depending on the underlying insurance contract and the nature of the insurance risk covered.

Under Solvency II, insurance and reinsurance obligations are analysed by defined lines of business.

The material lines of SGRI's Life business are as follows:

- Life Reinsurance;
- Health reinsurance.

For further information on SGRI's underwriting and performance by Solvency II lines of business, see Section A.2 - Underwriting performance.

A.1.3 SIGNIFICANT Business events and other events in the period

The following significant events occurred during 2023:

Dividends

During 2023, SGRI received a dividend from its subsidiary company, SI of USD 140.6 million which had positive impact on the Company's 2023 results.

SGRI paid USD 203.6 million in dividends to SCOR SE during 2023.

Repayment of loan granted by SCOR SE

On February 14, 2023, SGRI repaid the loan granted by SCOR SE of USD 170 million.

A.2 Underwriting performance

A.2.1 Underwriting results by lines of business

SGRI underwrites both Life and Non-Life business since January 1, 2022. Each line of business underwrites several types of risks and offers various products and services, which are marketed via separate channels and the performance of which is managed on a different basis, in line with the nature of the business.

This section presents underwriting performance mainly through the Insurance Service Result (ISR) and Insurance Revenue. Comparative data have been restated due to the application of IFRS 17.

With the introduction of IFRS17, 2022 Non-Life figures by line of business or by geographical area were not completely restated, however the total is available, as presented in this report.

A.2.1.1 OVERALL UNDERWRITING PERFORMANCE

SGRI IFRS	2023			2022		
in USD thousands	**Non-Life**	**Life**	**Total**	**Non-Life**	**Life**	**Total**
Insurance revenue	1,282,007	1,109,786	2,391,793	1,294,477	1,281,434	2,575,910
Insurance service expenses	(1,080,441)	(1,109,920)	(2,190,361)	(1,330,342)	(1,341,190)	(2,671,532)
Net income/(expenses) from reinsurance contracts held	(70,541)	38,799	(31,741)	80,324	75,012	155,336
INSURANCE SERVICE RESULT	**131,025**	**38,665**	**169,690**	**44,458**	**15,256**	**59,715**

The Company's business generated a positive Insurance Service Result due to the impact from Contractual Service Margin ("CSM") amortisation and release of risk adjustment, partially offset by negative experience variance.

Premium written

Gross written premium for SGRI has developed as follows:

SGRI	Gross written premiums			
in USD thousands	**2023**		**2022**	
By segment				
Total Non-Life	1,564,232	47%	5,097,730	75%
Total Life	1,776,800	53%	1,660,219	25%
Total	**3,341,032**	**100%**	**6,757,949**	**100%**

Non- Life Premiums

SGRI's Non-Life gross written premium for 2023 was USD 1,564 million compared to USD 5,098 million in 2022[3]. The decrease is due to the 2022 year being impacted by the portfolio transfer on the inception of the Non-Life business.

Life Premiums

Gross written premium has increased from USD 1,660 million in 2022 to USD 1,777 million in 2023.

Protection

Protection business accounts for 90% of total Life gross written premium in 2023 (2022: 88%) and remains a key driver for premium growth.

SGRI reinforced its position in key European markets such as the UK. Asia-Pacific remains a region with significant growth opportunities in terms of premium. Within the Protection product line, mortality was the main risk underwritten.

Financial Solutions

The Financial Solutions product line accounted for 8% of Life gross written premiums in 2023 (2022: 10%).

[3] Comparative figures have been updated to reflect new classifications as prescribed under IFRS 17 Insurance contracts.

A.2.2 UNDERWRITING RESULTS BY LINES OF business – Non-life

SGRI - Non-Life SGRI - Non-Life	Insurance Service result* 2023
Income protection insurance	(4,790)
Workers' compensation insurance	(7)
Motor vehicle liability insurance	13,980
Marine, aviation and transport insurance	14,368
Fire and other damage to property insurance	115,787
General liability insurance	(46,288)
Credit and suretyship insurance	(21,356)
Miscellaneous financial loss	(12,189)
Non-proportional marine, aviation, transport reinsurance	71,520
Total for SGRI Non-Life 2023	**131,025**
Total for SGRI Non-Life 2022	**44,458**

* *Non-Life Insurance Service Result reflects financial statements lines of business*

Non-Life Insurance Revenue

The Non-Life insurance revenue stands at USD 1,282 million compared to 2022 (USD 1,294 million). As a reminder, insurance revenue is primarily the sum of expected claims and expenses for the relevant period (estimated at the beginning of each quarter), premiums experience variance, CSM amortisation and the release of Risk Adjustment.

Non-Life Insurance Service Result

SGRI's Non-Life insurance service result stands at USD 131 million, supported by CSM amortization of USD 101 million, risk adjustment release of USD 40 million, USD 18 million positive impact from recoveries of losses and other updates, offset by USD 28 million negative experience variance.

A.2.2.1 UNDERWRITING RESULTS BY LINES OF BUSINESS –LIFE

SGRI - Life IFRS in USD thousands	Insurance Service Result 2023	2022
Health reinsurance	(18,656)	(57,116)
Life reinsurance	57,321	72,372
Total SGRI Life	**38,665**	**15,256**

Life Insurance Revenue

The 2023 Life insurance revenue stands at USD 1,110 million compared to 2022 (USD 1,281 million).

Life Insurance Service Result

SGRI's Life insurance service result including net revenues associated with financial reinsurance contracts, is at USD 39 million, of which includes USD 51 million of CSM amortisation, USD 21 million release of Risk Adjustment, USD (15) million of negative experience variance, and USD (18) million negative impact from further loss components in 2023 and other updates.

A.2.3 UNDERWRITING RESULTS BY GEOGRAPHICAL AREAS

The tables below show the breakdown by gross volume of premium written and underwriting performance by geographic area.

Non- Life Business

SGRI - Non-Life

IFRS in USD thousands	As at December 31, 2023 EMEA	Americas	Asia-Pacific	Total	As at December 31, 2022 Total
Gross written premiums	1,114,773	5,980	443,479	1,564,232	5,097,730
Insurance Service Result	**56,846**	**4,326**	**69,853**	**131,025**	**44,458**

In 2023, SGRI Non-Life business generated approximately 71% of its gross written premium in EMEA (2022: 70%) with significant positions in Switzerland, the UK and Germany, and 28% of its gross written premium in Asia-Pacific (2022: 30%).

Life Business

SGRI – Life

IFRS in USD thousands	As at December 31, 2023 EMEA	Americas	Asia-Pacific	Total
Gross written premiums	628,385	109,239	1,039,176	1,776,800
Insurance Service Result	**32,965**	**17,884**	**(12,184)**	**38,665**

SGRI – Life

IFRS in USD thousands	As at December 31, 2022 EMEA	Americas	Asia-Pacific	Total
Gross written premiums	630,638	116,414	913,167	1,660,219
Insurance Service Result	**4,688**	**34,360**	**(23,792)**	**15,256**

In 2023, SGRI generated approximately 59% of its Life gross written premium in Asia-Pacific (2022: 55%), 35% of its gross written premium in EMEA (2022: 38%) with significant positions in the UK, Spain and Germany, and 6% of its gross written premium in the Americas (2022: 9%).

A.3 Investment performance

A.3.1 Investment income and expenses

Investment income and expenses by asset class

SGRI

IFRS in USD thousands	2023	2022
Investment revenues on financial assets not measured at FVTPL	**32,117**	**25,530**
Net gains/(losses) on financial assets measured at FVTPL	*203,859*	*224,634*
Foreign exchange gains/losses	17,083	(78,060)
Financial instruments at FVTOCI – net gains (losses) on derecognition	(2,251)	(1,964)
Investment revenue	1,190	(107)
Total other investment revenue	**219,881**	**144,503**
Net impairment losses	**141**	**(1,017)**
Investment management expenses	**(2,937)**	**(1,676)**
IFRS investment income net of investment management expenses	**249,202**	**167,340**

Total investment income net of management expenses stands at USD 249 million as at December 31, 2023:

- Investment income on invested assets at USD 32 million (equivalent to a return of 0.87% as compared to 0.76% in 2022) and investment expenses at USD (3) million.
- Total other investment revenue includes USD 141 million relating to dividend income received from SI in addition to the positive market movement experienced in 2023.

- The foreign exchange impact for the year, net of the impact of hedging, is at USD 17 million. This is mainly the product of the changes in the USD/EUR, USD/GBP, USD/CNY exchange rates.

Investment income on invested assets

2023 turned out to be a very good year for most asset classes, despite a period of marked volatility and the persistence of high geopolitical risks, with the ongoing conflict in Ukraine and renewed tensions in the Middle East from October.

After an *annus horribilis*, the year got off to a flying start, with equity, credit and bond markets benefiting from the combined positive effect of a global slowdown in inflation and robust growth.

However, the return of the "Goldilocks" was short-lived as February's disappointing inflation figures delayed the return to central banks' prized 2% target and increased the likelihood of further monetary normalization. Against this backdrop, a "higher for longer" narrative gradually took hold, especially as growth and the labor market remained solid. As a result, interest rates started to rise again from February onwards. This upward movement was almost uninterrupted until October.

Neither the collapse of four US regional banks in March nor the strained discussions on the US debt ceiling in May changed the central banks' hawkish stance. During the first half of the year, despite the increase in systemic risk, the US Federal Reserve (Fed) and the European Central Bank (ECB) raised their interest rates by 75 bps and 150 bps respectively, bringing their key interest rates to 5.25% and 3.5%.

However, the measures taken by the central banks during the banking crisis (deposit guarantees, new liquidity lines, etc.) and the last-minute agreement to raise the US debt ceiling prevented a domino effect. Apart from the financial sector, where the Swiss National Bank had to organize an emergency bail-out of Credit Suisse through its counterpart UBS, the markets remained solid and quickly erased the volatility seen in March.

Volatility returned in August, fueled by a growing conviction that interest rates would remain high for a long time to come. Indeed, the publication of much stronger-than-expected growth figures for the third quarter confirmed the strength of the US economy and further reduced the risk of recession. The simultaneous rise in oil prices also raised fears of renewed near-term inflationary pressures, with Brent and WTI prices back at around USD 95 per barrel by the end of September. In this context, central banks maintained their hawkish stance in September. The Fed left interest rates unchanged but raised its growth and inflation forecasts and reduced its rate cut expectations for 2024. Despite a marked slowdown in the eurozone, the ECB raised its interest rate to an all-time high of 4% keeping the normalization of inflation its priority. This hawkish tone led to a further rise in interest rates, with the US 10-year yield exceeding 5% in October, its highest level since the Great Financial Crisis. Contrary to previous phases, this move mainly affected the longer end of the curve, which was also penalized by the deterioration in fiscal deficits. Credit spreads and equity markets were also impacted by the increased volatility in interest rates but without completely wiping out the gains made since the beginning of the year.

Positive signs on the inflation front and a more accommodative stance by central banks put an end to this negative trend from November onwards. After initially confirming a long status quo in its policy, the Fed finally acknowledged in December that inflation was slowing down faster than expected, which should argue in favor of a 0.75% rate cut in 2024. The resulting rally allowed most financial assets to end the year on a spectacular note.

The S&P 500 index and the Euro Stoxx 50 index rose by 26.3% and 23.2% respectively over the year, with half of this performance coming in the last two months of the year. The performance of the US technology giants was even more spectacular (Microsoft +58.2%, Alphabet +58.3% and above all Nvidia +239%), boosted by forecasts of revenues from artificial intelligence.

The return of risk appetite also supported credit spreads, which benefitted from relatively robust corporate earnings in a context of rising interest rates and contained default rates. The Bloomberg US Corporate Bond and EUR Corporate Bond indices returned 8.5% and 8.2% respectively, while their high yield counterparts returned around 13%. European leveraged loans gained 13.5%.

On the interest rate front, a third consecutive year of negative performance was avoided thanks to the accommodative stance adopted by central banks towards the end of the period. The US 2-year and 10-year rates are almost stable compared to the beginning of the period at 4.3% and 3.9% respectively, while the EUR 2-year and 10-year rates end the year 0.4% to 0.6% lower at 2.4% and 2.0% respectively. However, the final landing doesn't reflect the massive volatility recorded throughout the year, with an average rate amplitude of almost 150 bps between the highs and lows.

Finally, the US dollar ended the year slightly weaker against the G10 currencies on the back of the prospect of a less hawkish Fed and an economic slowdown.

Against this positive picture, China was the black sheep, suffering from the ongoing crisis in its real estate sector and its negative impact on consumer confidence. After a strong rebound in the first quarter, linked to the end of the zero-Covid policy, the Chinese economy subsequently underperformed, requiring the introduction of accommodative measures that bucked the global trend.

Income and expenses

Total investment income net of management expenses for the year ended December 31, 2023 amounted to USD 249 million, compared to USD 167 million for the year ended December 31, 2022. The return on invested assets in 2023 was 0.87% as compared to 0.76% in 2022.

A.3.2 INVESTMENT GAINS AND LOSSES RECOGNISED IN EQUITY

The table below sets out the change in the unrealized gains position on fixed income, funds withheld and contract deposit assets at the end of 2023 and 2022.

SGRI IFRS in USD thousands	2023	2022	Variance
Fixed income	(42,674)	(78,078)	35,404
Total	**(42,674)**	**(78,078)**	**35,404**

A.3.3 SECURITIZED INVESTMENTS

SGRI As at December 31, 2023 in USD thousands	AAA	AA	A	BBB	<BBB and non-rated	Total	Market to Book Value %
Collateralized loan obligations	**90,898**	**-**	**-**	**-**	**-**	**90,898**	**98%**
Mortgage-backed securities	**-**	**97,566**	**-**	**-**	**-**	**97,566**	
Agency RMBS	-	97,566	-	-	-	97,566	98%
Non-agency RMBS	-	-	-	-	-	-	0%
Total	**90,898**	**97,566**	**-**	**-**	**-**	**188,464**	**98%**

SGRI As at December 31, 2022 in USD thousands	AAA	AA	A	BBB	<BBB and non-rated	Total	Market to Book Value %
Collateralized loan obligations	**87,644**	**-**	**-**	**-**	**-**	**87,644**	**96%**
Mortgage-backed securities	**27,802**	**7**	**-**	**-**	**-**	**27,809**	
Agency RMBS	27,802	-	-	-	-	27,802	90%
Non-agency RMBS	-	7	-	-	-	7	106%
Total	**115,446**	**7**	**-**	**-**	**-**	**115,453**	**94%**

A.4 Performance of other activities

Other expenses (administration, other operating expenses and financing)

Administration and other operating expenses for the Company, which are deemed non-attributable expenses, have increased to USD 25 million in 2023 compared to USD 19 million in 2022[4]. The increase is mainly due to a once-off true up expenses from 2022. Financing expenses have increased to USD 18 million in 2023 from USD 9 million in 2022, primarily due to loan interest on subordinated liabilities with SCOR SE.

Finance expenses from insurance contracts issued/reinsurance contracts held has increased from USD 1 million in 2022 compared to USD 25 million in 2023 due to interest accretion and financial assumption changes on both Life and Non-Life business.

[4] Comparative figures have been updated to reflect new classifications as prescribed under IFRS 17 Insurance contracts.

A.5 Any other information

GOING CONCERN

The Directors have a reasonable expectation that the Company will continue in operational existence for at least twelve months from the date of approval of the financial statements ("the period of assessment"). In their assessment the Directors have considered all currently known elements including: the Company's capital position and the surplus over its required solvency capital ratio and minimum capital ratio; ORSA's projected solvency ratio and stress testing; liquidity planning and forecasting together with the equivalent elements of its subsidiary SI and their impact on the Company. On the basis of the above, the Directors have concluded that the Company has no material uncertainties which would cast a significant doubt on its ability to continue as a going concern over the period of assessment.

DIVIDEND INCOME

During 2023, SGRI received a dividend from its subsidiary company SI of USD 140.6 million which had positive impact on the Company's 2023 results.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

B.1.1 General governance principles

SGRI has an objective of adopting best practices with regards to governance because good governance contributes to meeting its strategic objectives and ensuring an appropriate management of risks. The governance of SGRI, aligned with SCOR SE and of SCOR Group derives from the following objectives:

- compliance with applicable laws in the countries where it operates, and in particular, for SCOR SE, with the French Commercial Code, the French Monetary and Financial Code, the AMF's General Regulation and the French Insurance Code;
- pragmatism, simplicity and operating efficiency, allowing for timely and effective decision-making and cost effectiveness;
- clear allocation of roles and responsibilities, including clear reporting lines and accountability;
- checks and balances;
- fostering of cooperation, internal reporting and communication of information at all relevant levels of the Group;
- robust management and internal control leveraging on the consistent application of policies, guidelines, procedures and tools such as IT systems;
- mobilization of skills and expertise;
- balance between strong governance at Group level involving a global vision and global steering of the business and of risk management, and empowerment of local Boards and management teams, allowing for local specificities to be considered;
- multicentricity, with Group functions being carried out in other geographical locations than Paris to benefit fully from the competencies within various locations;
- efficient flow of information bottom-up and top-down.

B.1.2 LEGAL STRUCTURE AND FUNCTIONAL ORGANIZATION OF SCOR GROUP

Please refer to 2023 Solvency and Financial Condition Report of SCOR Group and SCOR SE, Section B.1.2 – Legal structure and functional organization of SCOR Group for further details.

B.1.3 GROUP GOVERNANCE STRUCTURE AT GROUP AND LEGAL ENTITY LEVEL

Please refer to 2023 Solvency and Financial Condition Report of SCOR Group and SCOR SE, Section B.1.3 for further details in respect of the governance of the Group and SCOR SE.

B.1.3.1 GOVERNANCE OF SCOR GLOBAL REINSURANCE IRELAND DAC

Legal form and fundamental rules of governance of SGRI

SGRI is a designated activity company incorporated in Ireland, with its registered office located at 6th Floor, 2 Grand Canal Square, Dublin 2 and registered with the Irish Companies Registration Office under the number 366572. It is authorized and regulated by the Central Bank of Ireland (CBI) as a composite reinsurance company and is also authorized to operate:

- within the European Union pursuant to the European passporting regulation;
- in other countries where operating in reinsurance is not subject to license.

SGRI is subject to Irish and European Union applicable laws and regulations (including but not limited to the CBI's Corporate Governance Requirements for Insurance Undertakings which sets out minimum statutory requirements on how insurance undertakings should organize governance of their institutions) and is supervised by the CBI.

The Constitution of SGRI and the Internal Regulations of the SGRI Board of Directors set forth the fundamental rules of its governance.

Board of Directors and Board committees of SGRI

Mission of the Board of Directors

The Board of Directors may exercise all the powers vested in it by Irish laws and regulations.

In accordance with Irish law, the main responsibility of the Board of Directors is to determine the guiding principles of SGRI's business plan and strategy and to monitor their application. With the exception of powers explicitly reserved to its shareholder and within the limits of the corporate purpose, the SGRI Board addresses any matters related to performance and takes decisions regarding business issues concerning the Company. It designates the CEO and the persons effectively running the Company. Directly, or via its committees, it hears the key function holders for SGRI at least annually and receives their reports. It takes part in the sound and prudent management of the Company. It is informed by management of the financial position, cash position and commitments of the Company. In accordance with legal provisions, it approves the financial statements, proposes and approves dividends and makes investment and financial policy decisions. It approves the Own Risk and Solvency Assessment (ORSA) report and takes it into account when making decisions likely to have a significant impact on SGRI. It approves certain policies as well as the SFCR and RSR reports. The Board also carries out the verifications and controls deemed necessary.

Composition of the Board of Directors

Per the Internal Regulations, SGRI must have a minimum of 5 Directors, with a majority of Non-Executive Directors and at least 2 Independent Non-Executive Directors.

Directors are subject to fit and proper requirements as detailed in Section B.2 – Fit and proper requirements and are designated as Pre-Approval Control Functions (PCF) per the CBI's Fitness and Probity Regime. In addition, SGRI complies with Board composition requirements as set out in the CBI's Corporate Governance Requirements for Insurance Undertakings (CGR) and Irish Company law.

Directors' Duties

Under Irish law Directors are required to comply with applicable law and SGRI's Constitution. Directors may be held liable for any violations both individually and jointly with the other directors.

Each director has a duty of care to the Company. He or she shall not act in his or her own interest, against SGRI's interests, and must avoid conflict of interests.

Functioning of the Board of Directors

The convening procedures, the holding of the meetings and other details of SGRI's Board of Directors operations are set by the applicable laws and regulations, by the Constitution of SGRI and by its Internal Regulations.

The Board of Directors is responsible for considering the appropriateness of a committee structure and may create any committee(s), whether ad hoc or permanent, assisting the Board of Directors in the preparation and examination of selected matters. The Board of Directors appoints and dismisses the members of such committee(s) as it deems fit.

The operations of the Board are assessed annually.

Chairman of SGRI Board

The Board of Directors elects a Chairman from among its members and, in line with CGR, the Chairman must be an independent Non-Executive Director or a Group Non-Executive Director.

The Chairman is responsible for organizing and directing the work of the Board of Directors.

SGRI Board Committees

SGRI's Board of Directors has established the following committees:

- Audit Committee;
- Risk Committee;
- Business Acceptance Committee; and
- Succession Committee (ad-hoc).

The missions, duties and responsibilities, composition rules and operations of these committees are set out in the Terms of Reference for the respective Committees. In particular:

Audit Committee

The Audit Committee is appointed by the SGRI Board to assist it in monitoring and overseeing (1) the accounting and financial reporting processes and the audits of the financial statements, (2) the integrity of the financial statements, (3) the internal control framework and (4) the performance of the Company.

Risk Committee

The Risk's Committee's mission is to:

- examine, notably based on the own risk and solvency assessment, the major risks with which SGRI is confronted, both on the assets and liabilities side, and ensure that tools for monitoring and controlling these risks are in place to the fullest extent possible;

- examine SGRI's principal underwriting and financial commitments (underwriting, reserving, market, concentration, counterparty, asset-liability management, liquidity and operating risks) as well as relating to the evolution of prudential regulations.

SGRI Business Acceptance Committee

The Business Acceptance Committee's mission is to assist the Board in monitoring and overseeing (1) business review in line with SGRI's policy on underwriting risk, (2) approval of deals within limits specified by the Board and (3) the execution of documents.

Executive Management of SGRI

Chief Executive Officer of SGRI (CEO)

Responsibility for the general management of SGRI lies with the CEO, their exercise of such powers and responsibilities is limited to the corporate purpose of SGRI and is subject to the powers specifically conferred to the Board of Directors as per legal or regulatory provisions or the Constitution of the Company.

The CEO is responsible for defining and implementing SGRI's long term strategy and objectives in line with the Group strategy. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing SGRI's long and short-term plans. The CEO serves as the main link between the SGRI Board and management of SGRI. The CEO may also communicate on behalf of SGRI to its' shareholder, employees, Government authorities, other stakeholders and the public.

A number of Executive Risk Committees have been put in place which facilitate bottom-up reporting, the coordination of the action of all major functions in the Company, the involvement of senior management of SGRI in significant decisions concerning SGRI and the preparation of the work of the Board of SGRI.

Executive Risk Committees at SGRI level notably include:

- Investment Risk Committee;
- P&C Reserving Committee;
- Operational Risk Committee; and
- Underwriting Risk Committee.

Four-eyes principle

SGRI applies the "Four Eyes Principle", which specifies that it must be effectively reviewed by at least two persons. The CEO of SGRI is assisted by the Senior Management Team, comprising of the Chief Financial Officer (CFO) and the Chief Risk Officer (CRO) of the Company.

The "persons effectively running" SCOR including SGRI, are subject to fit and proper requirements as set out by the Group Fit & Proper policy (see Section B.2 – Fit and proper requirements).

There are a number of internal documents including the Reserved Powers of the Board and the Powers of Authority, which sets out the criteria for decision making within SGRI, as any significant decisions are taken by the Board, Board Committees or Executive Risk Committees. In respect of Executive Risk Committees, any decision must include approval from a minimum of two of the CEO, the CFO and the CRO.

Key functions

The four key governance functions defined by Solvency II contribute to the implementation of an effective system of governance that provides for sound and prudent management.

These functions are the following:

- Risk Management;
- Compliance;
- Internal Audit;
- Actuarial Function.

There are nominated key function holders for each of these roles in SGRI.

Key functions for SGRI may be outsourced (if only partially) to other entities, as and in accordance with the CBI requirements and the rules laid out in the Group Outsourcing Policy. Refer to Section B.7 - Outsourcing for further details.

Roles and Responsibilities

For further information on roles and responsibilities of key functions, please refer to dedicated below Sections, in particular Section B.3 – Risk management system including the Own Risk and Solvency Assessment (ORSA), Section B.4 - Internal control system, Section B.5 - Internal audit and Section B.6 - Actuarial function.

Freedom from influences

The key function holders carry out their duties in an objective, fair and independent manner. They shall be free from any influence that could impair the performance of their duties.

They operate under the ultimate responsibility of the CEO, through their management lines.

Each of the key function holders designated for SGRI has a sufficiently high rank in the organization and is in a position to conduct their activities in an independent manner. The standing and the authority of the key function holders in the main respectively relevant management governing bodies allow them to execute their tasks with the level of independence required set forth by the Solvency II regulations. In addition, the key function holders interact with the Board members and with the persons effectively running SGRI on a regular basis.

Access to the Board

The key function holders meet, at least once a year, with the Board of Directors of SGRI, or one of its specialized Committees.

Besides, the Board of Directors of SGRI and its Committees may contact the key function holders at their discretion, upon request from their respective Chairmen.

Designation, fit and proper requirements and notification requirement

SGRI's key function holders are approved by the Board. They are subject to specific fit and proper requirements which are set out in the Group Fit and Proper Policy (see Section B.2 – Fit and proper requirements) and the CBI Fitness and Probity requirements. Upon designation, key function holders are notified to the CBI.

Access to information and records

Key function holders are able to communicate on their own initiative with any staff member and to obtain access to any relevant information to carry out their responsibilities. In the event that key function holders face difficulties in accessing relevant information, they shall refer the issue to the CEO or Chairperson of SGRI for arbitration.

Interactions with other key function holders

Key function holders shall each interact with one another, especially in order to exchange information relevant to each other's areas of competence.

For further information on these interactions, refer to the respective dedicated Sections below, in particular Section B.3 – Risk management system including the Own Risk and Solvency Assessment (ORSA), Section B.4 - Internal control system and Compliance function, Section B.5 - Internal audit and Section B.6 - Actuarial function.

B.1.4 MATERIAL CHANGES IN THE GOVERNANCE IN 2023

During the year ending on December, 31 2023, there were no material changes in the system of governance of SGRI.

Board of Directors

During 2023, one Board member (Non-Executive Director) resigned from the Board on 26 January 2023, no new Board members were appointed.

Audit Committee

During 2023, the Audit Committee consisted of one Non-Executive Director and two Independent Non-Executive Directors.

Risk Committee

During 2023, the Risk Committee consisted of one Executive Director, one Non-Executive Directors and two Independent Non-Executive Directors.

B.1.4.1 MATERIAL CHANGES AT GROUP AND SCOR SE LEVEL

During the year ending on December 31, 2023, there were no material changes in the system of governance at Group and SCOR SE level.

The following changes occurred during 2023 regarding the position of chief executive officer and chairman of board of directors:

On January 26, 2023, Laurent Rousseau, who succeeded Denis Kessler as CEO on June 30, 2021, resigned from his position as CEO and from his position on the Board. François de Varenne, Executive Committee member in charge of Investments, Technology, Transformation and Group Corporate Finance, was appointed Interim CEO of SCOR SE with immediate effect until Thierry Léger took up his post as CEO of SCOR SE with effect from May 1, 2023.

On June 26, 2023, Fabrice Brégier was appointed as the new Chairman of the Board of Directors of SCOR after an interim period between June 9 and June 26, 2023 during which Augustin de Romanet, in his capacity as Vice-Chairman of the Board of Directors and in accordance with the internal rules of the Board of Directors, temporarily held the position of Chairman of the Board of Directors following the death of Denis Kessler.

B.1.5 MATERIAL TRANSACTIONS WITH shareholders, persons who exercise significant influence or members of the AMSB

Material transactions with shareholders

As set out in Section A.1.1 – Overview, Significant shareholders, SCOR SE is the immediate and ultimate parent company of SGRI (100% of control and interest) as at December 31, 2023. (See Section A.1.3 – Significant business events and other events in the period for more information).

The following are the material transactions with SCOR SE during 2023:

- SGRI paid USD 203.6 million in total dividends to SCOR SE during 2023, consisting of a USD 70 million dividend in June 2023 and a USD 133.6 million dividend in October 2023.
- On February 14, 2023, SGRI repaid the loan granted by SCOR SE of USD 170 million.

SGRI has several business relationships with SCOR SE, including:

- Reinsurance transactions made in the ordinary course of business;
- Parental guarantee agreement with SCOR SE, guaranteeing SGRI's payment obligations under its reinsurance contracts;
- Subordinated debt agreement with SCOR SE
- Capital contributions from SCOR SE
- Stop-loss arrangement with SCOR SE
- Various outsourcing agreements relating to the provision of services including investment management services.

Material transactions with members of the AMSB (Administrative, Management or Supervisory Body)

SGRI considers that members of the Board constitute key management personnel, as the Board has responsibility and authority for planning, directing and controlling the activities of SGRI.

Refer to Section B.1.6 – Compensation policy and practices regarding the members of the administrative, management or supervisory bodies and employees.

Material transactions with persons who exercise a significant influence

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.

SGRI'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.

SGRI has several business relationships with related parties, in addition to those with SCOR SE as noted above. Transactions with such parties are made 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 other parties.

B.1.6 COMPENSATION POLICY AND PRACTICES REGARDING THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND EMPLOYEES

SGRI conforms to the Group Compensation Policy

B.1.6.1 COMPENSATION POLICY OF THE MEMBERS OF THE BOARD OF DIRECTORS

The SGRI Board is composed of an Executive Director, Non-Executive Directors employed by the SCOR Group and Independent Non-Executive Directors.

Independent Non-Executive Directors' (INED's) fees are allocated partly in one fixed sum per annum payable in quarters at the end of each quarter and partly based on the effective presence of the directors at the meetings of the Board of Directors and of its Committees, with an amount paid per Board or per Committee meeting they attend. The members of the SGRI Board who are employees of the SCOR Group do not receive directors' fees in respect of their directorships.

B.1.6.2 GENERAL PRINCIPLES OF THE GROUP COMPENSATION POLICY

SCOR pursues a human capital policy that is in line with the Group's corporate values, strategic plan and risk appetite. SCOR is committed to:

- maintaining a compensation policy that is fully in line with its controlled risk appetite and discourages taking excessive risks;
- aligning management incentives with shareholder value objective;
- having an innovative compensation policy which meets the long-term horizon that is part of SCOR's internal model;
- motivating and retaining its pool of talent and having a compensation policy aligned to human capital development;
- being fully compliant with the regulations and guidelines defined by the regulators as regards to the compensation policy.

In order to achieve such objectives, SCOR has established a very structured and transparent compensation policy, within an overall framework. It is reviewed and submitted to the Board of Directors for approval at least annually. It was last updated in April 2023.

SCOR has established a "Partners"[1] program. This program which is specific and selective includes information sharing, career development and compensation schemes. There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). Partners represent around 25% of the global workforce. The SCOR Group has a formal, carefully designed procedure for appointing and promoting Partners implemented every year during an Executive Committee meeting. Candidates must have consistently demonstrated their skills, leadership and commitment in the past. As at December 31, 2023, the proportions of partners by level across the Group is as follows: EGPs: 1%, SGPs: 8%, GPs: 26%, APs: 65%.

B.1.6.3 MAIN COMPONENTS OF THE COMPENSATION BY STAFF CATEGORY

Overall compensation components

Staff member category	Fixed compensation	Variable compensation in cash	Share-based plans	Pension plan
Chairman and Corporate Executive Officer (1)	✓	✓	Free shares, Stock options, LTIP (2)	✓
Senior management	✓	✓	Free shares, Stock options, LTIP(2)	✓
Partners	✓	✓	Free shares, Stock options (3) LTIP(2)	✓
Non partners	✓	✓	Free shares	✓

(1) As a member of the Group Board of Directors, the Chairman and Corporate Executive Officer receives directors' fees

(2) Long Term Incentive Plan

(3) Only Executive Global Partners and Senior Global Partners are awarded stock options

Depending on the country, employees also benefit from other benefits such as health coverage and profit sharing.

Fixed compensation

As a global Group with three Hubs located in the world's major financial centres, SCOR pays competitive base salaries in order to be a competitive player on the job market and to attract talent. SCOR's compensation is benchmarked against local markets at least every two years.

Base salaries are set according to criteria that consider a variety of factors, such as conditions on the local labour 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 taken on by the job holder. An inflation adjustment is not applied automatically as a general rule and is only granted in the few countries where legally required.

Variable cash compensation

Partners

[1] The Partners are key executives, managers, experts, and high potentials formally identified across the Group. Partners are given specific responsibilities in terms of significant achievements, high impact project management and leadership. Therefore, they benefit from a specific and selective program in terms of information sharing, career development and compensation schemes.

The Partners' cash bonuses are computed on the basis of a percentage of the reference salary. This total percentage ranges from 20% to 100% and increases with seniority in the partnership level. The percentage has two components. The main component (except for EGP's bonuses for whom the individual and collective components are split equally) is directly linked to the individual performance rating. The payout with respect to each component is subject to meeting certain requirements. The payout on the individual component can range from zero (insufficient performance) to 150% (exceeds expectations rating). The second component is collective and based on the economic value growth (EVG) achieved by SCOR in the previous financial year. The payout on the collective component can range from zero (EVG below 30% of the target) to 130% (EVG equal to or above 130% of the target).

The weighting of the individual and collective components is set to better reward the achievement of individual goals at Associate, Global and Senior Global Partner level. Partners can also benefit from an exceptional contribution bonus (ECB) ranging from 0% to 50% of the individual portion of the bonus awarded as a result of a strong contribution to the success of strategic projects or to key strategic achievements.

Other employees

For employees who are not Partners, the SCOR cash bonus rewards individual performance over the previous year. The bonus varies between 0% and 12% of the annual base salary depending on the rating received in the individual appraisal by the employee's direct superior.

Non-Partners are also eligible to the exceptional contribution bonus, ranging from 0% to a maximum of 6% of the annual reference salary.

Equity-based compensation

SCOR launched the free shares and stock options program in 2004 as a means to encourage the retention of, and strengthen the bond with, executives, managers and talented employees.

Shares and options can only be granted if the Annual General Meeting of the Shareholders approves the resolutions to this effect presented by the Board of Directors.

By delegation of the Annual General Meeting of Shareholders, the Board of Directors determines the allocation of shares and stock options to key personnel within SCOR.

In 2011 the Board of Directors decided to implement a new compensation scheme (Long Term Incentive Plan, (LTIP)) for selected managers and executives of the Group in order to:

- Ensure retention of its key employees while extending the performance measurement period;
- Involve and associate SCOR's key employees in the Group's long-term development.

Partners

The allocation of free shares and stock options to Partners is primarily designed to retain and create loyalty amongst key Group employees. An allocation will not necessarily occur every year and not every Partner is guaranteed an allocation.

The vesting of shares and options is subject to satisfying the condition of presence (three to six years depending on the nature of the plan) and performance conditions fully aligned with the objectives of the strategic plan (EVG and Solvency ratio) and a Total Shareholder Return (TSR) criterion. Moreover, beneficiaries must fully comply with the Group's Code of Conduct (clawback policy) and complete a training on CSR-related topics every year. For more information on the performance conditions of 2023 plans, see Section 2.2.3.4 – Employee profit sharing plans of the 2023 Universal Registration Document.

Other employees

Free shares may be granted to employees that are not Partners under collective plans that do not include any performance conditions. In addition, under specific circumstances, performance shares can also be granted individually to certain employees who are not Partners.

Pension Plans

While respecting national differences, SCOR offers attractive pension plans to its employees that also cover accident and disability in certain countries.

Although SCOR pension plans are not aligned globally, they are set up to meet local needs and legal requirements. They are calibrated in such a way as to allow for attractive total compensation packages.

Generally, SCOR uses defined contribution pension plans.

B.2 Fit and proper requirements

The Fit and Proper standards of the SCOR Group are embedded in the SCOR Group Fit and Proper policy and the local addendum for SGRI which sets out the requirements in relation to the Central Bank of Ireland's (CBI) Fitness and Probity Regime (F&P). These standards consist of Fit and Proper principles, and criteria to be used to assess whether a person could be considered as fit and proper. The policy also includes an assessment process to be complied with. These elements are further detailed below. SGRI will not permit an individual to perform a Pre-Approval Control Function (PCF) and/or Control Function unless it is satisfied on reasonable grounds that the individual complies with the F&P Standards and has obtained confirmation that the individual has agreed to abide by those standards.

B.2.1 OBJECTIVES AND GENERAL PRINCIPLES

SGRI commits to high "Fit and Proper" standards.

Standards are adapted to the category of work performed by each individual.

A person is considered as Fit and Proper when he or she fulfils the following requirements at all times:

- his or her educational background, qualifications and professional experience are adequate to enable sound and prudent management (fitness) and;
- he or she is of good repute and integrity (propriety). SGRI assumes that an individual is proper if there is no obvious evidence suggesting otherwise. Some criminal, civil or disciplinary sanctions are antagonistic with meeting propriety requirements, with no possible remediation. Such sanctions can occur both in an individual's private life and professional activities.

Fit and proper standards must be met at all times. Triggering events may require interim reassessments between annual evaluations.

B.2.2 SCOPE OF SCOR'S FIT AND PROPER PRINCIPLES

Standards are adapted to the work performed by each individual. Fit and Proper standards are defined hereinafter for the following categories:

- category A: Board members (hereafter directors), including the CEO. This category also includes "persons effectively running the company" under the Solvency II Directive;
- category B: Key Function Holders (actuarial, internal audit, risk management and compliance) under the Solvency II Directive;
- category C: Board Members and employees within the scope of the European Insurance Distribution Directive (as transposed into Irish law) (IDD); (employees of insurance and reinsurance undertakings who are located in the EU and directly involved in insurance or reinsurance distribution activities in relation to risks and commitments within the European Union, as well as persons within the management structure responsible for insurance or reinsurance distribution);
- category D: Board members or other employees of SCOR entities operating in jurisdictions not subject to Solvency II where local fit and proper requirements apply to them;
- category E: Other staff.

Fit and Proper standards apply to each individual for the tasks assigned to them.

Fitness standards for Board members are assessed collectively: in particular, the SGRI Board is deemed to be fit if, for each subject matter, at least one member is individually fit.

B.2.3 FITNESS CRITERIA

SGRI considers that fitness is an appropriate mix of:

- relevant educational background and qualifications;
- relevant knowledge and professional experience.

B.2.3.1 EDUCATIONAL BACKGROUND AND QUALIFICATIONS

Although a high-quality educational background is desired, professional experience may in some cases compensate for education gained in fields irrelevant to SCOR's activities. However, specific requirements may apply for selected individuals.

SCOR expects individuals to hold the following qualifications:

<table>
<tr><th>Applicable to</th><th>Qualification requirements</th></tr>
<tr><td>Category A (directors, Chief Executive Officer and “persons effectively running the company”)</td><td>Master’s degree or equivalent which relates at least to one of the following areas:
▪ strategy or business management;
▪ finance;
▪ risk management;
▪ actuarial science;
▪ engineering;
▪ economics;
▪ law.
If an individual does not meet the above criteria, further consideration will be given to the individual’s professional experience (see below).</td></tr>
<tr><td>Category B (key function holders)</td><td>Master’s degree or equivalent.
If the diploma is not related to his/her field of professional activity, further consideration will be given to his/her professional experience (see below).
The actuarial function holder, shall have appropriate formal actuarial qualifications and be a Fellow or Accredited Member of a recognized actuarial professional body.</td></tr>
<tr><td>Category C (Employees in the IDD scope)</td><td>Qualification criteria are defined in the job profiles.</td></tr>
<tr><td>Category D (Board members or employees of SCOR entities operating in jurisdictions not subject to Solvency II where local fit and proper requirements apply to them</td><td>Qualification criteria are defined by the local regulations.</td></tr>
<tr><td>Category E (other staff)</td><td>Qualification criteria are defined in the job profiles.</td></tr>
</table>

B.2.3.2 PROFESSIONAL EXPERIENCE

Professional experience in a field directly relevant to SCOR’s activities or to the tasks assigned to the individuals is key.

SGRI’s directors, CEO and “other persons effectively running the company” are expected to have long-standing experience in their respective fields. When assessing the prior experience of an individual, consideration is given to such criteria: length of the former service, nature and complexity of the business where the position was held, former decision-making powers, responsibilities and number of subordinates.

Each individual must demonstrate:

Applicable to	Qualification requirements
Category A (directors, Chief Executive Officer and "persons effectively running the company")	Board members: ■ recently acquired relevant experience (within the last five years); ■ at least one member must have relevant knowledge and professional experience in each of the following fields: o understanding of (re)insurance markets, o (re)insurance company strategy and business model, o financial markets, o regulatory framework, o financial analysis, o actuarial, o risk management, o governance, o accounting. The CEO and "other persons effectively running the company": ■ recently acquired five or more-year long relevant experience (within the last five years): o in an insurance or reinsurance company, or o in a field directly relevant to his/her field of responsibility.
Category B (key function holders)	■ a recently acquired relevant experience (within the last five years); ■ the Actuarial key function holder shall have appropriate actuarial experience with an insurance or reinsurance company; ■ the Risk Management key function holder shall have appropriate experience of risk management in the financial industry; ■ the Compliance key function holder and the Internal Audit key function holder shall have appropriate experience in their field of responsibility (Audit, Finance, Law & Compliance, Underwriting, claims handling, etc.).
Category C (Employees in the IDD scope)	■ professional experience criteria are defined in job profiles ■ minimum of 15 hours per year of continuous professional training and development.
Category D (Board members or employees of SCOR entities operating in jurisdictions not subject to Solvency II where local fit and proper requirements apply to them	■ professional experience criteria are defined by the local regulations.
Category E (other staff)	■ professional experience criteria are defined in the job profiles depending on the position.

B.2.4 PROPRIETY CRITERIA

B.2.4.1 PROPRIETY ASSUMPTION

An individual may be considered as of good repute and integrity if there is no obvious evidence to suggest otherwise.

SGRI ensures, using the tools described in Section B.2.5 – Fit and proper assessment process, that there is no evidence of offences that can adversely affect the good repute and integrity of this person. If evidence is gained of past behaviours casting doubt on an individual's good repute and integrity, remediation actions shall be taken as appropriate.

SGRI also takes actions to prevent conflicts of interest.

Proper considerations are relevant for all employees of an undertaking. However, any assessment needs to take into account their level of responsibility within the undertaking and will differ proportionately, according to whether or not, for example, they are "persons effectively running the company" or have other key functions.

B.2.4.2 REMEDIATION

Some criminal, civil or disciplinary sanctions will preclude an individual from meeting propriety requirements (e.g. disciplinary penalties by supervisory authorities, non-petty criminal or civil penalties related to gross misconduct in the management of a company, commercial or professional activities, or related to his/her personal management such as money laundering, market manipulation, insider dealing and usury, any offences of dishonesty such as fraud or financial crime). Others may not.

If an individual is subject to pending legal proceedings that may eventually lead to such penalties, he/she must inform SGRI.

Circumstances other than court decisions and ongoing judicial proceedings, which may cast doubt on the repute and integrity of the person, may also be considered (current investigations or enforcement actions, imposition of administrative sanctions for non-compliance with provisions governing banking, financial, securities or insurance activity, securities markets, securities or payment instruments).

The following factors are taken into account to waive an impropriety ban: the seriousness of, and circumstances surrounding the offence, the explanation presented by the individual, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation, the level of appeal (definitive vs. non-definitive convictions) and the person's subsequent conduct.

B.2.4.3 TIME AVAILABILITY

Time availability must also be ensured: individuals holding concurrently several responsibilities/roles must have appropriate time to dedicate to the functions under the scope of SCOR's Fit and Proper Policy.

B.2.5 FIT AND PROPER ASSESSMENT PROCESS

The assessment process shall allow SGRI to ensure that persons/bodies subject to Fit and Proper requirements fulfil the above criteria both before and after their appointment to the position under the scope of the Fit and Proper Policy.

The main stakeholders of the initial assessment process are listed below:

Applicant to	Assessor
Board / CEO / Other "persons effectively running the company"	■ Board and CEO; Based on a proposal made by the Head of Corporate Affairs with the support of Human Resources for applicants who are also SCOR employees.
Key function holders	■ CEO; Based on a proposal made by Human Resources.
Employees	■ Direct Managers. Based on a proposal made by Human Resources

According to the applicant level, the identified assessors are in charge of:

- collecting supporting documents about the applicant (e.g. CV), including the fit and proper assessment form;
- deciding if the applicant complies with the "fit and proper" requirements.

Each year, the updated information within an annual fit and proper questionnaire is collected from directors, CEO, other "persons effectively running the company", key function holders, Pre-Approval Control Function/Control Function role holders and employees within the scope of IDD.

Furthermore, when the Corporate Affairs Team/HR department receives notification of any changes affecting an individual's propriety, it updates the latest assessment.

Some specific situations trigger a re-assessment of the fitness and propriety of a person: reasons to believe that a person will impede the undertaking from pursuing the business in a way that is consistent with applicable legislation, reasons to believe that a person will increase the risk of financial crime, e.g. money laundering or financing of terrorism, reasons to believe that sound and prudent management of the business of the undertaking is at risk.

B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

The risk management principles, mechanisms and processes, described hereafter, are defined for SGRI, in line with the proportionality principle, and are consistent with the approach adopted by SCOR Group.

SGRI's risk management system is composed of two interconnected parts:

- The risk appetite framework, including risk appetite, risk preferences and risk tolerances;
- The Enterprise Risk Management (ERM) framework composed of various risk management mechanisms which help to ensure that the risk profile is dynamically optimized while remaining aligned with the risk appetite framework.

B.3.1 RISK APPETITE FRAMEWORK

The risk appetite framework is an integral part of the Group's strategic plan. It is approved by the Board of Directors and reviewed whenever a new strategic plan is approved, and continuously thereafter, based on recommendations from the SGRI Risk Committee. The SGRI Board of Directors may vary the amount and the composition of risk that SGRI is prepared to take.

B.3.1.1 RISK APPETITE

SGRI's risk appetite framework maintains an upper mid-level risk profile under the Forward 2026 plan. It aims at striking an appropriate balance between risk, capital adequacy and return, while respecting SGRI's key stakeholders' expectations and consists of five, complementary layers: strategic threshold, risk preferences, risk tolerances, operational limits and limits per risk.

B.3.1.2 RISK PREFERENCES

Risk preferences are qualitative descriptions of the risks which SGRI is willing to accept. Based on SGRI's risk appetite SGRI pursues an approach of thorough risk selection to optimize its risk profile and aims to:

- actively seek risks related to reinsurance and selected primary insurance;
- to selectively assume a low amount of cedent's asset related risks;
- assume a moderate level of credit and market risks;
- minimize its own operational and reputational risks;
- to select risk consistent with SGRI's ESG approach.

B.3.1.3 RISK TOLERANCES

The risk tolerances define the limits set out in order to ensure that SGRI's risk profile remains aligned with the risk appetite. SGRI 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:

- Risk pools - Mutually exclusive and collectively exhaustive aggregations of one or several lines of business with similar characteristics. The risk exposure is measured on full economic basis (pre-tax, net annual result as 1 in 200 years deviation from expected profit) with the Internal Model and is limited to a defined threshold, avoiding overconcentration and hence maximizing diversification benefits.
- Footprints - A set of "what if" scenarios, designed to be both extreme and plausible and illustrate the economic impact of an event across the Group. No limit is set, the assessment and result of a footprint might trigger the adaptation of strategic or operational limits.

B.3.1.4 OPERATIONAL LIMITS

- Underwriting - Actionable limits with defined reporting and authorization thresholds on portfolio level.
- Investments - The investment guidelines define limits for invested assets. These limits cover capital intensity, strategic asset allocation, minimum average ratings, and a minimum average duration of the aggregated invested assets portfolio. These limits are set out in the Group Policy on Invested Assets

B.3.1.5 LIMITS PER RISK

Granular limits stipulated in underwriting and investment guidelines.

For further information on specific risk management strategies, processes and reporting on each risk category, refer to Chapter C – Risk profile.

B.3.2 ERM FRAMEWORK

The Chief Risk Officer (CRO) area relies on an ERM framework with various risk management mechanisms as described in the following sections.

B.3.2.1 INTERNAL ENVIRONMENT

The primary focus of the CRO area is to develop and manage Enterprise Risk Management (ERM) mechanisms and to promote ERM concepts within SGRI in addition to providing risk management challenge and support for reinsurance underwriting and investments.

The CRO area is supported in these tasks by the departments in charge of risk management at Group, SCOR SE and SCOR Global Investments.

A key component of the governance of risk management is the establishment of Policies and Guidelines.

SGRI's policies are not intended to enumerate all the rules governing SGRI's activities, but rather to establish certain principles intended to ensure that SGRI and employees share a common understanding of SGRI's standards and that they work in compliance with these standards. When approved, these documents are made available to employees on the SGRI network.

See Section B.1 – General information on the system of governance for further details on SGRI's organisation and governance structure.

B.3.2.2 SETTING OF OBJECTIVES

The strategic plans establish the Group's risk appetite framework, from which SGRI's strategy stems, namely to support the strategy of its ultimate shareholder which is SCOR Group, subject to satisfying all local laws and regulatory requirements.

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.

B.3.2.3 IDENTIFICATION AND ASSESSMENT OF RISKS

Different techniques and initiatives for identifying and assessing risks have been implemented to analyse risks from different angles and to deal with them in an exhaustive manner. They include:

- a risk information process: regular and comprehensive risk reporting including a "Risk Dashboard" which describes and assesses the major risks to which SGRI is exposed. 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 SGRI's risk profile remains aligned with the risk level validated by the Board of Directors. SGRI 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. These include:
    - a "risk pools" system that enables SGRI to manage the annual aggregate exposure to each major risk. The objective is to avoid overconcentration of risk and hence maximize diversification benefits. The risk exposure is measured on a full economic basis (1 in 200 years return period) with the Internal Model and is limited to a maximum monetary amount,
    - an "extreme scenario" system designed to prevent SGRI'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 a maximum monetary amount,
    - a "footprint scenario" system, designed to be both extreme and plausible and illustrate the economic impact of an event across the Group. No limit is set, the assessment and result of a footprint might trigger the adaptation of strategic or operational limits,
    - operational limits on underwriting and investments,
    - granular limits per risk stipulated in underwriting and investment guidelines;
- 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 the business units and the Group functions. SCOR, as a member of the CRO Forum, also actively participates and contributes to the CRO Forum Emerging Risks Initiative (ERI) alongside other major insurers and reinsurers;
- SGRI's ORSA (Own Risk Solvency Assessment) generates forward-looking information on the respective risk and capital positions of SGRI for the Board and Management. The ORSA is completed as part of an integrated Group-wide ORSA process;

- SCOR's internal model, which is deeply embedded in SCOR's risk management system and contributes to the assessment of risks. SGRI uses the internal model for determining economic capital. Its results are used to implement SGRI's underwriting and investments policies and guidelines.

Where relevant, the analyses from these processes are reported to the Risk Committee and to the Board of Directors on a regular basis.

B.3.2.4 MAIN CONTROL ACTIVITIES

Because of its activities, SGRI is exposed to many risks: reinsurance related risks, market risks and other risks (e.g. liquidity, rating). These risks are detailed in Chapter C – Risk profile. These activities rely on the control mechanisms including adequate reporting mechanisms to the main governance bodies throughout SGRI.

This section does not detail these risks, but aims to summarize the principal activities and participants of risk control for the following important areas:

- key functions;
- activities related to reinsurance;
- investments;
- accounting management.

The control activities described below are considered as the principal activities for controlling risks specific to those areas. In accordance with SGRI'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.

B.3.2.5 KEY FUNCTIONS

The CRO area comprises the risk management function and collaborates with the Compliance team. Further information is presented below:

- Risk Coverage ensures the identification, assessment and monitoring of all risks, reviews the strategic plan from a risk perspective and supports the development of the Risk Appetite Framework as well as actions to ensure exposure remains within their limits. Risk Coverage also provides risk expertise and in-depth analyses of risk for SGRI and perform a second-level control over reinsurance underwriting;
- Risk Capital operates SGRI's internal model and provides a detailed quantitative analysis on the modeled range of change in economic value. It provides reports to management on risk assessment and actively assists SGRI in its various uses of the internal model. It ensures that regular external and internal risk reports are provided in line with defined governance.
- Risk Modelling ensures that the internal model is appropriate for SGRI's risk profile, proportionate and complete to the risks. It continuously improves and maintains the internal model by collecting change requests, proposing priorities, and implementing model changes. The team also provides analyses of change including sensitivity analyses and model documentation;
- The Compliance team monitors Irish regulations and advises SGRI accordingly. They coordinate SGRI's actions to comply with regulatory requirements for the supervision of (re)insurance companies in Ireland and relevant Central Bank of Ireland (CBI) requirements. They also coordinate SGRI's efforts to adapt to new major regulations.

All functions across SGRI are responsible for contributing to an effective risk management system, which is overseen by the Risk Management function.

B.3.2.6 ACTIVITIES RELATED TO REINSURANCE

The operating and control procedures concerning underwriting, pricing, administration of reinsurance contracts and claims management are validated by SGRI.

For further information on how the main underwriting risks relate to SGRI's reinsurance business are managed, please refer to Section C.2 - Underwriting risks.

B.3.2.7 INVESTMENTS

The Prudent Person Principle requires that the security, quality, liquidity and profitability of the portfolio as a whole be considered. This is enabled through the investment governance, strategy, operational framework and reporting and monitoring processes that SGRI implements.

Governance and principles

SGRI has harmonized the principles governing the management of its assets based on three documents:

- the "Policy on Invested Assets" defines the policy and governance in terms of asset management;

- the “Sustainability Policy” defines the main orientations of the sustainability approach of the Group including investments;
- “Investment Guidelines” determines the limits for concentration risk exposure to different asset classes as well as the conditions under which SCOR Investments will implement the SGRI Investment Policy.

These documents set the rules to be applied by asset managers on behalf of SGRI.

The SGRI Investment Risk Committee meets at least once every quarter. Its role is to supervise the implementation of the investment strategy regarding the regulatory and contractual constraints and to monitor the compliance of the portfolios’ positioning with the local investment guidelines.

For more on liquidity see Section C.5 – Liquidity risks.

Investment strategy

As far as invested assets are concerned, the primary investment objective of SGRI, in alignment with the SCOR Group is to generate recurring financial income in accordance with the risk appetite framework of SGRI and its sustainability preferences, and ensure that SGRI:

- is able to meet its claims and expense payment obligations at all times; and
- creates value for its parent, to support the objectives set out in the strategic plan;

while,

- preserving the liquidity and level of solvency;
- protecting the capital;
- allowing SGRI to operate on a day-to-day basis as well as over the long term;
- contributing to SCOR’s raison d’être.

in compliance with the investment regulations, risk appetites and regulatory capital requirements (level of capital and type of admissible assets), and investment guidelines.

Operational framework

SGRI outsources the investment and reinvestment of all of their invested assets to SCOR SE. SCOR SE has outsourced its asset management activities to SCOR Investment Partners under a Master Investment Management Agreement (“MIMA”). SCOR Investment Partners may sub-delegate part of its investment services to third parties following the rules defined in the Investment Guidelines.

Reporting and risk monitoring

The Asset Owner Office (AOO) monitors the compliance of the portfolio positioning with regard to SGRI’s risk appetite and investment guidelines. This is then reviewed by the Investment Risk Committee. The AOO is also responsible for reporting processes related to invested assets. The AOO provides SGRI with regular reports used for the monitoring of the asset portfolios. Breaches are escalated to the Investment Risk Committee. Investments falling outside of the scope of the Investment Guidelines are subject to special referral procedures managed by the Investment Risk Committee.

B.3.2.8 ACCOUNTING MANAGEMENT

The Solvency II reporting process is built upon the Group-wide IFRS reporting process and ensures quality and consistency of SGRI and Group solvency reporting. It therefore benefits from controls over the accounting and consolidation process.

B.3.2.9 INFORMATION AND COMMUNICATION

For the published Solvency and Financial Condition Report, and other Solvency II reporting, a specific process has been implemented to coordinate the contribution of all relevant departments and the consistency of the information provided. A final review is performed by management.

B.3.2.10 MONITORING OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The monitoring of the internal control and risk management systems is ensured by a number of complementary mechanisms within SGRI.

SGRI implements dedicated processes and tools to identify, assess and monitor its risk exposure on a regular basis. See Section B.3.2.3 Identification and Assessment of Risks above.

SCOR operates an Internal Control System Competence Centre (ICS-CC). The core objective of the ICS-CC is to pool ICS expertise in order to foster a consistent ICS approach and application of ICS standards throughout SGRI and the Group. For more information on the Internal control system see Section B.4.1 – Internal control system.

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 within SGRI. Any findings lead to recommendations and management remediation actions, which are followed up by Group Internal Audit. When Group Internal Audit concludes that management has accepted a level of risk that may be unacceptable to the organization, it must discuss the matter with senior management in SGRI. 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 and the Board.

For more information, refer to Section B.5 – Internal audit.

Furthermore, the Finance area manages the "internal management representation letters" process which also incorporates certain points related to the internal control of accounting and financial reporting.

B.3.3 INTERNAL MODEL CONTRIBUTION TO THE ERM FRAMEWORK

Subject to regulatory approval an internal model can be used to determine the SCR. SCOR has used its experience and knowledge to develop an internal model which reflects SCOR`s risk profile as a global reinsurer. For more detail on the internal model and how it differs from the standard formula, please refer to Section E.4.5 - Key differences between the standard formula and the internal model.

The top-level risk categories reported out of the internal model include both Life and Non-Life underwriting risk, market risk, credit risk and operational risk.

For further information on risks included in SCOR's internal model, refer to Chapter E – Capital Management.

SGRI is exposed to other risks not modelled within the internal model including strategic, liquidity and emerging risks. These risks are not expected to have an immediate impact on the Solvency Ratio and are monitored and managed through specific processes.

B.3.3.1 ROLE OF THE INTERNAL MODEL IN THE RISK MANAGEMENT SYSTEM

The internal model is a key feature of SGRI's risk management; see Sections E.4.1 – Overview of the internal model and E.4.2 – Uses of the internal model, for a description of the internal model and some of its uses.

B.3.3.2 INTERNAL MODEL GOVERNANCE

The internal model governance framework forms an important component of the risk governance at SGRI and seeks to ensure the appropriate management and supervision of the internal model and its outputs.

The governance framework includes in its scope the operational run of the model, model changes and Independent Validation as outlined in their own respective policies. The Internal Model Management Committee is responsible for ensuring that the internal model operates properly on a continuous basis. It approves internal model results and provides recommendations to the Board on model changes.

The development and use of SCOR's internal model are managed through the following three key policies, which are adopted by SGRI:

- Group Internal Model Policy;
- Group Policy on Model Change;
- Group Internal Model Validation Policy.

The Group Internal Model Policy sets out the overarching principles and governance of the internal model. The Group Policy on Model Change sets out the principles and governance for managing the development of the model and the Group Internal Model Validation Policy sets out the principles and governance for the independent validation of the use and development of the internal model.

There were no material changes in the internal model validation governance during the reporting period.

B.3.3.3 INTERNAL MODEL VALIDATION PRINCIPLES AND TOOLS

SGRI maintains a robust process for the validation of the internal model, which is completed in parallel with, and leverages, the Group process. It is performed based on the principles stated in the validation policy and fully complies with Solvency II internal model validation standards.

General principles

The validation of the internal model aims to review the reasonableness and accuracy of the internal model and the results thereof.

The main principles governing the validation process are:

- independence and expertise: the validation is performed by qualified experts who are independent from the design, implementation and run of the model;
- proportionality: the validation work on the various components of the model is proportionate to the materiality of their impact on the results.

Governance

The Internal Model Independent Validation governance follows the overall internal model governance (as above).

B.3.4 ORSA CONTRIBUTION TO THE ERM FRAMEWORK

SCOR's ORSA is a key mechanism of the ERM framework and is an integral part of the risk management system. It leverages the capital management and strategic planning processes.

The ORSA provides forward-looking information on the respective risk and capital positions of SGRI, taking into account SGRI's strategy and risk appetite and includes:

- descriptions of the risk profiles and the main risks SGRI is exposed to;
- overviews of expected changes in the risk profiles over the ORSA time horizon; and
- prospective assessments of overall capital needs based on the internal model, over the ORSA time horizon, taking into account SGRI's strategy and risk profile, including an analysis of any excess or shortfall in the eligible own funds. For further information on capital management processes, see Section E1.1 – Own Funds.

SCOR performs the Group-wide ORSA at both Group and legal entity levels based on clearly defined principles and objectives. It involves close cooperation between Group and SGRI teams and regular involvement of Group and SGRI Management, as well as the involvement of the SGRI Board.

It is performed at least annually or more frequently when significant changes in the risk profile occur and the ORSA results are approved by the Board of Directors. (Refer to Section B.1.3.1 for Governance of SCOR Reinsurance Ireland dac).

B.4 Internal Control System

B.4.1 INTERNAL CONTROL SYSTEM

SGRI applies the Internal Control System (ICS) standards defined at Group level, which are embedded in the Group Policy on ICS. These standards consist of ICS principles and mechanisms to be applied to assess the effectiveness of the internal control system. The ICS is applied in line with the principle of proportionality.

B.4.1.1 DESCRIPTION

SGRI operates an Internal Control System (ICS) which is consistent with the ICS adopted across SCOR Group. SCOR Group has an Internal Control System Competence Centre (ICS-CC), whose core objective 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 work to coordinate the internal control formalisation activities throughout SGRI and the Group, and support 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 regularly reviewed for continuous improvement. The approach used to develop and maintain the ICS is specified in the ICS Group Policy, which is adopted by SGRI. The policy sets out the reference framework and details the 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 SGRI'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. 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 set by their owners.

The monitoring of the internal control and risk management systems is ensured by a number of complementary mechanisms with the support of several departments.

SGRI implements dedicated processes and tools to identify, assess and monitor its risk exposures on a regular basis. In addition, SGRI implements dedicated risk management mechanisms in order to evaluate the appropriateness and effectiveness of controls and propose risk management and mitigation measures.

In addition, and in accordance with its risk-based audit plan and through periodic assignments, Group Internal Audit (GIA) provides independent and objective assessments on the adequacy, effectiveness and efficiency of the ICS. Any findings lead to recommendations and management remediation actions which are followed up by GIA.

B.4.2 COMPLIANCE FUNCTION

B.4.2.1 ORGANIZATION OF THE COMPLIANCE FUNCTION

It is SGRI's policy to ensure compliance with all applicable laws and regulations and the SCOR Group Code of Conduct including the local addendum wherever it conducts business. SGRI holds itself to high standards when carrying on its business and at all times strives to observe the spirit as well as the letter of the law by continuously seeking to improve the effectiveness of its compliance management framework.

Compliance activities are performed by the SGRI Compliance Function which is supported by the Group Compliance team, the Group General Secretariat, the Group Legal Department, Chief Legal Counsels and Hub legal.

At SGRI, the Head of Compliance is the key function holder who is responsible for the Compliance Function.

It is also the responsibility of all employees to abide by the laws and regulations relevant to their day-to-day activities and the SCOR policies and guidelines applicable to them.

B.4.2.2 POSITION AND INDEPENDENCE PRINCIPLES

The Compliance Function both at Group and at SGRI operates free of any influences that may compromise its ability to perform its duties in an objective, fair and independent manner.

At SGRI, the Compliance Key Function Holder has direct access to the Chairman and CEO and reports at least annually to the Board of Directors regarding material compliance assessment and any breaches that may impact SGRI's operations.

The Compliance Function has free and unfettered access to any records or staff member, as necessary to carry out its responsibilities.

B.4.2.3 COMPLIANCE FRAMEWORK

SCOR and SGRI follow a risk-based approach to compliance in accordance with the SCOR Group Policy on Risk Management. This involves identifying areas of high risk within SCOR and SGRI and prioritizing dedicated efforts and resources around these risks according to severity and probability, and establishing ongoing procedures aimed at Prevention, Detection and Response.

Prevention

Preventing compliance breaches includes:

- monitoring compliance-related regulatory developments, assessing their impact on SCOR and SGRI and disseminating this information to the relevant governing bodies and employees;
- identifying, assessing and monitoring compliance risks;
- issuing compliance-related policies and guidelines;
- providing regulatory training to employees;
- providing advice to employees regarding specific compliance matters;
- implementing and maintaining compliance tools;
- maintaining a Code of Conduct awareness;
- introducing controls as part of SCOR's internal control system (ICS);
- providing reports on compliance matters.

Detection

Compliance breaches may be detected by any of the following:

- employee reporting process: 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;
- controls as part of ICS procedures and other compliance tools;
- leverage from business unit cross-reviews, whereby an operational team in a different region from the entity subject to the review performs, checks and reviews compliance-related topics;
- audits conducted by Group Internal Audit;
- audits by external auditors (e.g. accounting and tax);
- operational loss events;
- complaints or litigation initiated by third-parties against SGRI.

Response

In response to compliance breaches, SGRI takes appropriate corrective actions to mitigate the consequences of the breach, and to prevent further reoccurrences of similar breaches in the future.

Employees who are found in breach of, or fail to comply with, applicable laws or regulations or the principles of this policy may be subject to disciplinary action in compliance with the laws applicable in the country of employment and/ or may be subject to criminal/ regulatory proceedings.

In addition, the Group Compensation Policy includes a reference to compliance with the Code of Conduct as a performance condition to be satisfied.

B.5 Internal Audit

The principles and organization as defined and implemented at Group level apply similarly to the Internal Audit function for SGRI. The scope of internal audit engagements issued during the reporting period and audit plan – although deriving from the Group – are specific at legal entity level.

B.5.1 INTERNAL AUDIT ORGANIZATION

B.5.1.1 GENERAL PRINCIPLES

All functions and operations carried out by SCOR are included in the Group Internal Audit's audit universe. Group Internal Audit has no direct operational responsibility or authority over any of the activities it can review. Accordingly, Group Internal Audit does not develop or install systems or procedures, prepare records, take the place of management who owns and makes decisions to manage its respective risks, or engage in any other activity which it can review.

Group Internal Audit assists the Board of Directors in providing independent, objective assurance and consulting services designed to assess the adequacy, effectiveness and efficiency of SCOR governance, policies and guidelines, risk management and internal control systems, as well as the 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), to ensure the effective use of resources and identify opportunities for process improvement.

Vis-a-vis SCOR subsidiaries and legal entities, Group Internal Audit is the outsourced provider of the internal audit function of legal entities in the scope of the Group Internal Audit Charter, to the extent it is compliant with local laws and regulations. If local obligations related to internal audit matters are not covered by the Group Internal Audit Charter, the Head of Group Internal Audit and legal entity's representatives, must act in a timely manner for implementing complements or adjustments as deemed adequate by the appropriate departments and described in an Internal Audit Charter Addendum.

B.5.1.2 ORGANIZATION WITHIN THE GROUP

Group Internal Audit is composed of Regional and specialized Internal Audit Units, managed by Deputy Heads who report directly to the Head of Group Internal Audit. There is no reporting line to the regional or other management.

Planning, Auditing and Monitoring: Regional/legal entities' Internal Audit Plans are integrated in the Group Internal Audit Plan. The Head of Group Internal Audit leads the internal audit department activities globally in order to avoid silo effects and ensure that (1) the same audit framework and methodologies are applied group-wide for each audit engagement and recommendations monitoring, (2) the auditors' assignments are based on skills in line with the audit objectives, benefiting from Group Internal Audit's resources and comply with rotating principles.

Reporting: The Head of Group Internal Audit can delegate to Regional Deputies the duties related to the internal audit reporting to pre-defined affiliates' Audit Committees and Supervisory Bodies. The Head of Group Internal Audit ensures that the reported information is aligned and consistent across the Group.

Exceptions: In specific cases where the general principles above are not applied, the case must be submitted for approval to the relevant Audit Committee, Group CEO, the Chairman of the Audit Committee of the Board of SCOR SE and other bodies as deemed necessary.

The Head of Group Internal Audit or a delegate (Deputy Head) is invited to, attend and reports during the regular Audit Committee meetings of SGRI (and the other SCOR legal entities) on the internal audit activities and performance and meet privately with the Chairperson of the relevant Audit Committee (at least annually). For entities having no specific Audit committee, the Head of Group Internal Audit is invited to, attends and reports during the Board meeting. The Head of Group Internal Audit issues an annual report when asked to by the Audit Committee or required by laws or regulations.

B.5.1.3 INDEPENDENCE PRINCIPLES

Within SCOR, the Head of Group Internal Audit reports directly to the Group CEO, to provide the necessary independence, and allow it the greatest possible freedom of investigation, while at the same time ensuring the effective and timely implementation of its recommendations and management actions. The Head of Group Internal Audit also reports functionally to the Chairman of the Audit Committee of the Board of SCOR SE, who approves decisions regarding his/her appointment and removal and makes appropriate inquiries to ensure that audits are performed within an appropriate scope with adequate resources and may steer Group Internal Audit's activities in a specific direction.

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure should depend upon the impairment.

Group Internal Audit must and does have unrestricted access to all information, people, relevant systems and data regarding audit assignments and consulting projects, including easy access to and open communication with the department being audited and management.

B.6 Actuarial function

B.6.1 IMPLEMENTATION OF THE ACTUARIAL FUNCTION

The SGRI Actuarial Function is organized along the same lines as the Actuarial Function for the Group.

An actuarial key function has been defined for the Group and all legal entities subject to the Solvency II Directive. These key functions are conducted under the responsibility of a key function holder.

The role of the actuarial key function is to:

- coordinate the calculation of Technical Provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of Technical Provisions;
- assess the sufficiency and quality of the data used in the calculation of Technical Provisions;
- compare best estimates against experience;
- inform the AMSB of the reliability and adequacy of Technical Provisions;
- oversee the calculation of Technical Provisions in case of insufficient data of appropriate quality inducing the use of appropriate approximations, including case-by-case approaches, in the calculation of best-estimates;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements;
- contribute to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements, and to the own risk and solvency assessment;
- produce annual written Actuarial Function Reports submitted to management, the Board and/or related committees on actuarial matters of the Group and the corresponding legal entities. The report includes a description of tasks undertaken by the actuarial key function, an opinion on the technical provision, overall underwriting policy and the adequacy of reinsurance arrangements, a description of any deficiency and recommendations on how such deficiencies can be remedied; and
- the Domestic Actuarial Regime also requires the Actuarial Function Holders to provide an opinion to the Board on the ORSA process.

At December 31, 2023 this role is undertaken by both the Life Head of the Actuarial Function for SGRI and the Non-Life Head of the Actuarial Function for SGRI and is supported by members of the reserving teams, with the involvement of other teams within SCOR (Underwriting teams, Retrocession teams, Risk Modelling teams, Capital Management).

The cooperation with the three other key functions (risk management, internal audit and compliance key functions) is ensured via periodic interactions with the teams performing the tasks in the scope of these functions.

B.7 Outsourcing

B.7.1 OUTSOURCING PRINCIPLES AND ORGANIZATION

The SGRI Policy on Outsourcing sets forth the principles, framework and rules to be followed by all employees considering the outsourcing of critical or important functions by any SCOR entity to another entity, within or outside the SCOR Group. SGRI's policy is aligned with the SCOR Group Policy on Outsourcing.

When outsourcing a critical or important function, a SCOR entity shall use appropriate and proportionate systems, resources and procedures in line with the risks involved in order to select a specific service provider. In particular, prior to entering into any such outsourcing relationship, SGRI shall conduct a due diligence that is adequate and commensurate with the risks involved.

SGRI monitors and reviews the quality of the service provided and maintains internally the competence and ability to assess whether the service provider delivers the service according to the outsourcing agreement.

Pursuant to Solvency II requirements, specific rules apply to the outsourcing of critical or important functions by SGRI.

A critical or important function is defined in the Policy as a function essential to the operation of SGRI, i.e. a function the interruption of which would be considered as likely to have a significant impact on:

- the activity of such an entity;
- the entity's ability to effectively manage risks; or

- the entity's regulatory authorization;

in view of the following:

- the cost of the outsourced activity;
- the financial and operational impact as well as the impact on the reputation of the SCOR entity as to the inability of the service provider to fulfil its obligations on time;
- the difficulty of finding another service provider or resuming live activity;
- the ability of SGRI to meet regulatory requirements in case of problems with the service provider; and
- the potential losses for insured parties, policyholders or recipients under contracts or reinsured businesses in case of default by the service provider.

The outsourcing of a critical or important function by SGRI shall be subject to the following process:

- a cost/benefit analysis of the possible outsourcing will be conducted taking into account the specificities of the critical or important function or activity considered, and the business case associated with such possible outsourcing will be reviewed by the appropriate governing body of SGRI;
- the outsourcing of a critical or important function will be supervised by a process owner for the entire duration of the outsourcing;
- the process owner will carry out adequate financial, technical and compliance and regulatory due diligences, including a review of the service provider's internal control framework and a check of any potential conflicts of interests.
- a specific review of existing or potential sub-outsourcing relationships will be carried out;
- a review of the adequacy of the service provider contingency plan will be conducted;
- an outsourcing agreement shall include specific provisions as per the Solvency II Directive and as per the specific regulatory additional requirements, if any, applying to the Critical or Important Function or Activity considered (e.g. cloud outsourcing), including provisions allowing the SGRI to adequately control and monitor the quality of the Critical or Important Functions or Activities outsourced.
- SGRI shall notify the Central Bank of Ireland, (supervisory regulatory authority) prior to entering into this outsourcing relationship, in accordance with relevant regulations.

B.7.2 MAIN INTRAGROUP OUTSOURCING ARRANGEMENTS

The SCOR Group operates through a structure whereby certain employees provide services to SCOR Group entities operating in the relevant jurisdictions. In addition, the SCOR Group has developed centres of expertise for certain services, which provide expertise to all SCOR Group entities including SGRI.

As a result, parts of certain critical or important functions may be outsourced to the SCOR staff responsible for carrying out tasks in support of the execution of the critical or important function.

These outsourcing relationships are documented through adequate outsourcing agreements and closely monitored by (i) the key function holder of SGRI for the specific key function, or (ii) the duly designated person of SGRI in charge of monitoring.

The risk management function is partly outsourced by SGRI, including structuring and validation of the internal model when relevant to the Group Financial Modelling & Risk Analysis team of SCOR Services Switzerland AG (SSSAG) and to the Group Actuarial Modelling team of SCOR SE. Other SCOR EU entities may provide services in support of the execution of this key function, when necessary. These outsourcing relationships are documented through adequate outsourcing agreements and are closely monitored by the risk management key function holder for SGRI.

The compliance function is partly outsourced by SGRI, to the relevant legal and compliance teams based in the jurisdictions and regions where it operates, notably the legal and compliance teams managed by General Counsels. This outsourcing relationship is documented through adequate outsourcing agreements and closely monitored by the compliance key function holder for SGRI.

The internal audit function for SGRI is outsourced to the Group internal audit team hosted by SCOR SE. In the execution of its mission, the Group internal audit team of SCOR SE relies on all its staff employed in various SCOR entities. This outsourcing relationship is documented through adequate outsourcing agreements and are closely monitored by the internal audit key function holder for SGRI.

Actuarial operations are outsourced by SGRI to SCOR SE, SCOR Global Life Americas Reinsurance Co. (SGLA), SCOR Reinsurance Asia Pacific Korea Branch, SCOR Services Asia Pacific Pte Ltd, SCOR Services Switzerland AG (SSSAG) and SCOR Global Life Australia Pty Ltd. Other SCOR EU entities may provide services in support of the execution of this key function, when necessary. These outsourcing relationships are documented through adequate outsourcing agreements and are closely monitored by the designated person for SGRI.

Claims handling activities, considered as critical and important activities by SCOR, are outsourced by SGRI, to some extent and when relevant to SCOR SE, SGLA and SCOR Services Asia Pacific Pte Ltd. These outsourcing relationships are documented through adequate outsourcing agreements and closely monitored by the designated person for SGRI.

The investment management activities are outsourced by SGRI to SCOR SE. This outsourcing relationship is documented through adequate outsourcing agreements and are closely monitored by the designated person for SGRI.

IT is outsourced by SGRI, to some extent and when relevant, to SCOR SE. This outsourcing relationship is documented through an adequate outsourcing agreement and is closely monitored by the designated person for SGRI.

Accounting activities, considered as critical and important activities by SCOR, are outsourced by SGRI, to some extent and when relevant to SCOR SE, SGLA, SCOR Reinsurance Asia Pacific Korea Branch, SCOR Services Asia Pacific Pte Ltd and SCOR Services Switzerland AG (SSSAG) The outsourcing relationship is documented through adequate outsourcing agreements and are closely monitored by the designated person for SGRI.

B.7.3 MAIN OUTSOURCED ACTIVITIES WITH EXTERNAL PROVIDERS

As of the date of this report, SGRI has not outsourced any critical or important functions to any external service providers outside the SCOR Group.

B.8 Other material information regarding the system of governance

No other material information is reported regarding SGRI's system of governance, other than that presented in Sections B.1 – General information on the system of governance to B.7 – Outsourcing.

C.RISK PROFILE

C.1 Introduction

C.1.1 GENERAL INTRODUCTION

SGRI regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation or results (or capacity to reach objectives). However, SGRI faces risks other than those described below: additional risks and uncertainties not currently known to SGRI, or that are currently deemed to be immaterial, may also have a material adverse impact on SGRI's business, financial condition, results of operations or cash flows and considers that no other significant risks exist other than those disclosed in the section below and considers that no other significant risks exist other than those disclosed in the section below. This section outlines management's current view of SGRI's main risks and main risk management mechanisms currently in place.

SGRI has identified the following categories of risks:

- underwriting risks related to the Non-life and Life businesses;
- market risks;
- credit risks;
- liquidity risks;
- operational risks;
- strategic risks (refer to Section C.7.1 – Strategic risk).

These risks further described in this chapter are managed through a variety of mechanisms in SGRI's ERM framework.

SGRI's ERM framework is further described in:

- Section B.1 – General information on the system of governance for a description of the role of the administrative and management bodies involved in the risk management system and related control functions;
- Section B.3 – Risk management system including the ORSA for a wider description of SGRI's risk management system as well as the role of the main stakeholders involved in risk management and relevant procedures and control activities.

Reputational risk is considered as a consequence of serious mismanagement of any of the above risks leading to, for example, franchise damage, increased capital charge from regulators, downgrade, and loss of business or fall in SCOR share price. In addition, there are trends and risks that can have an impact across all the above risk categories, such as emerging risks and sustainability risks.

Emerging risks, 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 SGRI operates, such as changes in professional practices or in legal, jurisdictional, regulatory, social, political, economic, financial, and environmental conditions. Emerging risks may adversely affect SGRI's business due to either a change in interpretation of the contracts leading to extensions of cover beyond what was 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 macro-economic indicators such as interest rates and price level, or disruptions in financial markets, further impacting SGRI's business. In addition, emerging risks may also have a direct impact on SGRI's operations, for instance by generating unexpected additional expenses.

Environmental, social and governance (ESG) trends may also give rise to sustainability risks that could negatively impact SGRI's business and operations. In particular, major environmental and social issues such as global climate change and environmental degradation have a potential to create new risks or exacerbate existing risks within the risk categories identified above. Risks that are originated by ESG trends are also referred to as "sustainability risks". Where relevant, identified sustainability risks and the management thereof are described in the respective subsections.

Specifically, climate change creates a number of challenges for the re/insurance industry and therefore for SGRI. Climate change is likely to impact the risks associated with SGRI's strategy, underwriting, investments and operations due to 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 (due to the shift towards a low-Carbon economy) and the potential to negatively impact SGRI's reputation.

Although risk management mechanisms have been designed and rolled out in order to prevent all risks from having a significant impact, there is no guarantee that these mechanisms achieve their intended purpose. Many of SGRI's methods for managing risk and exposures are based on observed historical market behaviour, 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 involve assessing information regarding markets, clients, natural catastrophes or other matters that is publicly available or otherwise accessible to SGRI. This information may not always be accurate, complete, up-to-date or properly evaluated. Therefore, SGRI cannot rule out the possibility of its risk exposures exceeding the risk tolerance limits due to an incorrect estimation of these risk exposures. If the risks disclosed in this section were to occur, they could potentially have a significant effect on SGRI's present and future business, cash flows, eligible own funds and solvency position.

As mentioned in Section B.3.3 – Internal Model contribution to the ERM framework, the risk categories reported in the Internal Model include, Non-Life and Life underwriting and reserving risk, market risks including interest rate risks and currency risks, credit risks, and operational risks.

For further information on risks included in SCOR's internal model, refer to Chapter E – Capital Management.

SGRI is exposed to other risks not modelled within the internal model including strategic, liquidity and emerging risks. These risks are not expected to have an immediate impact on the Solvency Ratio over a one-year time horizon and are monitored and managed through specific processes.

For quantitative information on all risk categories, including changes over the reporting period, refer to Section E.2.1 – Solvency Capital Requirement.

C.1.2 SENSITIVITY ANALYSIS

SGRI maintains a resilient solvency position. SGRI monitors its Solvency Ratio sensitivity to the economic assumptions which could have the most significant impact on the Solvency Ratio over the coming year.

For more information on interest rate risk see Section C.3.1.1.

Sensitivity to underwriting risks is evaluated through a variety of mechanisms explained in Section B.3.2.3 on Identification and assessment of risks. These include the analysis of extreme scenarios corresponding to the estimated post-tax net 1-in-200 year annual single event exposures or aggregate exposures. Sensitivity analysis for SGRI is performed on a look through basis to reflect the risks related to the participation in SI. The most significant exposures for SGRI under these measures are a long-term mortality deterioration, long term longevity improvements, P&C long-tail reserves deterioration or a mortality shock (e.g. a pandemic).

C.2 Underwriting risks

The main risk SGRI faces in relation to insurance and reinsurance contracts is that the actual amounts of claims and indemnity payments, or the timing thereof, differ from estimates. The frequency of claims, their severity, the actual payments made, the development of long-tail claims (whether they be litigated or not), and long-term mortality and morbidity trends as well as external factors (such as those listed below), are all beyond SGRI's control.

Additionally, SGRI is dependent on the quality of underwriting of its cedents for reinsurance treaties and on the quality of claims management by these companies and the data provided by them. In view of these uncertainties, SGRI seeks to ensure that sufficient reserves are available to cover its liabilities. Other external factors such as professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions create uncertainties and may adversely affect SGRI's business due to either an interpretation of the contracts leading to an unintended extension of coverage (e.g. through inapplicability or overriding of treaty clauses) or by increasing the frequency and/or severity of claims beyond what was anticipated at the time of the underwriting.

SGRI's underwriting risk exposure is mitigated by diversification across a large portfolio of reinsurance contracts as well as careful business selection, implementation of underwriting guidelines, centralized underwriting management, use of retrocession and other risk transfer arrangements and proactive claims handling as well as underwriting, claims and administration audits at ceding companies. For further details on retrocession and other risk mitigation techniques, see Section C.2.4 – Retrocession and other risk mitigation techniques.

SGRI predominantly underwrites Non-Life and Life business from SCOR affiliates but also directly reinsures business from external clients.

C.2.1 NON-LIFE BUSINESS

The main Non-Life risks are related to the adverse deviation in actual amounts of claims and indemnity payments, or the timing thereof, compared to estimates, either due to inadequate pricing or reserving or from catastrophe losses resulting from an overconcentration to single or non-diversified risks. There risks are described in more detail below for each of the three main risk pools : P&C long-tail risks (such as large liability losses), natural catastrophes, and other P&C short-tail risks, (such as acts of terrorism). Other Non-Life risks include systemic crises or the cyclicality of the business.

For quantitative information on Non-Life underwriting risks, see Section C.1 – Introduction and Section E.2.1 – Solvency Capital Requirement.

C.2.1.1 P&C LONG-TAIL RISKS

Long-tail lines of business, such as 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 the risk of material reserve deterioration (or long-tail reserve deterioration). This is due to the time required for claims materialization and settlement.

Long-tail reserve deterioration occurs when the frequency and severity of Non-Life claims are higher than assumed in the initial calculation of the Best Estimate Liabilities (BEL). For casualty business, the frequency and severity of claims and the related amounts of indemnities paid can be affected by several factors. One of the most significant factors is claims inflation, mainly influenced by general economic inflation and the changing regulatory and legal environment, as well as in societal behaviors including developments in legislation and litigation (often referred to as “social inflation”), such as the recent revival statutes enacted by certain US states. Such legislative changes allowing previously time-barred claims to be brought up again in legal suits, or changes extending the statute of limitations retroactively, can materially impact the frequency and severity of claims on long-tail business lines.

For further information on risks related to technical provisions, please see Section C.2.3 – Risks related to technical provisions.

Casualty loss events

The specific nature of the catastrophic casualty loss events to which SGRI 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, or cyber-risk events, such as ransomware and data theft. Casualty events can also be triggered by a single disastrous event (e.g. Deepwater Horizon oil rig explosion), which may also simultaneously lead to material losses on property or other lines of business.

Casualty catastrophes are likely to emerge gradually and the full extent of the losses is often not known for a significant time. This leads to loss estimates being uncertain especially in the early stages of loss emergence.

C.2.1.2 P&C OTHER SHORT-TAIL RISKS

SGRI’s property business is exposed to multiple insured losses arising from single or multiple man-made events. The short-tail lines of business mostly exposed to man-made catastrophe are property (excluding natural catastrophes), engineering, 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 have major consequences on businesses, property and lives. Acts of terrorism often target large cities and key landmarks such as international airports and governmental facilities.

SGRI is exposed to single or multiple terrorist attacks through some Non-Life treaties. 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.

C.2.1.3 NATURAL CATASTROPHES

SGRI’s property business is exposed to multiple insured losses arising from single or multiple natural events. Natural catastrophes, such as but not limited to hurricanes, typhoons, windstorms, floods, hail, severe winter storms and earthquakes can generate material insured losses in property, engineering, agriculture and possibly other lines of business.

The most material natural catastrophes to which SGRI is exposed include windstorms in Europe and both hurricanes and earthquakes in North America.

With respect to climate change, SGRI’s Non-Life 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 global warming scenarios. Although scientific understanding of the link between climate change and the changing occurrence of certain catastrophe events particular is still developing, catastrophe events that are potentially impacted to varying degrees include hurricanes (including storm surge and pluvial flooding), floods (both river flooding and pluvial flooding), heatwave, wildfire and droughts. SGRI’s long-term profitability and the ongoing insurability of certain classes of business could be negatively impacted in the event that climate change causes an increase in the frequency and/or severity of these natural phenomena if there is no timely adaptation in the strategy and pricing of these risks.

C.2.1.4 OTHER RISKS

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 brokered 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, amounts of capacity offered by the reinsurance market, competition with regards to pricing, and changes in regulations and societal attitudes (for instance regarding the support of industry sectors that contribute to climate change). In particular, some of SGRI's lines of business which are directly linked to financial activities are more exposed to global economic recessions (e.g. the 2007-2008 Global Financial Crisis), for example, credit and surety or liability risk such as errors and omissions and directors and officers liability.

Cyclicality of the business

Non-Life insurance and reinsurance businesses are cyclical. The primary consequences of a softening of the reinsurance market are a reduction in Non-Life reinsurance premium volumes in the market, driven by an increase in competition within the reinsurance market. This could potentially lead to a loss of profitability for SGRI.

Beyond the general trends, the premium rate cycle affects certain geographic markets and/or certain lines of business in different ways and to varying extents, independently of each other. Insurance market cycles can also be disconnected from reinsurance market cycles; a diversified portfolio including reinsurance and insurance activities can help mitigate the effects of such cycles.

Risk Concentrations

The accumulation of risks, such as by regions, by lines of business or by exposure to individual events, may produce risk concentrations. Material concentration of risk in the Non-Life business portfolio particularly relates to accumulation of exposures to natural catastrophes. In terms of individual events, the largest concentrations of exposure are to European Windstorms.

SCOR Group generates its P&C business, both through brokers and through direct relationships with insurance company clients. A part of this business is retroceded internally to SGRI. The risk for SGRI 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.

C.2.1.5 MANAGEMENT OF UNDERWRITING RISKS RELATED TO THE NON-LIFE BUSINESS

The Chief Risk Officer (CRO) area is organized to enable the assessment and control of Non-Life underwriting risks. SGRI writes predominantly internal retrocessions, assumed from other SCOR Group entities. The below describes how these risks are managed by the underlying cedents throughout the SCOR Group, in addition to details of how the risks are further managed once transferred to SGRI.

- Most of the business underwritten is periodically renewed at agreed dates which allows for portfolio management actions to be implemented where needed. Business is renewed based on annual underwriting plans, which are approved by senior management.
- Non-Life underwriters manage external client relationships and offer reinsurance support after a careful review and assessment of the clients' exposures and management procedures. They are responsible for writing treaty or facultative business in their respective territories within the limits of their individually delegated underwriting authority and the scope of underwriting guidelines.
- Initial pricing of retrocessions from SCOR affiliates to SGRI is constructed in line with the Group Internal retrocession applicable policies/guidelines and is approved by SGRI management. The pricing and structure of the internal retrocession treaties is then presented to the Business Acceptance Committee.
- Underwriting and pricing guidelines, applicable to all Group entities including SGRI, specify the underwriting capacities delegated to each underwriter in each entity, as well as the underwriting principles and pricing parameters to be applied. 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 SGRI operates as well as (iii) the relevant maximum acceptable commitments per risk and per event, (iv) points of attention in the contract wordings, including recommended clauses for some aspects.
    - pricing guidelines and parameters apply to all treaties priced within the P&C business unit. 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. The guidelines aim to provide consistency and continuity across the organization while taking into account differences in the underlying risks. Parameters are revised at least once a year. Contracts

that meet certain thresholds are subject to mandatory peer reviews that have to be performed and documented before pricing is completed.

- The Non-Life underwriting teams are supported by a central underwriting management department. This department 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 the monitoring and referral of non-standard business and for authorizing exceptions to the underwriting guidelines within its authority. This centralized underwriting management process allows for consistent application of underwriting guidelines throughout the Group.
- Certain business opportunities, as well as new business initiatives (new market entries or introduction of new offerings), are subject to special referral procedures to ensure that decisions are taken at the appropriate management level. SGRI maintains clearly-defined referral processes escalating the decision on a business acceptance to the different management levels depending on the impact of the opportunity on SGRI's risk bearing capabilities. The different referral levels include global functions of the P&C business unit, the CRO area as well as the Executive Committee or the Board.
- Pricing & Modeling teams are responsible for the pricing of the reinsurance business at individual contract level and the insurance business. Guidelines, methods and tools are set and maintained centrally and are used by the local pricing teams 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 actuaries work closely with underwriters and modelers by market or line of business.
- Accumulations across all lines of business are monitored by a dedicated team. Gross exposures to earthquake and storm risks are measured using proprietary vendor 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 as well as its overall aggregate annual PML per peril, allowing for potential multiple events, providing information required to determine the appropriate level of retrocession and other alternative risk transfer solutions (*e.g.* catastrophe bonds).
- In relation to climate change, the models used to price natural catastrophe business are calibrated using recent claims data as well as other inputs such as results from available scientific studies. As such, changes in frequency and severity of the natural perils that SGRI underwrites, whether related to climate change indications or not, are considered in the pricing of contracts. In terms of managing climate transition risks, SCOR has already made certain underwriting commitments that are a strong step 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. 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 relating to the terrorism risks to which Reinsurance and Specialty Insurance are exposed.
- SGRI transfers part of its Non-Life risks to SCOR SE via non-proportional retrocession programs. SCOR SE assumes, in exchange for the payment of a premium by SGRI, the losses related to claims covered by the retrocession contracts.
- Claims handling is performed by the dedicated claims teams, which review, process and monitor reported claims. This team 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 oversees day-to-day activity and takes up the direct management of large, litigious, serial and latent claims as well as monitoring of claims handling delegated to third parties. In addition, periodic audits are conducted on specific claims and lines of business, and claims processing and procedures by ceding companies and/or third parties are examined with the aim of evaluating their claims adjustment process, valuation of outstanding claims reserves and overall performance. When needed, recommendations are given to underwriters and SGRI management;
- The adequacy of SGRI’s technical provisions is controlled based on specific procedures. For further information on how risks related to technical provisions are managed, see Section C.2.3 – Risks related to technical provisions.
- Risks specific to the administration of contracts are subject to checks performed through the “Internal Control System” framework. The application of this framework is regularly controlled by Group Internal Audit. SCOR’s Group Information System includes multiple automatic checks and additional tools.
- A review of technical results is performed by SGRI on a quarterly basis.
- SGRI’s CRO area organises meetings of the Board Risk Committee, which is responsible for reviewing the main risks to which SGRI is exposed.

- In-force portfolio reviews are conducted to provide independent technical assessments on the underwriting, pricing & modelling, reserving, technical accounting and claims handling of particular markets, lines of business or portfolios depending on a defined scope. The process to select the portfolios and areas in scope of the reviews is guided by a risk-based approach.

C.2.2 LIFE BUSINESS

The main underwriting risks for SGRI's Life business are described below. For quantitative information on Life & Health underwriting risks refer to Section E.2.1 - Solvency Capital Requirement.

C.2.2.1 MORTALITY

Long-term mortality deterioration 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 SGRI. This could result from inherent volatility, incorrect estimation of the expected claim level or an adverse long-term trend.

SGRI'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 impact on the Company.

In L&H reinsurance, a severe pandemic is among the most acute risks to SGRI's results and solvency. From the beginning of 20th century, multiple major pandemics have occurred that have resulted in millions of deaths each. The occurrence of a similar event could cause large losses to SGRI due to an increase in 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 also have negative morbidity effects, thus significantly impacting SGRI's results in mortality and morbidity lines of business.

The Covid-19 pandemic impact was concentrated mainly on a two-year period, from first half of 2020 to first half of 2022. Even if some uncertainties may be remaining in the aftermath of the main phase of Covid-19 pandemic, notably on endemic Covid and on long Covid (PACS), the future epidemiological situation is expected as being similar to seasonal flu.

C.2.2.2 LONGEVITY

Longevity risk refers to the risk of a negative deviation from expected results in reinsured portfolios due to the insured or annuitant living longer than assumed in the pricing or reserves. This risk could have an impact on longevity swaps which are the most usual reinsurance structures, as well as on annuity and long-term care covers and on other longevity protection products.

C.2.2.3 MORBIDITY RISKS

Insurance products covering risks such as Critical Illness, Short-Term and Long-Term disability, Medical Expenses 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 diagnosis capabilities which increase the number of claims due to conditions that otherwise may 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.

C.2.2.4 OTHER RISKS

Policyholder Behaviour

SGRI's Life portfolio is also exposed to risks related to policyholder behaviour, including risks such as lapse 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 and the expected reinsurance results pattern, higher or lower policyholder lapses than assumed in the pricing or reserving may reduce SGRI's expected future income from Life business.

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 lower than expected profits for both the direct insurer and the reinsurer.

Climate Change

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 waves have the potential to negatively influence mortality and morbidity through, for example, the aggravation of cardiovascular and respiratory illnesses. The same holds true for air pollution. 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 mosquitoes. As an indirect impact of various aspects of climate change, mental health could suffer, which would negatively affect mortality and morbidity.

Risk concentrations

Accepting large amounts of risks may produce risk concentrations, such as exposure to certain regions or events. The largest concentration of risk in the Life business is in relation to long term mortality deterioration, longevity and mortality shock events (e.g. pandemics).

Other Risk considerations

Other factors could have an adverse impact, whether related to policyholder behaviour 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.

C.2.2.5 MANAGEMENT OF UNDERWRITING RISKS RELATED TO THE LIFE REINSURANCE BUSINESS

In addition to the transversal risk management mechanisms described in the introduction to this section, SGRI also implements mechanisms to mitigate certain risks specific to Life reinsurance:

- Claims deterioration risks are mitigated through yearly renewable terms for parts of the mortality and health business, and through premium adjustment clauses for some products or in reinsurance treaties;
- Lapse risks are mitigated through appropriate reinsurance treaty clauses, the use of lapse disincentives in underlying insurance policies 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;
- Generally, the L&H 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 Board Committees and Executive Risk Committees;
- The L&H 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 SGRI is continually up-to-date with biometric trends and scientific developments, the expertise of specialists is used to analyse and assess the key factors underlying mortality, longevity, morbidity and policyholder behaviour. 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 the valuation of reserves;
- Guidelines and other documents defined by the L&H business 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 event. These guidelines outline contract types and terms and conditions of acceptance. Furthermore, they set out the level of retention of SCOR's L&H business for various risks and types of cover. Revisions and updates follow a formalised approval process;
- Certain business opportunities as well as on new business initiatives (new market entries or introduction of new offerings) are subject to special referral procedures to ensure that decisions are taken at the appropriate management level. SGRI maintains clearly-defined referral processes escalating the decision on a business acceptance to the different management levels depending on the impact of the opportunity on SGRI's risk bearing capabilities. The different referral levels include global functions of the L&H business unit, the CRO area as well as the Executive Committee or Board.
- Accumulations of risk particularly exposed to catastrophes and other major events in the L&H 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 L&H reinsurance business. One program protects assumed catastrophe excess of loss acceptances; another protects the net retained lines in respect of proportional and per-risk acceptances. For pandemic events, SGRI uses the Risk Management Solution (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 SGRI's L&H exposure from various types of treaties underwritten, whether proportional or non-proportional, covering individual or Group policies. These capacities are reviewed each year, considering the capacities obtained by retrocession coverage. The exposure is monitored throughout the year against defined risk limits and used for decisions on mitigating measures. Monitoring of peak exposures is included in L&H regular risk reporting. For further information on how these instruments are managed see Section C.2.4 - Retrocession and other risk mitigation techniques;
- Claims handling is performed by local claims teams or outsourced to other SCOR affiliates as appropriate. Claims exceeding a predefined threshold are reviewed by the L&H business unit's 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 SGRI's Technical Provisions is monitored based on specific procedures. For further information on how risks related to Technical Provisions are managed, please see Section C.2.3 - Risks related to technical provisions;
- 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 review of technical results is performed on a quarterly basis;
- SGRI's CRO area organises regular executive management meetings and Board Risk Committee's, which are responsible for reviewing the main risks to which SGRI is exposed.
- Cross reviews are conducted to provide independent technical assessments on the underwriting, pricing & claims handling of particular markets, lines of business or portfolios depending on a defined scope. The process to select the portfolios and areas in scope of the reviews is guided by a risk-based approach

C.2.3 RISKS RELATED TO TECHNICAL PROVISIONS

C.2.3.1 SGRI'S RISKS RELATED TO TECHNICAL PROVISIONS

SGRI's technical provisions are established based on the information it receives from its cedent insurance companies, including their own assessments, 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 technical provisions process SGRI 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, 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 SGRI. As is the case for all other reinsurers, the inherent uncertainties in estimating technical provisions are compounded by the significant periods of time that often elapse between the occurrence of an insured loss and the reporting of the loss to the primary insurer and ultimately to SGRI.

The fact that some of SGRI's activities are long-tail in nature such as long-term care, whole life products or, longevity reinsurance is another factor of uncertainty. In the past SGRI has had to revise estimated potential loss exposure on such lines of business.

C.2.3.2 MANAGEMENT OF TECHNICAL PROVISIONS RISK

With regards to technical provisions risk, SGRI seeks high confidence in their adequacy based on the implementation of generally accepted actuarial methodologies, fit for purpose tools and robust processes, controls and reconciliation validated by extensive risk management actions, in particular on assumptions, expert judgment, model, data quality and results. This also includes independent internal and external reviews.

SGRI's Solvency II Best Estimate Liabilities (BEL) are audited as part of the Central Bank of Ireland's requirement to have an external audit of Solvency II regulatory returns. If necessary, internal reviews of its portfolios are performed.

All of these processes and controls tend to minimise the risk of inadequate technical provisions.

SGRI's Head of Actuarial Functions (HOAFs) are in charge of providing an independent opinion on the adequacy of the technical provisions, as well as the independent validation and testing of actuarial tools, workflows, assumptions and processes linked to technical provisions.

Solvency II Technical Provisions

The Solvency II technical provisions are composed of the Best Estimate Liabilities (BEL) and the Risk Margin. The HOAF coordinates the calculation of technical provisions. It relies upon the existing processes and controls as provided in the Actuarial Function Report (AFR). The AFR provides evidence that the duties of the Actuarial Function, insofar as they relate to technical provisions, are being fulfilled, which are specifically to:

- Coordinate the calculation of the technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;

- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Oversee the calculation of technical provisions in the cases set out in Article 82 of the Solvency II Directive;
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions.

For further information on how technical provisions are valued, refer to Section D.2 – Technical provisions.

The contribution of the actuarial function to the management of the risk on technical provisions includes additional specific controls:

- for Non-Life business, the IFRS reserves are the starting point for calculating the Solvency II technical provisions (before discounting). Thereafter, the adjustments made to move from IFRS reserves to the Solvency II technical provisions are reviewed internally and across functions according to the area of expertise of the appropriate stakeholders;
- for Life business the BEL is computed centrally based on projected Best Estimate cash flows. Consistency checks on projected cash flows are carried out, as well as analysis on changes in the BEL compared to previous periods.
- The risk margin is calculated in SCOR's internal model, which is subject to an independent validation (for further information on the internal model related governance, refer to Section B.3.3 – Internal model contribution to the ERM framework). The methodology used is aligned with Solvency II requirements.

For further information on how the Actuarial Function contributes to the effective implementation of the risk management system, see Section B.6 – Actuarial function.

C.2.4 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. SGRI remains primarily liable to the direct insurer on all risks reinsured, while the retrocessionaire is liable to SGRI to the extent of the cover limits purchased.

The level of retrocession is set each year to ensure that SGRI's adopted risk profile respects the SGRI risk appetite framework and to help SGRI achieve its return on capital and solvency objectives.

SGRI aims to diversify its retrocession and risk mitigation instruments as well as its 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 avoids overdependence on a small number of counterparties.

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 (3rd party capital, 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.

SGRI's CRO Area co-ordinates with Finance as well as L&H and P&C Business units to determine and place retrocession coverage. The retention and the retrocession structure are reviewed every year.

The availability and efficiency of SGRI's retrocession and risk mitigation program is regularly monitored in order to ensure that SGRI's overall exposure remains within predefined risk tolerances.

For further information on how credit default risk related to retrocessionaires is managed, refer to Section C.4.1.2 - Credit risk related retroceded liabilities.

In addition to externally placed retrocession, SGRI uses intragroup reinsurance/retrocession mainly in order to:

(1) manage SGRI's net risk profiles, required solvency capital and volatility of results;
(2) organize an internal pooling of risks to transfer to the external retrocession covers.

C.3 Market risks

OVERVIEW OF MARKET RISKS

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market prices or macro-economic variables. This includes:

- interest rate risk;
- currency risk;
- equity risk;
- real estate risk;
- credit spread risk on these invested assets.

For further information on credit risk, refer to Section C.4 – Credit risks.

Market risks can be influenced by various overarching factors, including political, macroeconomic, monetary, societal and environmental trends. Environmental trends include risks linked to sustainability, including those consequential to 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 possibility that investment choices may result in risks to SCOR's reputation. Longer-term, uncertainties, mainly around policy responses for transition risks and climate evolution for physical risks may lead to higher volatility in assets valuations.

For further information on how macroeconomic changes (such as changes in the general price level from its current trend) may impact SGRI's assets, refer to Section C.7.1.1 – Risks related to the geopolitical and macroeconomic environment affecting SCOR's strategy.

For quantitative information on market risk on invested assets, see Section E.2.1 – Solvency Capital Requirement. The presentation of SGRI's assets giving rise to market and credit risks is provided in Section D.1 – Assets.

C.3.1.1 INTEREST RATE RISK

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 SGRI's assets.

Interest rates are very sensitive to several external factors, including monetary and budgetary policies, the national and international economic and political environment, and the risk aversion of economic actors

An increase in interest rates usually leads to a fall in the market value of fixed income securities that SGRI holds. In the case of a need for cash, SGRI may be obliged to sell fixed income securities, possibly realizing capital losses.

On the other hand, 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). 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.

As observed in 2023, interest rates can experience significant volatility as well as non-parallel changes in yield curves, which may result in simultaneous increases and decreases among different interest rate maturities. Given the current uncertainty regarding the future level of inflation, economic growth and the resulting central bank actions, interest rates volatility is likely to remain high in 2024.

SGRI's underwriting business is also exposed to interest rate risk. The value of reinsurance contracts, the risk margin and deposits with cedents are also subject to discounting. The discounting impact from a change in interest rates on assets and liabilities will offset to some extent depending on the duration mismatch between assets and liabilities.

As such, changes in interest rates can affect the Eligible Own Funds, the Solvency Capital Requirement and the Solvency Ratio of SGRI. For information on the sensitivity of the SGRI's Solvency Ratio to interest rate movements, see Section C.1.2 – Sensitivity analysis.

C.3.1.2 CURRENCY RISK

Currency risk is the risk of loss arising due to adverse changes in or volatility of foreign exchange rates. This would impact the value of SGRI'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).

Translation risk

SGRI reports in USD, however the majority of its liability portfolio is denominated in currencies other than USD. Consequently, fluctuations in the exchange rates used to convert these currencies into USD may have a significant impact on its reported net income and net equity from year to year.

C.3.1.3 EQUITY RISK

SGRI has a participation in SI. However, from a risk profile perspective this is considered on a look through basis. Aside from the participation, SGRI has limited equity exposure.

C.3.1.4 REAL ESTATE RISK

SGRI does not currently have any direct real estate holdings, although it does have exposure to this sector via loans.

C.3.1.5 CREDIT SPREAD RISK

Credit spread risk on invested assets is the risk of incurring a financial loss as a result of a change in market assessment of the counterparty risk of the financial instruments or counterparties. Credit spread variations could have a direct impact on the market value of SGRI's fixed-income securities and loans.

MANAGEMENT OF MARKET RISKS

C.3.1.6 OVERVIEW OF RISK MANAGEMENT OF ASSETS

The investment strategy is prudent with the majority of assets held in cash and fixed income securities. It is defined in line with the risk appetite and risk tolerance limits and considers the economic and market environment and the asset-liability matching process.

Investment Guidelines outline the investment universe and limits, including concentration limits, in line with the risk appetite and objectives of the strategic plan. They are approved by the Board of Directors or Investment Risk Committee.

SGRI has outsourced the implementation of its investment strategy to SCOR SE who have in turn outsourced the activity to the asset management company "SCOR Investment Partners SE". They are provided with the Investment Guidelines.

Exposures to major risks are monitored frequently 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 the real estate market. Analysis of portfolio sensitivity to major risks is an important management tool which is performed when making portfolio reallocation or hedging decisions.

In currency and geographic terms, SGRI is exposed to USD, EUR and GBP denominated assets with a strong focus on fixed income. In terms of asset class, SGRI is mainly exposed to Corporate bonds, Government bonds and Loans. For more information regarding the principles applied to invest the assets in a prudent manner see Section B.3.2.7 – Investments.

To better address climate risks and improve the resilience of its invested asset portfolios, SCOR carefully monitors environmental, social and governance (ESG) criteria when managing invested assets, based on exclusions of issuers most exposed to sustainability risks and ESG screening of assets in which the Group invests.

C.3.1.7 MANAGEMENT OF INTEREST RATE RISK

Interest rate risk is managed from a holistic point of view. SGRI monitors the interest rate sensitivity in the Economic Balance Sheet (EBS). Stress tests and regular monitoring enable the exposures to be compared with risk tolerance limits set by SGRI.

SGRI aims to maintain an appropriate mix of fixed and variable rate instruments. It also manages the maturities of interest-bearing financial assets.

C.3.1.8 MANAGEMENT OF CURRENCY RISK

As SGRI matches the currency risk on a Group IFRS basis, for other reporting bases such as Solvency II, SGRI may have an exposure to currency risk. In particular, fluctuations of the non-US currencies, particularly Sterling and Euro, may have an adverse effect on eligible own funds from year to year.

C.3.1.9 MANAGEMENT OF EQUITY RISK

SGRI's only significant equity exposure is its participation in SI. The exposure to SI is closely monitored by SGRI and the risks stemming from it are considered on a look through basis to provide an appropriate view of the actual risk profile of the Company.

C.3.1.10 MANAGEMENT OF REAL ESTATE RISK

SGRI does not currently have any real estate holdings.

C.3.1.11 MANAGEMENT OF CREDIT SPREAD RISK

SGRI 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.

C.4 Credit risks

For quantitative information on credit risk, refer to Section E.2.1 – Solvency Capital Requirement. The presentation of SGRI's assets giving rise to market and credit risks is provided in Section D.1 – Assets.

OVERVIEW OF 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.

SGRI is mainly exposed to the following credit risks or the accumulation of such risks in a single counterparty, the same sector of activity or the same country: from bond and loan portfolios, retroceded liabilities also called share of retrocessionaires in contract liabilities, deposits with cedents, future cash-flows from Life reinsurance treaties and cash deposits at banks.

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. For further information on risk concentrations, refer to Section C.7.2 - Significant risk concentrations.

C.4.1.1 CREDIT RISK RELATED TO BOND AND LOAN PORTFOLIOS

A deterioration in the financial situation of an issuer (sovereign, public or private) or borrower can, for example, lead to its insolvency and to the partial or total loss of coupons and of the principal invested or lead to a loss in value.

The risk also applies to loan transactions in which SGRI may invest. A deterioration in the solvency position of the borrower may lead to a partial or total loss of the coupons and the nominal invested by SGRI.

The financial situation of companies to which SGRI is exposed through its invested asset portfolio could be affected by physical and transition risks from global climate change. Physical risks relate to exposures to climate-related extreme events (acute) or to global trends due to climate change (chronic). Transition risks mainly concern carbon-intensive industry sectors or companies working with carbon-intensive industries that may have stranded assets if new regulations are not anticipated.

C.4.1.2 CREDIT RISK RELATED TO RETROCEDED LIABILITIES

SGRI transfers part of its risk 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, SGRI 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.

SGRI 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).

C.4.1.3 CREDIT RISK RELATED TO DEPOSITS WITH CEDENTS

SGRI 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 in principle discharge SGRI of its liability towards the cedent in cases where it is unable 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. In principle, it is therefore possible that SGRI will remain liable for claims due under the reinsurance treaty without being able to offset all or part of the corresponding deposits. SGRI is also exposed to credit risk on its Credit and Surety portfolio in the form of underwriting losses which may accumulate under severe adverse economic conditions.

A legal opinion was obtained in respect of those jurisdictions where it has deposited material amounts with cedents, to provide assurance that the contractual right of offset exists.

C.4.1.4 CREDIT RISK RELATED TO FUTURE CASH-FLOWS OF LIFE REINSURANCE TREATIES

Under most of its Life reinsurance contracts, SGRI expects to receive premiums from its cedents over several years. These often exceed expected future payments for claims, commissions, etc., meaning that SGRI expects to receive future positive 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, SGRI 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;

- 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.

C.4.1.5 CREDIT RISK RELATED TO CASH DEPOSITS AT BANKS

SGRI 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 honour its commitments (e.g. following liquidation). The current main risk for SGRI 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.

MANAGEMENT OF CREDIT RISKS

Management of credit risk related to bond and loan portfolios

SGRI mitigates the credit risk related to bond portfolios by careful analysis and selection of issuers, and by a policy of geographic sector diversification. SGRI 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 so that appropriate action can be taken.

SCOR uses different approaches to assess climate-related risks and other sustainability risks in investment activities, including quantitative models and simulations, scenario and stress-testing and portfolio screening. SCOR excludes certain activities or issuers from its investment universe in line with its Sustainability policy. The list of exclusions is communicated to all investment managers. New investments in excluded activities or issuers are prohibited and the remaining positions are actively managed in order to accelerate their liquidation.

Management of credit risk related to retroceded liabilities

SGRI selects retrocessionaires carefully, considering their financial strength, and regularly monitors its exposure to retrocessionaires and provides summary reports to the Board Risk Committee on a regular basis. SGRI typically requires unrated retrocessionaires to pledge assets or provide other forms of collateral (cash deposits or letters of credit) to the value of their maximum potential contract liability, even if the retrocessionaire's actual liability to SGRI in the balance sheet is lower.

Management of credit risk related to deposits with cedents

SGRI favours 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.

Management of credit risk related to future cash flows from L&H reinsurance treaties

A substantial proportion of SGRI's contracts are with SCOR affiliates. SGRI monitors the development of its cedents' financial situation through regular contact, which enables SGRI 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.

Management of credit risk related to cash deposits at banks

SGRI selects bank counterparties according to their rating and credit quality. Concentration risk from cash deposits at banks is mitigated by setting counterparty exposure limits. SGRI 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 C.3 - Market risks.

C.5 Liquidity risks

C.5.1 OVERVIEW OF 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.

C.5.1.1 LIQUIDITY NEEDS

SGRI needs liquidity to pay claims, operating expenses, interest payments and declared dividends on its share capital. Without sufficient liquidity, SGRI 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 key risks (e.g. catastrophe risk) are calibrated using the Group's internal model, on top of regular liquidity needs as listed above.

Liquidity needs may also arise from increased collateral requirements. Some of the facilities that SCOR uses to grant letters of credit to cedents require 100% collateral from SCOR, for example in case of default (non-compliance with financial covenants, a significant decrease in the Group's financial strength rating, etc.), which would result in a deterioration of the Group's liquidity level. Collateral is also needed in jurisdictions where cedents cannot take credit from retrocession from non-domiciled reinsurers.

C.5.1.2 SOURCES OF LIQUIDITY

The principal internal sources of SGRI'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 include bank overdraft facilities.

SCOR's, and SGRI'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 unfavourable terms, particularly if current internal resources do not satisfy its liquidity needs. A catastrophic event that impacts financial markets and leads to large (re)insurance losses for SGRI's, could result in material liquidity risks.

This risk may be increased due to the characteristics of certain assets held, whose liquidity may be limited due to contractual or regulatory constraints (e.g. investments in corporate, real estate or infrastructure loans).

C.5.2 MANAGEMENT OF LIQUIDITY RISKS

SGRI assesses liquidity risks arising from both short-term and long-term liquidity needs. SGRI manages these risks via different mechanisms which consider:

- actions to be taken by the (re)insurance business areas to take into account both short-term and long-term liquidity risk; and
- the appropriateness of the composition of the assets in terms of their 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. SGRI estimates the level of its liquid free assets (i.e. non-pledged assets) which could be sold within a reasonable timeframe.

C.5.3 EXPECTED PROFITS INCLUDED IN FUTURE PREMIUMS

SGRI's expected profit in future premiums (EPIFP) as at December 31, 2023 amounts to USD 479 million. EPIFP results are produced by SCOR solely for the purposes of QRT reporting. They are not used for internal processes regarding capital management, the details of which are provided in Chapter E – Capital Management.

EPIFP is now reported gross of retrocession due to reporting changes proposed by EIOPA and adopted in the Commission Implementing Regulation (EU) 2023/895 of April 4,2023.

C.6 Operational risks

C.6.1 OVERVIEW OF OPERATIONAL RISKS

For quantitative information on operational risk, refer to Section E.2.1 – Solvency Capital Requirement.

Operational risks are inherent to all businesses including SGRI's. Operational risks mainly come from risks related to systems or facilities, staff, processes, the legal / regulatory environment, risks related to external fraud and cyber-attacks.

C.6.1.1 RISKS RELATED TO STAFF

Risks related to staff can arise as follows:

- Incidents (incl. erroneous capturing of data) due to mistakes or non-compliance with instructions, guidelines or policies; these could also be caused by additional strain on staff resulting from heavy backlog of tasks and multiple project involvements;
- malicious or fraudulent acts by internal staff mandated by SGRI with authorized access to SGRI's offices or systems, or taking advantage of SGRI's assets for personal gain e.g. through the misappropriation of assets, intentional mismarking of positions or bribery;

- intentional damage to assets (including data) required by SGRI to perform its operations by internal or external staff, which could lead to significant remediation costs (including those related to rebuilding databases or systems);
- the failure to attract or retain sufficient workforce resources to conduct SGRI's operations;
- 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.

C.6.1.2 RISKS RELATED TO SYSTEMS OR FACILITIES

Risks related to systems or facilities can arise as follows:

- a malfunction, a major breakdown, outages, or disruptions in SGRI's IT systems, thefts or data breaches and erroneous data processing. SGRI would be exposed in case this occurs within SCOR's own environment, in a third party providing services or data to SGRI, or in any system or facility which SGRI is providing to a third party;
- 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 SCOR'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 SGRI operates might be impacted by natural or man-made hazards. They could also be affected by legal or management decisions (e.g. due to pandemic or social conflict). 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.

C.6.1.3 RISKS RELATED TO PROCESSES

SGRI'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 SGRI's processes are partially or fully outsourced both externally and to other entities within the SCOR Group. Failed outsourced processes could lead to direct losses and other operational incidents.

Since SGRI 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 SGRI to its clients or a breach of contract may lead to a loss of profitable business relationships.

In addition, SGRI may be involved in legal and arbitration proceedings due to third parties challenging the terms of a contract, which could lead to an unfavourable outcome.

For further details on the main current regulatory developments which may have an impact on SGRI, please refer to Section C.7.1.3 - Risks related to legal and regulatory developments.

C.6.1.4 RISKS RELATED TO EXTERNAL EVENTS

SGRI may be exposed to an unfavourable business environment such as evolving or additional regulatory constraints potentially hindering its business model.

Legal and regulatory risk in SGRI's operating environment

As a member of an international group, SGRI 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 SGRI's operations refer *inter alia* to the economic trade sanction 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 sanction laws, regulations and directives of the European Union and its member states. Other international directives with which SGRI complies apply to anti-money laundering, corruption, terrorism financing and insider trading. Regarding anti-corruption laws and regulations, SGRI must comply with, amongst others, the Foreign Corrupt Practices Act (FCPA) and other laws such as the UK Bribery Act. Additionally, SGRI must comply with regulatory requirements regarding data management (both SGRI's data and that of its clients), in particular the General Data Protection Regulation (GDPR) enacted by the European Union and the Chinese Personal Information Protection Law (PIPL).

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 SGRI. The large number of different regulatory environments, in which SGRI operates, as well as changes in present and future regulations increase the complexity and risks of the related processes. Any violation of laws, regulations or accounting requirements could potentially expose SGRI to fines, class actions with compensation payments, account restatements or business restrictions and reputational damage.

Other risks related to external events

SGRI is exposed to external fraud which is characterized by the theft of certain SGRI assets by third parties or by cedents. External fraud may be committed using various means including cyber-attacks and usually target cash, valuable assets including financial assets, or data. Should an act of fraud succeed in bypassing the controls, or protection measures in place, this could generate a direct loss for SGRI.

Risks related to cyber attacks

SGRI 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 violation of SGRI's regulatory or contractual obligations.

Any of the above could inflict significant damage to SGRI's systems or data, create a reputational risk, give rise to a breach of SGRI'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 those who commit external fraud, resulting in a financial loss.

C.6.2 MANAGEMENT OF OPERATIONAL RISKS

The process owners are responsible for managing operational risks within the processes. To meet high quality standards, SGRI relies on 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 which SGRI has locally adopted. 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.

SGRI has also implemented regular risk reporting mechanisms in order to provide an overview of operational risks across the Company.

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 SGRI 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.

For risks which may develop rapidly, such as cyber risk or external fraud, SGRI adapts its risk management, for example by organizing specific training programs and sending regular warnings and detailed instructions to its employees.

C.7 Other material risks

C.7.1 STRATEGIC RISKS

Strategic risk 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 or development of risks 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 Chapter C - Risk profile, in addition to emerging risks, could also impact the success of the strategy.

The main strategic risks to which SGRI is exposed are described below.

C.7.1.1 RISKS RELATED TO THE GEOPOLITICAL AND MACROECONOMIC ENVIRONMENT AFFECTING SCOR'S STRATEGY

The main risks are related to the uncertain geopolitical and economic environment. Tensions in the Indo-Pacific, particularly the South China Sea, pose a risk to the world's busiest trade routes. The Middle East remains at risk due to ongoing conflict in Gaza and actions by Iranian proxies. The protracted war in Ukraine continues to destabilize Europe economically, politically, and strategically. Lastly, the US election, depending on its outcome, could further complicate Europe's security arrangement. All of these uncertainties are likely to continue keeping economic volatility high despite the progress achieved in 2023 to reduce inflation.

A deterioration of financial markets and the global economy will have significant implications for SGRI's activities and results.

SGRI's results could be significantly affected by the economic and financial situation in Europe and other countries around the world. The level of global economic risk, while at an overall high level, decreased in 2023. Despite inflation having receded from the highest levels observed in decades and economic activity in the US being resilient, macroeconomic uncertainty remains worrying due to the geopolitical tensions mentioned above, the structural weaknesses of the Chinese and European economies, the global trend of declining labor productivity despite the digitalization, the climate challenges, and the increasing public debt. These economic forces converge towards a persistently volatile macroeconomic and financial outlook, with risks of recession, especially in Europe and in China.

Impact on SGRI's Investment activities

In the event of extreme prolonged market events, such as global credit crises, SGRI could incur significant losses given its large investment portfolio.

Impact on SGRI's reinsurance business

SGRI's premiums could decline in the event of an unfavourable macroeconomic environment and its profit margins could erode. In an economic downturn, the demand for SGRI'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 SGRI's business. The level of interest rates also plays a significant role in the total amount of reinsurance capital and hence capacity and prices; low interest rates lead to an inflow of alternative capital into the industry which contributes to a softening of the reinsurance market.

SGRI may also experience an elevated incidence of claims or be impacted by a decrease in demand for reinsurance and increased surrenders of policies from cedents (see paragraph on lapse risk in Section C.2.2.4 – Policy behaviour risks) that could affect the current and future profitability of its business.

SGRI is exposed to significant and protracted deviations of inflation from its current trend

SGRI's liabilities are exposed to the risk of a significant increase in the rate of inflation (prices and salaries) which would require an increase in technical provisions, in particular in respect of P&C long-tail business, *e.g.* general liability (medical among others) and motor bodily injury claims. For further information on P&C long-tail technical provision deterioration, see Section C.2.1.1 – P&C long-tail risks

SGRI's assets are also exposed to the risk of increased inflation or raised 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 SGRI's limited equity portfolio.

Inflation has continuously decreased in 2023 from the high levels observed at the end of 2022, following the significant tightening of monetary policy of central banks over the last two years. As a result, the balance between upside and downside inflation risk appears to be more evenly distributed in 2024. In this current environment both inflation and deflation risks must be considered

The risk of deflation, defined as a fall in prices and usually associated with an economic slowdown, cannot also be ruled out in the current environment, characterised by the imminent risk of depression and a lack of room for manoeuvre in relation to economic policies.

A prolonged period of deflation could impact SGRI in several ways. For example, the value of SGRI's invested assets would be impacted if deflation is associated with a fluctuation in interest rates and corporate credit spreads. Another scenario could be that a fall in prices, leading to a decrease in premiums for a given amount of risk, combined with a decrease in organic growth due to the economic slowdown, would result in a drop in the volume of newly acquired premiums.

In conclusion, both high inflation and a protracted period of deflation could have a material adverse impact on SGRI.

The Reinsurance Industry and SCOR's activities and results could be significantly impacted by heightened geopolitical tensions and trends

Geopolitical risks may impact SCOR's activities and results directly and indirectly in the short and medium term, while certain trends may materially impact SCOR's strategy and the wider (re)insurance industry on a medium- to long-term basis.

Direct and indirect impacts would mainly result from specific geopolitical escalations such as direct conflict or war, sanctions and countersanctions, or from other national or regional measures put in place that restrict global trade and capital flows. These events and their secondary impacts on the economy and financial or (re)insurance markets could result in losses in the (re)insurance business, losses or impairment on invested and other assets, and / or restrict or impact SCOR's operations.

Longer-term geopolitical trends such as increased nationalism and a slowdown or reversal of globalization could materially impact the (re)insurance industry as a whole and SCOR's strategy more specifically as a result of an increased risk of conflict, higher trade and capital barriers, and a higher base level of inflation from reshoring of production and supply chains.

More local risks related to social and political instability are also relevant, particularly in emerging markets where these risks are prevalent, and where both business units operate. These risks could lead to significantly reduced business growth in these target markets.

Management of risks related to the geopolitical and macro-economic environment affecting SGRI's strategy

These risks are monitored via regular risk reporting mechanisms to the Board Risk Committee, including complementary risk analyses on ad-hoc topics, where deemed necessary. Potential impacts on SGRI's risk profile are managed through a variety of dedicated and transversal risk management mechanisms.

C.7.1.2 RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

SGRI, as a member of SCOR Group operates in a highly competitive sector and would be adversely affected by losing competitive advantage or if adverse events had an impact on the reinsurance industry.

Reinsurance is a highly competitive sector. 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. Particularly, when available reinsurance capacity, via traditional reinsurers or capital markets, is greater than the demand from ceding companies. Its competitors, in particular (re)insurers with higher ratings than SCOR or other competitors in alternative capital markets, may be better positioned to enter new contracts and gain market share at SCOR's expense. 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, which may result in SCOR losing 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.

Consolidation in the insurance and reinsurance industries could adversely impact SGRI

Consolidated insurance entities may use their enhanced market power and broader capital base to negotiate price reductions for SGRI's products and services, and reduce their use of reinsurance, and as such, SGRI may experience price declines and possibly underwrite less business.

Within the reinsurance industry, such external growth activity could potentially enhance these players' competitive position, allowing them for example to offer greater capacity or broader product offerings, which could enable them to gain market share at SCOR's and SGRI's expense.

Additionally, SCOR's strategy and competitive position might be impacted by climate change. Due to possible future pressures on certain carbon-intensive sectors to either reduce or suspend their operations because of their impact on global carbon emissions linked to climate change, the demand for (re)insurance in these sectors may decline in the future. If SCOR has not sufficiently developed business (either client relations or expertise) in other sectors to replace this loss of revenue (*e.g.* in renewable energy sectors), it may lose its competitive advantage over its market peers.

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 to the Board Risk Committee, including complementary risk analyses on ad-hoc topics, where deemed necessary. For further information on risk reporting mechanisms, refer to Section B.3 - Risk management system including the ORSA and Section B.1.3 – Group Governance structure at Group and legal entity level.

C.7.1.3 RISK RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

Main risks related to legal and regulatory developments

SGRI is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance competent authorities in every country in which it operates. Some of these authorities are considering or may in the future consider tighter requirements 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 SGRI), including a restricted underwriting capacity and a higher cost of doing business. Supervisory authorities have broad administrative powers over many aspects of the reinsurance industry and SGRI cannot predict the timing or form of any future regulatory initiatives. While the material uncertainties listed below relate to known legal and regulatory developments that generally follow a predictable timeline, the risk remains that some material developments may be proposed and enacted into law in a short and unpredictable timeframe.

Known regulatory uncertainties include those stemming from protectionist trends and the ongoing Solvency II review.

The ongoing Solvency II review is going to bring additional requirements for insurance and reinsurance undertakings, such as additional internal model reporting to the supervisors and liquidity risk management planning, when applicable in 2026 or 2027. The Insurance Recovery and Resolution Directive (IRRD), expected to be applicable in 2026 or 2027, may lead to additional requirements and supervisory powers on recovery and resolution as well as industry funding of resolution financing mechanisms. The regulatory impetus on systemic regulation emerging from the International Association of Insurance Supervisors (IAIS) holistic framework and the Solvency II review may lead to additional liquidity risk management requirements, including scenario testing. Restrictions and additional reporting on internal model capital requirements may also emerge from the Solvency II review.

Restrictions on dividends may be re-imposed in future crisis situations, bearing in mind that in 2020, EIOPA called for regulated entities to suspend dividend distributions.

As part of the IAIS common framework for Internationally Active Insurance Groups (IAIGs), the “ComFrame”, the IAIS intends to develop Insurance Capital Standards (ICSs) to be applied by all IAIGs when transposed in the local applicable framework – Solvency II for SGRI. This process will be conducted by the EU legislators and might start in 2025. The ICS may authorize the use of internal models subject to certain conditions that could differ from the current Solvency II framework and create risks in terms of fair competition.

Similarly, changes in tax legislation and regulations, or in their interpretation, may have a negative impact on SGRI’s performance, including its financial results and business model.

Additionally, SCOR’s strategy might be impacted by future legal or regulatory developments related to environmental, social or governmental (ESG) issues, particularly climate change or biodiversity loss. Tighter regulatory controls and/or government legislation introduced to significantly curb carbon emissions may in turn place restrictions on the business that SCOR can underwrite (e.g. carbon intensive industries such as coal first and foremost, but possibly extending to other non-renewable energy sectors over time).

Other legal and regulatory developments

The reinsurance sector has been exposed in the past, and may be exposed in the future, to involvement in legal proceedings, regulatory inquiries and actions initiated by various administrative and regulatory authorities, as well as to regulations concerning certain practices used in the insurance sector.

Particularly, large and material contractual agreements may expose SGRI to the risk of financial impacts in the event of non-performance of the contracts and related potential disputes. Based on its current assessment, SGRI considers that these proceedings should not pose a material risk. Separately, the arbitration proceedings initiated in November 10, 2022 jointly by SGRI and SI against Covéa Coopérations regarding the retrocession agreements pursuant to the settlement agreement of June 10, 2021 between SCOR and Covéa are ongoing and, at Covéa’s request, SCOR SE is now a party to this arbitration.

Management of risks related to legal and regulatory developments.

SGRI has extensive experience in managing risks related to the continuous evolution of laws and regulations. SGRI 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, for example through associations and forums.

In particular, developments in existing or emerging prudential regulations (such as Solvency II, ComFrame or the regulations on systematic 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. SGRI benefits from these monitoring activities at Group level.

C.7.1.4 DOWNGRADE RISK

Overview of SCOR’s downgrade risk

The Group’s reinsurance activities are affected by the way its existing and prospective clients perceive its financial strength, particularly through its ratings, as ceding companies wish to reinsure their risks with companies that have a satisfactory financial position. For further details on the current rating of the Group, see the 2023 Universal Registration Document, Section 1.2.4 - Ratings Information. Due to parental support, the rating of SGRI is aligned with that of the Group. Therefore, the downgrade risk of SGRI is equivalent to the downgrade risk on SCOR’s group.

Impact on SGRI’s reinsurance business

Some of the credit models or reinsurance guidelines of cedents face regulatory capital requirements or depend on their reinsurers' credit rating. If SCOR's rating deteriorates, cedents could be forced to increase their capital requirements in respect of their counterparty risk on SCOR. This could result in a loss of competitive advantage for SCOR.

Many of SGRI's reinsurance treaties, contain clauses concerning the financial strength of SCOR, and provide for the possibility of early termination for its cedents if the rating of SCOR Group is downgraded. Early termination may also occur when the net financial position of SCOR falls below a certain threshold, or if it carries out a reduction in share capital.

Impact on SGRI's letters of credit

Some of SGRI'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,or if other conditions about its financial position are not met, 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, SGRI could encounter difficulties in providing the total amount of required cash or fungible assets, i.e. exposing itself to a liquidity risk.

For more details on liquidity risks, refer to Section C.5 - Liquidity risks.

Impact on capital resources

A significant multiple-notch downgrade of the Group could negatively impact the ability of SGRI to generate new business or retain in-force business (potentially leading to a reduction in eligible own funds due to a reduction in expected future cash flows under existing reinsurance treaties e.g. Life business).

Management of downgrade risk

SCOR is currently rated by Standard & Poor's at "A+/Stable", by Fitch at "A+/Stable", by Moody's at "A1/Stable" and by AM Best at "A/Stable". 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 of the 2023 Universal Registration Document.

SGRI has a Standard & Poor's rating of A+ and a Fitch rating of A+/Stable.

SCOR monitors its ratings assigned by the top four rating agencies via a dedicated team placed under the supervision of the Group CFO.

This team analyses rating agencies' methodologies and reports published on the reinsurance market, on SCOR and 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. The team also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

C.7.1.5 OTHER STRATEGIC RISKS

SGRI may be exposed to other less significant strategic risks described below.

Risks related to capital

Overview of risks related to capital

Adverse capital and credit market conditions may significantly affect SCOR's ability to access capital and/or liquidity or increase the cost of capital.

SGRI is reliant on the SCOR Group for access to capital and liquidity markets. Disruptions, uncertainty or volatility in the capital and credit markets may also limit SCOR's access to the 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, the Company 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.

For further information on Risks related to the macro-economic environment that could impact SGRI, refer to Section C.7.1.1. – Risks related to the geopolitical and macroeconomic environment affecting SCOR's strategy.

Management of risks related to capital

SGRI's ability to access capital is facilitated through the Group. However, as a legal entity, it may be exposed to the risk of increased local regulatory constraints. Within SGRI, the capital position is monitored each quarter and if necessary action is taken to keep the solvency ratio above the monitor level as defined in its Risk Appetite Statement.

For further information on capital management, refer to Chapter E – Capital Management.

Risks related to Acquisitions

Acquisitions are managed at Group level, in coordination with each division depending on the size of the operation or the lines of business concerned. SCOR Group's acquisitions may impact SGRI, either directly, by participating in the financing of the acquisition or taking on all or parts of the acquired business, or indirectly, by entering into risk-sharing or retrocession agreements with other SCOR affiliates directly impacted by the acquisition.

Risks related to the valuation of deferred tax assets

Changes in the valuation of its deferred tax assets may have a material adverse impact on SGRI

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 SGRI as well as applicable tax laws, regulatory requirements and accounting methods. The occurrence of events, such as actual operating earnings being lower than projections or losses continuing over a longer period than originally anticipated or changes in tax legislation, regulatory requirements, or accounting methods, could lead to the derecognition of some of the deferred tax assets for accounting and/or regulatory purposes.

Management of risks related to the valuation of deferred tax assets

Valuation risks related to SGRI's deferred tax assets are managed through robust processes and controls. For further information on how valuation risks are managed, see Section C.6 – Operational risks, Section B.4.1 – Description of the internal control system, and Section D.1 – Assets.

C.7.2 SIGNIFICANT RISK CONCENTRATIONS

Risk concentrations mainly impact three categories of risk, individually or collectively:

- Underwriting risks, in particular through mortality risk and other accumulation risks across lines of business or within certain geographical areas. For further information on SGRI's exposure to mortality risk and how these and other risks are managed, see Section C.2.1 –Non-Life business and C.2.2 – Life business;
- Market risks, in particular in case of major events impacting specific types of assets to which SGRI is exposed. For further information on market risks and how they are managed, see Section C.3 – Market risks.
- Credit risk, in case of major events impacting certain types of counterparties or certain individual counterparties to which SGRI is exposed. For further information on credit risks and how they are managed, see Section C.4 – Credit risks.

For further information on the accumulation of risks within SGRI and how these risks are managed, see Section B.3.2.3 – Identification and assessment of risks.

C.8 Any other information

Not applicable to SGRI.

D.VALUATION FOR SOLVENCY PURPOSES

Solvency II requires SGRI to produce an economic balance sheet (subsequently referred to as EBS) representing a market view of its assets and liabilities as at the reporting date. The Solvency II regulations require the EBS to include assets valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and liabilities valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction. In addition, liabilities are not adjusted to take account of the credit standing of the reporting entity.

The details of the valuation principles applied in the EBS, including the differences between the valuation principles and those applied in the financial statements, are outlined in this chapter.

In the EBS, both assets and liabilities relating to in-force business are recognized at market-consistent values which constitute the valuation for solvency purposes. SGRI's EBS as at December 31, 2023 has been prepared based on the assumption that SGRI will continue as a going concern, in line with the preparation of the financial statements. SGRI prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). SGRI adopted IFRS 17 Insurance Contracts in accordance with the International Reporting Financial Standards requirements, which results in differences in comparison of Solvency II and Statutory IFRS balances.

The preparation of the EBS requires management to make certain judgments, assumptions and estimates. These affect the reported amounts of assets and liabilities and the additional disclosures. 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 most material financial statement line items for which SGRI uses estimates and assumptions are insurance contracts issued; reinsurance contracts held; the fair value and impairment of financial instruments and deferred taxes.

The EBS for SGRI is presented in Quantitative Reporting Template S.02.01 (see Appendix A). The relevant extracts of the EBS are included at the beginning of each section together with a clear reference to the relevant sections within this chapter explaining the valuation bases and methods used for Solvency II purposes.

D.1 Assets

The table below presents the assets of SGRI as per the EBS together with references to the relevant sections within this chapter explaining the valuation basis and methods used for Solvency II purposes.

SGRI Assets as at December 31, 2023 in USD thousands	EBS Solvency II	Sections
Deferred tax assets	**2,498**	**D.1.6**
Property, plant and equipment held for own use	**6,141**	**D.1.1**
Investments	**4,200,099**	
Participations and related undertakings	2,251,569	D.1.2
Bonds	1,159,896	D.1.3
Collective Investments Undertakings	768,293	D.1.3
Derivatives	12,839	D.1.3
Deposits other than cash equivalents	7,502	D.1.3
Loans and mortgages	**70,847**	**D.1.5**
Reinsurance recoverables	**684,414**	**D.1.4**
Non-Life and Health similar to Non-Life	322,281	
Non-Life excluding Health	322,260	
Health similar to Non-Life	22	
Life and Health similar to Life, excluding Health and index-linked and unit-linked	362,133	
Health similar to Life	43,254	
Life excluding Health and index-linked and unit-linked	318,879	
Deposits to cedents	**2,002,339**	**D.1.4**
Insurance and intermediaries receivables	**487,590**	**D.1.4**
Reinsurance receivables	**42,097**	**D.1.4**
Receivables (trade, not insurance)	**16,120**	**D.1.5**
Cash and cash equivalents	**123,965**	**D.1.3**
Any other assets, not elsewhere shown	**248**	**D.1.5**
TOTAL ASSETS	**7,636,358**	

D.1.1 PROPERTY, PLANT AND EQUIPMENT

Valuation for solvency purposes

Property, plant and equipment (referred to as property) is distinguished in the EBS between property held for own use by SGRI and property other than for own use (investment property).

Property held for own use primarily relates to office furniture, equipment, leasehold improvements and right-of-use assets. SGRI does not hold any direct investment in property.

SGRI has applied IFRS 16 – Leases that requires the recognition of 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 Property, plant and equipment held for own use. Lease liabilities are included on the EBS item 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.

Comparison with the valuation in the financial statements

Property held by SGRI is carried in the financial statements at cost, net of accumulated depreciation and impairment losses. There are no valuation differences between the EBS and the financial statements.

D.1.2 PARTICIPATIONS AND RELATED UNDERTAKINGS

The participations value in the EBS represents SGRI's share in SCOR Ireland dac.

Valuation for solvency purposes

For the purpose of the EBS, SGRI values its holding in SI using the adjusted equity method. The value of the participation reflects SGRI's share of the excess of assets over liabilities of the related undertaking valued in accordance with Solvency II rules.

Comparison with the valuation in the financial statements

The participation is recognized in the financial statements of SGRI at acquisition cost. The difference between the EBS and the statutory value is therefore driven by the revaluation, as explained above.

SCOR Ireland dac has published its own Solvency and Financial Condition Report. Please refer to SI's SFCR for more information.

D.1.3 CASH AND INVESTMENTS, OTHER THAN PARTICIPATIONS

SGRI			**As at December 31, 2023**
in USD thousands	**EBS**	**Statutory IFRS**	**Difference**
Bonds	1,159,896	1,159,896	-
Collective investments undertakings	768,293	768,293	-
Derivatives	12,839	12,839	-
Deposits other than cash equivalents	7,502	-	7,502
Cash	123,965	124,739	(774)
Total investments and cash	**2,072,495**	**2,065,767**	**6,728**

Valuation for solvency purposes

Investments in the EBS include financial assets such as bonds (corporate bonds, government bonds and collateralised securities), collective investments undertakings, derivatives and cash. SGRI does not hold any assets in index-linked or unit-linked funds.

The economic value of financial assets 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. Quotations are considered as active market prices if the quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker.

Financial assets valued using quoted prices comprise corporate bonds and government bonds. For collateralised securities the values are based on models prepared by internal and external experts using observable market inputs. For derivative financial instruments, fair value is determined by reference to either published bid values, or values based on models prepared by internal and external experts using observable market inputs.

If quoted prices in active markets for identical assets or liabilities are not available, the following valuation methods may be used:

- quoted market prices in active markets for similar assets, with adjustments to reflect specific factors (including the condition or location of the asset or volume or level of activity in the markets within which the inputs are observed);
- other models based on market inputs; and
- models using inputs which are not based on observable market data.

As SGRI, through the SCOR Group investment team, is responsible for determining the economic value of its investments, regular analysis is performed to check whether prices received from third parties are reasonable estimates of market value. The 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 extraordinary valuation changes noted.

The SCOR Group may conclude that prices received from third parties are not reflective of current market conditions. In those instances, SGRI may request additional pricing quotes or apply internally developed valuations. Similarly, the SCOR Group may value certain derivative investments using internal valuation techniques based on observable market data.

Bonds (government, corporate and collateralised securities)

SGRI's investments in bonds comprise government bonds, corporate bonds and collateralised securities. SGRI's investments in government and corporate bonds are all traded in an active financial market and so the value is determined by reference to quoted market bid prices, at the close of business on the reporting date. For collateralised securities the values are based on models prepared by internal and external experts using observable market inputs.

Collective investment undertakings

For some collective investment funds (unlisted), the economic value is determined by reference to values based on models prepared by internal and external experts using observable market inputs. The economic 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.

Derivatives (assets and liabilities)

Derivative instruments are carried as assets when the economic values are positive and as liabilities when the economic values are negative.

SGRI uses derivative financial instruments such as forward currency contracts and currency swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at economic value on the date on which a derivative contract is entered into and are subsequently remeasured at economic value.

Cash and cash equivalents (including deposits other than cash equivalents)

SGRI applies the same definition of cash for both IFRS and Solvency II reporting purposes, which means that cash and cash equivalents (including deposits other than cash equivalents) includes cash at bank and short-term deposits or investments with a maturity less than or equal to three months at the date of purchase or deposit. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value. Accordingly, deposits include amounts due from credit institutions that have a maturity date of more than three months. The carrying value of deposits approximates their market value. Negative cash balances are reflected on a SII basis under Debts owed to credit institutions as outlined in Section D.3.2.

Comparison with the valuation in the financial statements

There are no valuation differences between the EBS and the financial statements. The reclassifications between investment categories result from the difference between the Solvency II definitions and those used in the financial statements.

D.1.4 INSURANCE TECHNICAL ASSETS

SGRI		As at December 31, 2023	
in USD thousands	**EBS**	**Statutory IFRS**	**Difference**
Reinsurance recoverables	684,414	648,379	36,035
Non-Life	*322,281*	*383,066*	*(60,785)*
Life	*362,133*	*265,313*	*96,820*
Deposits to cedents	2,002,339	-	2,002,339
Insurance and intermediaries receivables	487,590	-	487,590
Reinsurance receivables	42,097	-	42,097
Total insurance technical assets	**3,216,440**	**648,379**	**2,568,061**

Valuation for solvency purposes

Insurance technical assets are balances that relate to insurance and reinsurance contracts.

In the EBS, assumed and ceded technical provisions are recognized in line with Solvency II methodology (see Section D.2 - Technical provisions). The calculation of the Solvency II best estimate liabilities and risk margin takes into account all cash flow projections related to existing insurance and reinsurance contracts, including premiums, benefits and expenses payments. With the implementation of IFRS 17, the category of reinsurance recoverables now encompasses reinsurance contracts held, along with associated receivables balances and related funds held. Consequently, during the transition to the EBS, certain balances undergo reclassification.

Reinsurance recoverables

Reinsurance recoverables (ceded technical provisions) reflect the estimated amounts which are recoverable under reinsurance contracts (retrocession) in respect of SGRI's reinsurance treaties.

Reinsurance recoverables in the EBS are calculated using essentially the same methodology, systems and processes as the best estimate liabilities (see Section D.2 - Technical provisions). Assumptions are set based on the type of business retroceded and the valuation takes into consideration the recoverability of the balance, where appropriate.

Deposits to cedents

These balances represent deposits made at the request of ceding companies as collateral for SGRI's reinsurance commitments.

Under IFRS, deposits to cedents (or funds withheld (FWH)) are valued based on the underlying collateral posted in accordance with the terms of each reinsurance contract and future interest and movements on FWH are modelled as part of the cash flows of the contract. Deposits to cedents are considered part of insurance contracts issued.

In the EBS, the value of deposits to cedents of the underlying collateral posted in accordance with the terms of each reinsurance contract and is adjusted to a revaluation of the funds by discounting the future cash flows where applicable.

For deposits with a contractual fixed and guaranteed return rate, SGRI calculates the market value of this category of deposit as the IFRS value plus a market value adjustment (MVA). The MVA for these deposits is derived from the discounted value of projected cash flows in respect of the deposited reserves. The calculation of cash flows related to deposits reflects the characteristics of the underlying contract, in particular the reimbursement of interest thereon. As for best estimate liabilities, these are discounted with risk-free interest rates aligned to those published by EIOPA.

Insurance, intermediaries' and reinsurance receivables

Insurance and intermediaries' receivable balances included separately in the EBS represent amounts linked to reinsurance business that are due (and overdue) from cedents, but that are not included in the projected cash flows used for the calculation of technical provisions.

Under IFRS, Insurance and intermediaries receivable balances are included as part of insurance contracts issued, in accordance with IFRS 17 Insurance contracts, with the exception of revenue for life financial reinsurance contracts which are included as other assets in the financial statements.

Reinsurance receivables are amounts linked to reinsurance (retrocession) due (and overdue) from reinsurers which are not included in reinsurance recoverables. The receivables include amounts due from reinsurers relating to settled claims. Receivables are carried at cost (with allowance for recoverability, if appropriate) as it is a good approximation of their market value.

Under IFRS, Reinsurance receivables balances are included as part of reinsurance contracts held, in accordance with IFRS 17 Insurance contracts with the exception of revenue for ceded life financial reinsurance contracts which are included as other liabilities in the financial statements.

Comparison with the valuation in the financial statements

Reinsurance recoverables

As explained above, technical cash flows are taken into account within the Solvency II best estimate liabilities. As a result, insurance receivables that are included in the projected cash flows used for the calculation of technical provisions are not recognized separately in the EBS.

Reinsurance recoverables and receivables includes a reclassification of outstanding claims from IFRS Life contract liabilities as these are not included in Solvency II technical provisions.

Deposits to cedants

Adjustments to the value of deposits to cedents are calculated consistently with the adjustments to best estimate liabilities. Insurance and intermediaries' receivables include a reclassification of assumed outstanding claims estimates from IFRS Life contract liabilities, as these are not included in Solvency II technical provisions.

Other insurance technical assets

For the remaining insurance technical assets, the valuation method applied in the Solvency II EBS does not differ from IFRS. However, under IFRS these insurance technical assets are considered part of insurance contracts issued/reinsurance contracts held or other assets/liabilities as described above.

D.1.5 OTHER ASSETS INCLUDING LOANS RECEIVABLES AND TRADE RECEIVABLES

This section covers all other assets recognized in the EBS, including trade receivables and any other assets.

SGRI			As at December 31, 2023
in USD thousands	**EBS**	**Statutory IFRS**	**Difference**
Loans and mortgages	70,847	70,847	-
Receivables (trade, not insurance)	16,120	17,201	(1,081)
Total other assets	**87,215**	**91,171**	**(3,956)**

Trade receivables include amounts receivable from various business partners, the State (for example Irish tax authorities) and others that are not insurance or reinsurance related.

Loans and mortgages in the EBS represent other loans and mortgages.

Comparison with the valuation in the financial statements

Other assets are carried at a value that is not materially different from market value and there are small valuation differences between IFRS and the EBS mainly due to reclassifications between line items and timing differences.

The difference in the table above is presentational and reflects a reclassification from the investment categories – see Section D.1.3 – Cash and investments, other than participations.

D.1.6 DEFERRED TAX ASSETS

SGRI			As at December 31, 2023
in USD thousands	**EBS**	**Statutory IFRS**	**Difference**
Deferred tax assets	2,498	-	2,498
Deferred tax liabilities	-	(16,267)	(16,267)
Net deferred tax assets / (liabilities)	**2,498**	**(16,267)**	**18,765**

Valuation for solvency purposes and comparison with the valuation in the financial statements

Deferred taxes in the EBS 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 in the EBS.

The temporary differences primarily relate to the impact of Solvency II adjustments to bring IFRS figures to EBS market value. These adjustments result in an increase in net assets, therefore all deferred tax impacts arising from the recording of economic adjustments are reflected in the deferred tax liability.

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.

The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred taxes are not discounted.

Deferred taxes retained on the EBS are recorded in accordance with IAS 12 Income Taxes.

Comparison with the valuation in the financial statements

Measurement of deferred taxes for the Solvency II EBS is generally consistent with IFRS, the difference being the fact that the deferred tax asset or liability is established based on the difference between the values ascribed to assets and liabilities recognized in the EBS and their values recognized for tax purposes (instead of the differences between the asset or liability carrying amount in the IFRS balance sheet and its tax base).

Deferred tax balances are adjusted for the impacts of the differences between the IFRS and Solvency II valuation bases – the main difference being driven by revaluation of technical balances. For the purpose of the EBS, the appropriate deferred tax effect of all adjustments between the IFRS balance sheet and EBS is recognized using the appropriate tax rate applicable to the adjustment.

D.2 Technical Provisions

SGRI's technical provisions are calculated as the sum of best estimate liabilities (BEL) and risk margin (RM). BEL is valued as the net present value of future cash-flows. SGRI determines the risk margin under Solvency II according to the specified cost-of-capital method, using the risk-free rate for discounting and the cost of capital rate. In order to estimate future SCRs, SGRI uses the SCOR internal model. Consistent with the prescribed transfer scenarios for the RM calculation, the future SCRs capture underwriting, credit and operational risks.

The calculated risk margin is then allocated to the underlying lines of business.

This chapter provides an overview of the technical provisions at December 31, 2023. In addition, the bases, methods and assumptions used for the calculations are described including an analysis of significant simplifications and the related uncertainties. Where deemed appropriate, the valuation of deposits to cedents and from retrocessionaires are commented on as they are closely linked to the BEL calculation.

The risk-free interest rates used are those provided by EIOPA. For some minor currencies, no risk-free rate is provided by EIOPA, and SCOR derives risk free rates using the methodology specified by EIOPA. Unadjusted risk-free rates are used with no transitional or long-term guarantee measures (e.g. volatility adjustments).

D.2.1 NON-LIFE TECHNICAL PROVISIONS

The table below presents the Non-Life technical provisions of SGRI.

SGRI As at December 31, 2023 in USD thousands	**EBS**
Non-Life technical provisions (TPs)	**2,242,265**
TPs – Non-Life (excl. Health)	2,217,795
Best estimate	*2,198,423*
Risk margin	*19,372*
TPs – Health similar to Non-Life (NSLT)	24,470
Best estimate	*23,124*
Risk margin	*1,346*
Non-Life reinsurance recoverables	**(322,282)**
Non-Life (excl. Health)	(322,282)
Health NSLT	-
Net Non-Life technical provisions	**1,919,983**

D.2.1.1 SEGMENTATION BY LINES OF BUSINESS

The table below shows the valuation of Non-Life net technical provisions of SGRI as at December 31, 2023, presented by line of business (LoB) as defined for Solvency II reporting purposes.

SGRI As at December 31, 2023 in USD thousands	**Best estimates liabilities (BEL)**	**Reinsurance recoverables**	**Risk margin**	**Total net technical provisions**
Income protection insurance	12,098	(20)	114	12,192
Workers' compensation insurance	2,204	(2)	1,164	3,366
Motor vehicle liability insurance	164,695	998	1,835	167,528
Marine, aviation and transport insurance	224,766	(29,748)	1,753	196,771
Fire and other damage to property insurance	467,922	(3,104)	4,637	469,455
General liability insurance	167,008	3,206	1,552	171,766
Credit and suretyship insurance	168,121	3,607	1,665	173,393
Legal expenses insurance	384	-	2	386
Miscellaneous financial loss	1,537	(313)	38	1,262
Non-proportional Health reinsurance	8,822	-	68	8,890
Non-proportional casualty reinsurance	583,058	2,297	3,511	588,866
Non-proportional marine, aviation, transport reinsurance	48,710	836	348	49,894
Non-proportional property reinsurance	372,222	(300,039)	4,031	76,214
Total	**2,221,547**	**(322,282)**	**20,718**	**1,919,983**

The Non-Life net technical provisions of USD 1,920 million correspond to the sum of Non-Life best estimate liabilities net of reinsurance recoverables of USD 1,899 million and a risk margin of USD 21 million.

The Non-Life net best estimate liabilities of USD 1,899 million (comprising gross best estimate liabilities of USD 2,221 million and reinsurance recoverables of USD (322) million, as presented in the above table) are composed of two parts: net claims provisions (USD 2,036 million) and net premiums provisions (USD (137) million). The expected future premiums and premium estimates net of commissions are not shown on the assets side of the EBS but are netted down from the future claims on the liability side.

D.2.1.2 BEST ESTIMATE LIABILITY

Claims and premiums provisions are described below. Please note that these definitions are the general ones, for all SCOR affiliates ceding business to SGRI. SGRI reserves are calculated using the QS cession rate applied to SCOR affilites' reserves for quota-share contracts and applying the treaties conditions for the Non-Proportional contracts.

Claims provisions methodology and assumptions

The elements of claims provisions recognized within best estimate liabilities in the SGRI EBS are described below.IBNR corresponds to the reserves for claims incurred but not yet reported and not sufficiently reserved. It is calculated in the SCOR system at actuarial segment/underwriting year level using Best Estimate Ultimate Loss Ratios which are based on an annual analysis conducted each year by the local actuaries;

- outstanding claims are the same as under IFRS;
- claims estimates mainly correspond to the loss corridor clause, which is a feature of the contract defining a range of loss ratios between which the reinsurer will pay a percentage defined in the contract. An estimation of the amounts to be paid is computed according to the best estimate loss ratios;
- premium estimates that are already earned are reallocated from premium reserves to claim reserves. These amounts come as a reduction of claims estimates;
- in calculating the unallocated loss adjustment expenses (ULAE) and overhead expenses, SGRI takes into account all cash flows arising from expenses that will be incurred in servicing the recognized insurance and reinsurance obligations over the lifetime thereof. This includes administrative expenses, investment management expenses and claims management handling expenses;
- claims discount represents the adjustment for the time value of money linked to claims estimates, outstanding claims, IBNR and ULAE reserves. The discount on claims reserves is calculated using underwriting years' claims patterns calculated by SGRI and risk-free rates yield curves published by EIOPA;
- the underwriting claims patterns gross of retrocession are estimated each year by local actuaries at actuarial segment level. In most cases, patterns are calculated using the Chain-Ladder method, derived from the claims paid and incurred claims triangles;
- each and every year, relevant assumptions made in the calculation of best estimates are reviewed and updated, especially for the annuities discount. SGRI considers market exogenous information such as medical inflation and interest rates flows.

Premium provisions methodology and assumptions

The elements of Solvency II premium provisions are described below:

- future premiums correspond to the part of the premiums not yet written and relate to the difference between Estimated Gross Premium Income (EGPI) and written premiums for bound contracts only;
- future commissions correspond to commissions on future premiums;
- future claims are the claims reserves related to future premiums and IFRS unearned premium reserves. The best loss ratio used for future claims calculation is derived by Non-Life reserving actuaries from either pricing loss ratios or experience loss ratios;
- the premium estimates correspond to the portion of written premiums not yet received in cash. Premium estimates include reinstatement and burning cost premiums which are calculated using the projected claims ultimate (so including IBNR). Given that IBNR under IFRS and EBS are not necessarily the same, reinstatement premiums and burning cost premiums will also vary;
- premium estimates that are already earned are reallocated from premium reserves to claim reserves;
- the commission estimates correspond to the commissions on premium estimates. Commission estimates include sliding scale commissions and profit commissions, which are calculated using the projected claims ultimate;
- bound but not incepted contracts (BBNI) corresponding to contracts written before the valuation date but incepting after the valuation date are now included in the BEL;
- ULAE on future claims is calculated in the same way as ULAE for Claims Provisions;

- discount: claims discount principles apply to the premium discount.

Comparison to prior period

The BEL at December 31, 2023 includes BBNI and Events not in data (ENID) reserves which are the main changes compared to previous period in the calculation of BEL.

List of the most commonly used methods

To assess the IFRS and Solvency II IBNR Best Estimate, SCOR affiliates uses generally accepted actuarial methods, which take into account quantitative loss experience data, together with qualitative factors and exogenous data, where appropriate. The reserves are also adjusted to reflect reinsurance treaty terms and conditions, and the variety of claims processing that may potentially affect the Group's commitment over time. The IBNR is ceded to SGRI according to the quota-share treaties.

SCOR uses in particular:

- deterministic methods (e.g. Chain Ladder, Bornhuetter-Ferguson, Average cost or Loss ratio methods) for Best Estimate and patterns assessment;
- stochastic approaches (e.g. Mack model, Bootstrap) for reserves' volatility estimates;
- experts' judgments (e.g. exogenous a priori loss ratios provided by SCOR Global Non-Life pricing or underwriting, market benchmark such as Reinsurance Association of America patterns);
- tailor made solutions: depending on data availability and portfolio complexity, SCOR develops tailor made solutions. Some parameters used in these models can be subject to dedicated studies. These parameters include, but are not limited to, interest rates, legal development and inflation.

D.2.1.3 LEVEL OF UNCERTAINTY

In the Non-Life business, the uncertainty arises primarily from:

- The level of ultimate loss ratios used to compute the reserves. Some reserving methods require the use of a priori ultimate loss ratios. Pricing loss ratios are often used; but they are sensitive to the underwriting cycle.
- The Tail development factor used on the Long Tail classes.
- The level of outstanding claims reserves.
- The legal environment.
- The rate of claims inflation, especially in the light of global recession.

To quantify these uncertainties, ranges are built around the Best Estimate IBNR, based on Q3 data in the framework of the annual review of reserves. A range of reasonable Best Estimate is calculated for actuarial segments where the SCOR affiliates' local actuaries believe different sets of assumptions can reasonably be chosen to determine an ultimate loss pick. The results of this annual review drives the Q4 IFRS and Solvency II IBNR booking.

D.2.1.4 REINSURANCE RECOVERABLES

SGRI transfers part of its Non-Life risks to SCOR SE via non-proportional retrocession programs. SCOR SE assumes, in exchange for the payment of a premium by SGRI, the losses related to claims covered by the retrocession contracts.

Retrocession IBNR

For non-proportional retrocession under the Solvency II framework, it is considered that the retrocession IBNRs booked as reinsurance accounting position reflect the best estimates position.

Retrocession discount

For non-proportional retrocession, the pattern linked to the LoB retrocession is used to calculate the cash flows of the retrocession contract.

Adjustment for expected losses due to counterparty default (bad debts)

Since SGRI has only internal retrocession programs with SCOR SE and due to the Parental Guarantee in place, Reinsurance Bad Debt is assumed to be nil.

Retrocession segmentation

For non-proportional retrocession, rules starting from the retrocession contract criteria are used.

D.2.1.5 RISK MARGIN

The general risk margin methodology is described in Section D.2.2.

D.2.2 LIFE TECHNICAL PROVISIONS

The table below presents the Life technical provisions of SGRI as at December 31, 2023.

SGRI As at December 31, 2023 in USD thousands	EBS
Life technical provisions	**2,051,464**
TPs – Health SLT	296,905
Best estimate	*131,847*
Risk margin	*165,058*
TPs – Life (excl. Health and unit linked)	1,754,559
Best estimate	*1,005,049*
Risk margin	*749,510*
Life reinsurance recoverables	**(362,133)**
Health SLT	(43,254)
Life (excl. Health and unit linked)	(318,879)
Net Life technical provisions	**1,689,331**

D.2.2.1 SEGMENTATION BY LINES OF BUSINESS

Life technical provisions are segmented in the SGRI economic balance sheet into life (excl. health and unit-linked) and health similar to life (SLT). These correspond to the assumed reinsurance life and assumed reinsurance health lines of business as required under Solvency II.

SGRI As at December 31, 2023 in USD thousands	Best estimate liabilities (BEL)	Reinsurance recoverables	Risk margin	Total net technical provisions
Reinsurance Life	1,005,049	(318,879)	749,510	**1,435,680**
Reinsurance Health	131,847	(43,254)	165,058	**253,651**
Total net Life provisions	**1,136,896**	**(362,133)**	**914,568**	**1,689,331**

D.2.2.2 BEST ESTIMATE LIABILITY

The BEL is calculated as the net present value of future cash flows in respect of assumed reinsurance contracts (i.e. gross of retrocession), projected deterministically using best estimate assumptions. Amounts recoverable from reinsurance contracts are projected separately and follow the same valuation methodology as the Life BEL.

The cash flows considered for the BEL cover all liability cash flows related to premiums, benefits and expenses including the time value of options and guarantees. In general, cash flows are projected using actuarial valuation models that reflect the specific contractual conditions.

Actuarial bases and methodologies

Cash flows are projected using SGRI's best estimate assumptions. For the vast majority of SGRI's exposure, projections are based on recent data of individual policyholders reinsured under the reinsurance contracts, with modelling either at an individual policyholder level (seriatim models) or based on aggregated model points derived from individual policyholder data.

The term of the projection usually corresponds to the projected run-off of the block of business until natural expiry of the policies (subject to contract boundaries), or 65 years if shorter.

All technical cash flows arising from the reinsurance contracts are projected with an allowance for relevant expenses.

Cash flows are generally calculated and reported in the relevant original currency, with some minor exposures mapped to similar currencies and discounted at the assumed risk-free rate for the relevant currency.

Best estimate assumptions

The main categories for best estimate assumptions are related to biometric risks, policyholder behavioural risks, expenses associated with the management of reinsurance contracts including investment management expenses and economic assumptions. Assumptions are regularly reviewed and updated, where appropriate, based on the best available information at the date of valuation, including both internal and publicly available information. The information and data used to set assumptions for material portfolios is re-evaluated annually. Assumptions are derived by actuarial modelling teams and relevant experts and are subject to independent reviews.

The main biometric assumptions are for mortality (e.g. mortality rates, mortality improvement, impact of selection and anti-selection), morbidity (e.g. claims incidence rates, recovery rates) and longevity.

Policyholder behaviour is modelled by the use of assumptions related to lapse, surrender and premium payment patterns.

Expected future cedent actions that would impact SGRI's future cash flows are also considered.

SGRI's total actual expenses are subdivided between maintenance, covering administrative and claims management expenses, acquisition, investment and one-off expenses based on the related activities. Projected cash flows include projected maintenance expenses, with an allowance for future inflation, and projected investment expenses.

Collateral costs are projected using assumptions based on the characteristics of the relevant collateral.

Economic assumptions (inflation rates, exchange rates, interest rates, implied volatility rates) have been calibrated to the prices of relevant financial market instruments observable at the date of valuation.

Foreign exchange rates used at the valuation date are the same as IFRS closing rates, assuring consistency with the IFRS balance sheet, which forms the base for the EBS as of that date.

Comparison to prior period

Compared to last year, the main changes were the impact of new business, model and assumption changes as well as economic impacts.

D.2.2.3 SIGNIFICANT SIMPLIFIED METHODS USED

SGRI uses simplified methods to value approximately 19% of its Life and Health portfolio, measured in terms of the present value of projected future claims. These simplified methods either rely on model polices which are not derived from recent seriatim policy data; or are purely based on the historic aggregate accounting data of a treaty, extrapolating existing accounting data history under a duration and run-off assumption; or are models with other simplifications. Adjustments may be made to better reflect treaty conditions.

D.2.2.4 LEVEL OF UNCERTAINTY - SENSITIVITIES

The key area of uncertainty associated with the value of the Technical Provisions arises from the setting of best estimate assumptions. Assumptions are therefore reviewed on a regular basis, updated based on the best available information and are subject to independent reviews. In particular, while some assumptions can be reliably observed from market information or derived from recent experience data, other assumptions must be set for periods far in the future and so must allow for the development of trends and external influences, or for exposures for which less experience data are available. In these cases, SGRI applies expert judgement to enrich data, derive parameters for the forecast, and reduce uncertainty in estimations. SGRI applies expert judgement within a framework to make sure that its application is proportionate to the quantity and quality of data available, and to its potential impact.

The sensitivity of the BEL to the best estimate assumptions is analysed through sensitivity tests. Their impacts are described below.

Mortality sensitivity

The most significant set of parameters in determining SGRI's Life portfolio technical provisions are those for the projection of current and future mortality rates. A deterioration of expected mortality would cause a significant increase in the technical provisions, as mortality risk is a core element of SGRI's Life risk appetite.

Some reduction in technical provisions would be observable on the annuity business in the case of a mortality increase. However, this is less material compared to the potential impact from the mortality business for the comparable scenario.

Morbidity sensitivity

A deterioration of expected morbidity would significantly increase SGRI's Life and Health Technical Provisions. The impact would not be as severe as a comparable change to expected mortality, as the exposure of SGRI's portfolio to morbidity risk is lower. SGRI's exposure to morbidity risk has grown in recent years due to its Asia Pacific business.

Lapse sensitivity

Technical provisions for SGRI would increase and the market value of deposits would decrease with an increase in assumed future lapse rates. Lapse rates can change due to the influence of external factors.

Interest rate sensitivity

A parallel upward shift to the yield curve would reduce the overall SGRI's Life and Health Technical Provisions. This would be partly offset by a decrease of the market value of deposits. A parallel downward shift would cause the opposite impact.

D.2.2.5 REINSURANCE RECOVERABLES

SGRI transfers part of its risks to retrocessionaires via retrocession programs. The reinsurance recoverables associated with these programs are calculated using the same methodology, systems and processes as the underlying BEL of assumed reinsurance treaties. Special purpose vehicles are not in place for SGRI's life portfolio retroceded. The exposure to default risk on the retrocession recoverables is minor, as in most Life retrocessions, positive cash flows are expected to be ceded.

D.2.2.6 RISK MARGIN

The underwriting risk capital charge calculation applies an estimated runoff pattern to homogenous lines of business, or in some cases more granularly on individual perils.

Consistent with the prescribed transfer scenarios, the projected SCRs capture underwriting, credit and operational risks.

SGRI thereby derives the estimated future total capital requirement of the prescribed reference undertaking.

The calculated risk margin is then allocated to underlying lines of business.

D.2.3 COMPARISON WITH VALUATION IN THE FINANCIAL STATEMENTS

This section presents the main differences between the Solvency II net technical balances and the corresponding statutory IFRS balances for SGRI reported as at December 31, 2023, which are shown in the following table.

SGRI As at December 31, 2023 in USD thousands	EBS	Statutory - IFRS	Difference
Net deposits	2,002,339	-	2,002,339
Reinsurance recoverables	684,414	648,379	36,035
(Re)insurance receivables / payables	(73,156)	-	(73,156)
Technical provisions / BEL	(3,358,443)	(2,213,803)	(1,144,640)
Non-Life	*(2,221,547)*	*(1,724,581)*	*(496,966)*
Life	*(1,136,896)*	*(489,222)*	*(647,674)*
Risk margin	(935,287)	-	(935,287)
Total net technical balances	**(1,680,133)**	(1,565,424)	(114,709)

The analysis of valuation differences between economic valuation and IFRS (insurance contracts issued/reinsurance contracts held)) in the table above considers BEL, risk margin and market value adjustment on deposits in comparison to the corresponding statutory IFRS amounts. A neutral element is the difference in (re)insurance receivables/payables, which represents a reclassification of IFRS technical provisions component, which is not modelled in the BEL. Contractual Service Margin are eliminated for the purpose of EBS as earnings from its run-off are already considered at point of sale.

In addition to the above for SGRI, valuation differences are due to differences:

- in the methodology for assessing the reserves;
- in interest rate assumptions;
- differences in granularity with knock-on effects on overarching positions;
- timing due to different data cut off dates;
- risk adjustment versus risk margin calculations;
- in allowance for specific fees; and
- in allowances for internal administration expenses.

The main sources of valuation difference are the methodology used and the difference in non-economic assumptions.

The main differences between IFRS Balance Sheet positions relating to Non-Life Present Value of Future Cashflows ("PVFCF") excluding FWH compared to EBS reserves (excluding risk margin) as at December 31, 2023 are shown in the following table.

SGRI As at December 31, 2023 in USD thousands	Non-Life EBS BEL	Non-Life Statutory – IFRS PVFCF wo FWH	Difference
Income protection	12,078	14,771	(2,693)
Workers' compensation	2,203	5,871	(3,668)
Motor vehicle liability	165,693	570,245	(404,552)
Marine, aviation and transport	195,018	286,983	(91,965)
Fire and other damage to property	464,818	895,513	(430,695)
General liability	170,213	375,744	(205,531)
Credit and suretyship	171,728	193,924	(22,196)
Legal expenses insurance	384	-	384
Miscellaneous financial loss	1,224	36,092	(34,868)
Non-proportional Health	8,822	-	8,822
Non-proportional casualty	585,355	-	585,355
Non-proportional marine, aviation and transport	49,546	-	49,546
Non-proportional property	72,183	(318,368)	390,551
Total	**1,899,265**	**2,060,775**	**(161,510)**

The identified differences from IFRS PVFCF to Solvency II best estimate liabilities are due to differing discount rates, differing contract boundaries, the inclusion of ULAE under Solvency II, the inclusion of Events Not In Data in the EBS and the inclusion of the bound but not incepted business.

D.3 Other liabilities

The table below presents the liabilities of SGRI as per the EBS together with references to the relevant sections within this chapter explaining the valuation bases and methods used for Solvency II purposes.

SGRI Liabilities as at December 31, 2023 in USD thousands	EBS Solvency II	Sections
Technical provisions – Non-Life	**2,242,266**	**D.2.1**
Technical provisions - Life (excluding index-linked and unit-linked)	**2,051,464**	**D.2.2**
Derivatives	**11,799**	**D.3.2**
Debts owed to credit institutions	**6,728**	**D.3.2**
Financial liabilities other than debts owed to credit institutions	**6,172**	**D.3.3**
Insurance and intermediaries payables	**579,395**	**D.3.1**
Reinsurance payables	**23,448**	**D.3.1**
Payables (trade, not insurance)	**13,115**	**D.3.2**
Subordinated liabilities	**201,299**	**D.3.2**
Subordinated liabilities not in BOF	-	
Subordinated liabilities in BOF	201,299	
Any other liabilities, not elsewhere shown	**6,990**	**D.3.2**
TOTAL LIABILITIES	**5,142,675**	

D.3.1 INSURANCE TECHNICAL LIABILITIES

SGRI in USD thousands	EBS	As at December 31, 2023 Statutory IFRS	Difference
Insurance and intermediaries payables	579,395	-	579,395
Reinsurance payables	23,448	-	23,448
Total insurance technical liabilities	**602,843**	**-**	**602,843**

Valuation for solvency purposes

Insurance technical liabilities are balances that are related to insurance and reinsurance contracts, other than technical provisions.

In the EBS, assumed and ceded technical provisions are recognized in line with Solvency II methodology (see Section D.2 - Technical provisions). The calculation of the Solvency II best estimate liabilities and risk margin takes into account all cash flow projections related to existing insurance and reinsurance contracts, including premium, benefit and expense payments. With the implementation of IFRS 17, Insurance and intermediaries payable and reinsurance payable together with ceded funds held are now included as part of insurance contracts issued and reinsurance contracts held. Consequently, during the transition to the EBS, certain balances undergo reclassification.

Insurance, intermediaries and reinsurance payables

Most payables related to insurance and reinsurance contracts are taken into account in the net best estimate liabilities as Solvency II requires the transfer of future cash flows from (re)insurance receivables/payables to technical provisions.

The insurance and intermediaries payable balances included separately in the EBS represent amounts linked to insurance business which are due to cedents but that are not included in the cash flows of technical provisions.

Under IFRS, Insurance and intermediaries payable balances are included as part of insurance contracts issued, in accordance with IFRS 17 Insurance contracts.

The reinsurance payables are amounts linked to retrocession costs which have not yet been settled and therefore cash flows are still due to the reinsurer.

Under IFRS, Reinsurance payable balances are included as part of reinsurance contracts held, in accordance with IFRS 17 Insurance contracts.

Payables are carried at amortized cost as it is a good approximation of their market value.

Comparison with the valuation in the financial statements

As explained above, technical cash flows that are taken into account in the Solvency II net best estimate liabilities are not recognized separately in the EBS. Reinsurance payables include a reclassification of ceded outstanding claims estimates from Life IFRS technical reserves, as these are not included in Solvency II technical provisions.

For the remaining insurance technical liabilities the valuation method applied in the Solvency II EBS does not differ from IFRS, however there are reclassifications between line items. Under IFRS, Insurance and intermediaries payable balances are included as part of reinsurance contracts held, in accordance with IFRS 17 Insurance contracts.

D.3.2 FINANCIAL AND OTHER LIABILITIES INCLUDING SUBORDINATED LIABILITIES

SGRI		As at December 31, 2023	
in USD thousands	**EBS**	**Statutory IFRS**	**Difference**
Derivatives	11,799	11,799	-
Debts owed to credit institutions	6,728	-	6,728
Financial liabilities other than debts owed to credit institutions	6,172	6,172	-
Payables (trade, not insurance)	13,115	11,613	1,502
Subordinated liabilities	201,299	200,482	817
Any other liabilities, not elsewhere shown	6,990	7,203	(213)
Total financial and other liabilities	**246,103**	**231,097**	**2,106**

Valuation for solvency purposes

Financial liabilities

Financial liabilities in the EBS include derivatives, debts owed to credit institutions (incl. overdrafts) and other financial liabilities, as well as subordinated liabilities.

Lease liabilities are recognized under financial liabilities following application of the IFRS 16 standard on lease contracts

Derivative instruments are carried as liabilities when the economic values are negative. Derivatives are valued based on quoted market prices. For more information on derivatives please refer to Section D.1.3 Cash and investments, other than participations.

Subordinated liabilities are debts which rank after other debts when the company is liquidated. Those subordinated liabilities that are classified as basic own funds (BOF) are presented separately in the EBS.

The economic value of subordinated liabilities that are traded in active financial markets is determined by reference to quoted market bid prices, at the close of business on the reporting date. Quotations are considered as active market prices if the quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker.

Other liabilities including trade payables

This section covers all other liabilities recognized in the EBS, including trade payables and any other liabilities.

Trade payables include amounts due to various business partners, employees, the State (for example Irish tax authorities) and others that are not insurance or reinsurance related.

Any other liabilities primarily include accruals. Trade and other liabilities are carried at amortized cost as it is a good approximation of their market value.

Comparison with the valuation in the financial statements

Subordinated liabilities EBS valuation includes the change from amortized cost to fair value for subordinated debt and the elimination of changes in SGRI's own credit standing.

Other liabilities (including trade payables) are carried at their fair value for IFRS. The difference between the value of trade payables in the EBS and the financial statements is attributable to reclassifications between line items and timing differences.

D.4 Alternative methods of valuation

As noted in Sections D.1 - Assets and D.3 - Other liabilities, in certain circumstances for some assets and liabilities, SGRI uses alternative valuation methods (including models) to estimate the market value. These methods are applied where the valuation is not possible using the default method (valuation based on quoted prices in active markets for the same assets or liabilities) or using quoted market prices in active markets for similar assets and liabilities with adjustments to allow for the specific differences. All valuation methodologies applied by SGRI are explained within the relevant sections: D.1 - Assets and D.3 - Other liabilities.

D.5 Any other information

No other material information was identified by SGRI over the reporting period other than valuation of assets and liabilities presented in Sections D.1 - Assets to D.4 - Alternative methods of valuation.

E. CAPITAL MANAGEMENT

This section provides an overview of the year end 2023 capital position for SGRI.

The table below includes the key results as at December 31, 2023 and December 31, 2022, respectively.

SGRI in USD thousands	As at December 31, 2023	As at December 31, 2022	Variance
Eligible Own Funds (EOF)	**2,504,382**	**2,361,355**	**143,027**
Solvency Capital Requirement (SCR)	**1,416,432**	**1,184,208**	**232,224**
Excess Capital (EOF - SCR)	1,087,950	1,177,147	(89,197)
Solvency ratio	**177%**	**199%**	**(23%)**

E.1 Own funds

E.1.1 OWN FUNDS

For more information on own funds please also refer to Quantitative Reporting Template S.23.01.01 – Own funds, presented in Appendix A.

E.1.1.1 OWN FUNDS STRUCTURE

SGRI is a 100% subsidiary of SCOR SE. SGRI own funds eligible to cover the SCR are USD 2,502 million at December 31, 2023.

SGRI Own funds structure as at December 31, 2023

in USD thousands	Tier 1	Tier 2	Tier 3	Total
Basic own funds	**2,501,884**	**-**	**2,498**	**2,504,382**
Ordinary share capital	3,352	-	-	3,352
Share premium	110,632	-	-	110,632
Reconciliation reserve	1,897,137	-	-	1,897,137
Subordinated liabilities	201,299	-	-	201,299
Other items approved by supervisory authority	289,465	-	-	289,465
Ancillary own funds	**-**	**-**	**-**	**-**
Total available own funds	**2,501,884**	**-**	**2,498**	**2,504,382**
Total eligible own funds to cover the SCR (after limit deductions)	**2,501,884**	**-**	**2,498**	**2,504,382**
Total eligible own funds to cover the MCR (after limit deductions)	**2,501,884**	**-**	**-**	**2,501,884**

SGRI Own funds structure as at December 31, 2022

in USD thousands	Tier 1	Tier 2	Tier 3	Total
Basic own funds	**2,361,355**	**-**	**-**	**2,361,355**
Ordinary share capital	3,352	-	-	3,352
Share premium	110,632	-	-	110,632
Reconciliation reserve	1,758,017	-	-	1,758,017
Subordinated liabilities	199,890	-	-	199,890
Other items approved by supervisory authority	289,465	-	-	289,465
Total available own funds	**2,361,355**	**-**	**-**	**2,361,355**
Total eligible own funds to cover the SCR (after limit deductions)	**2,361,355**	**-**	**-**	**2,361,355**
Total eligible own funds to cover the MCR (after limit deductions)	**2,361,355**	**-**	**-**	**2,361,355**

SGRI considers all its basic own funds, identified in line with Solvency II rules and resulting from economic adjustments made to the SGRI's equity under IFRS, as available and eligible to cover the SCR.

Solvency II own funds are classified into three tiers depending on whether it is a basic or ancillary own funds item, and on whether it is permanently available to absorb losses on a going concern basis and/or is subordinated such that it is available to absorb losses in the event of a winding-up, and as described in the Articles 71, 73, 75 and 77 of the Delegated Acts.

The table above presents the components of basic own funds. SGRI does not recognize any ancillary own funds.

Ordinary paid-in share capital and the related share premium of SGRI are classified as tier 1 basic own funds. The components of the reconciliation reserve are also classified as tier 1 basic own funds.

The reconciliation reserve represents the reserves from the Statutory IFRS balances, net of any adjustments, and the economic valuation differences. The economic valuation differences result from adjustments made to the statutory balance sheet to arrive at the economic value of all assets and liabilities recognized in the Solvency II EBS. The reconciliation reserve is classified as tier 1 basic own funds.

"Other items approved by supervisory authority" relate to capital contributions which received approval from the Central Bank of Ireland as tier 1 own funds in 2015 (USD 81 million) and 2022 (USD 208 million).

Subordinated liabilities represent debt issued by SGRI that meet the own funds recognition criteria. Subordinated liabilities are classified into tiers based on terms and conditions as specified in each debt instrument's prospectus.

The table below presents the subordinated debt issued and included in basic own funds.

SGRI As at December 31, 2023 in thousands	Outstanding amount in USD	Issue date	Maturity date	Tier	Optional redemption	
					First call date	Call dates thereafter[(1)]
USD 200 million Perpetual Subordinated	201,299	21/12/2022	Perpetuity	1	21/12/2032	Every 5

(1) at any interest payment date

On December 21, 2022, SCOR SE granted perpetual subordinated notes to SGRI in the amount of USD 200 million eligible as tier 1 own funds.

E.1.2 ELIGIBILITY OF OWN FUNDS

For the purposes of compliance with the SCR, tier 1 capital must account for at least half of the required capital (50% of the SCR), the sum of eligible tier 2 and tier 3 capital must account for a maximum of 50% of the SCR and the eligible amount of tier 3 capital must account for less than 15% of the SCR.

Within those limits, the total of subordinated liabilities (with or without benefiting from the transitional measures) eligible as tier 1 capital must be less than 20% of total tier 1 capital.

The application of the above limits determines SGRI's eligible own funds. As at December 31, 2023, none of these limits are exceeded by SGRI.

E.1.3 RECONCILIATION WITH SHAREHOLDERS' EQUITY

The table below presents the differences between the shareholders' equity in the Statutory IFRS balances prepared under IFRS and the net assets over liabilities as calculated for solvency purposes and presented in the EBS.

SGRI in USD thousands	December 31, 2023
Statutory - IFRS Shareholders' equity	**1,935,120**
Economic adjustments	**558,563**
Investments	667,297
Net technical balances	(114,709)
Net technical balances, excluding risk margin – Life	*518,799*
Net technical balances, excluding risk margin – Non-Life	*301,799*
Risk margin – Life	*(914,567)*
Risk margin – Non-Life	*(20,719)*
Financial liabilities	(7,545)
Deferred taxes	18,765
Other assets and liabilities	(5,245)
Excess of assets over liabilities in the Solvency II EBS	**2,493,683**
Subordinated liabilities	201,299
Deductions for foreseeable dividends	(190,600)
Total available own funds	**2,504,382**

The economic adjustments represent revaluations necessary to remeasure all of SGRI's assets and liabilities calculated in accordance with IFRS as economic values under Solvency II rules. For further details on valuation principles and differences, please refer to Chapter D - Valuation for solvency purposes.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SOLVENCY CAPITAL REQUIREMENT

The solvency capital requirement (SCR) of SGRI is calculated using its approved internal model, which is consistent with that of the SCOR Group. Therefore, the risk categories are the same as those described in the SFCR of the SCOR Group and SCOR SE.

This section provides a breakdown of the SCR by risk category. This is followed by an overview of the internal model, including a description of the risk categories.

This section is linked to the Quantitative Reporting Template S.25.05 – SCR-IM in the Appendix A.

E.2.1.1 SCR BY RISK COMPONENT

SGRI's SCR is USD 1,416 million as at December 31, 2023 and has increased by USD 232 million, or about 20%, over the year from USD 1,184 million as at December 31, 2022.

The table below shows the standalone 0.5% Value-at-Risk (VaR) for each risk category, and the diversification and tax components. The risk categories are described in Section E.4.1 – Overview of the internal model.

SGRI In USD thousands	0.5% VaR As at December 31, 2023	0.5% VaR As at December 31, 2022	Changes from 2022 to 2023
Non-Life underwriting	1,026,926	907,482	119,444
Life underwriting	1,640,321	1,460,553	179,768
Market	360,741	642,714	(281,973)
Credit	284,626	271,594	13,031
Operational	130,931	119,496	11,435
Required capital before diversification	**3,443,545**	**3,401,839**	**41,705**
Diversification	(1,728,757)	(1,946,034)	217,277
Loss absorbing capacity of deferred taxes	(298,356)	(271,597)	(26,759)
SCR	**1,416,432**	**1,184,208**	**232,224**

The standalone required capital, before diversification between risk categories and tax, has increased by USD 42 million compared to December 31, 2022. This is due to the combined effects of model refinements, economic developments, business and investment portfolio updates. The changes by risk categories are due to the following:

- Non-Life underwriting standalone risk has increased to USD 1,027 million from USD 907 million as at December 2022. This is mainly a result of model refinements. The depreciation of USD against EUR and GBP, and diverging EUR and USD interest rates led to a further increase, which is partly offset by a decrease in premium risk for Alternative Solutions, Marine and Property Non Cat;
- Life underwriting standalone risk has increased by USD 180 million compared to December 31, 2022. The net increase is driven by a change in business exposure;
- Market standalone risk includes invested assets, FX, interest rate, and credit spread risk. It has decreased by USD 282 million compared to December 31, 2022. This decrease is mainly due to a reduction of the interest rate risk from model refinements which impacts both SI, 74% owned by SGRI, and SGRI. The impact on the SCR after diversification is much less because market risk diversifies well with other risk categories;
- Credit standalone risk includes default risk and credit rating migration risk on assets. It has increased by USD 13 million compared to December 31, 2022. This is mainly due to the increase in credit default risk coming from an exposure increase. The impact on SGRI's SCR is small after diversification because credit risk diversifies well with other risk categories;
- Operational standalone risk has increased by USD 11 million; mainly due to L&H exposure updates.

Diversification and the loss absorbency benefit of taxes decreases the SCR by a decreased amount of USD 191 million, compared to December 31, 2022, mainly due to a decrease in the diversification benefit.

E.2.2 MINIMUM CAPITAL REQUIREMENT

SGRI In USD thousands	December 31, 2023	December 31, 2022	Variation	% Variation
MCR Minimum (25% of SCR)	354,108	296,052	58,056	20%
MCR Linear	1,218,627	1,120,899	97,729	9%
MCR Maximum (45% of SCR)	637,394	532,894	104,501	20%
MCR with Internal Model cap & floor	**637,394**	**532,894**	**104,501**	**20%**

The table above presents MCR calculations based on the internal model SCR.

Minimum capital requirement (MCR) calculations include Non-Life and Life exposures. The Non-Life exposures used for the MCR calculation are the net premium amounts written in the previous 12 months and the net best estimate technical provisions, both split by line of business. Predefined regulatory factors are applied to the premium and technical provision elements and added up to obtain the Non-Life linear MCR. Similarly, the Life linear MCR is obtained by applying predefined factors to the net best estimate technical provisions classified by product type as well as to the capital at risk for all Life exposures.

The MCR is the result of this specified linear formula subject to a floor of 25% and a cap of 45% of the SCR calculated based on the internal model. For SGRI, the MCR as at December 31, 2023 is equal to the cap (45% of SCR).

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

SGRI does not use a duration-based equity risk sub-module in the calculation of the solvency capital requirement.

E.4 Differences between the standard formula and any internal model used

The following sections describe SCOR`s internal model and show how it is used within SGRI.

E.4.1 OVERVIEW OF THE INTERNAL MODEL

SCOR developed its internal model to ensure that its solvency is properly measured: the model is part of a comprehensive solvency framework which seeks to ensure that SCOR, including SGRI, is solvent now and will continue to be solvent in the future. It is deeply embedded in SCOR’s Risk Management system and used extensively for strategic purposes and business steering. The model is materially complete in its coverage of risk and entities. For this purpose, material is defined as being at a level above which information could influence the decision-making or judgment of the intended users of that information.

Since 2003 SCOR has used its experience and knowledge to develop an internal model which accurately reflects SCOR’s risk profile as a global reinsurer. SCOR received approval from regulators to use its internal model for the calculation of its Solvency II SCR from the effective in-force date of Solvency II (January 1, 2016).

This section gives an overview of the internal model. Section E.4.2 gives examples of SCOR’s use of the internal model. Section E.4.3 provides more detail on the operation of the internal model, describing how SCOR forecasts the probability distributions for its risks, Section E.4.4 provides further information about the loss absorbing capacity of deferred taxes and Section E.4.5 describes the key differences between the standard formula and SCOR’s internal model.

Summary of the approach

The internal model produces a probability distribution of SCOR`s economic balance sheet at a date one year in the future. It does this by calculating, for many thousands of scenarios, the value of the balance sheet items exposed to risk. SCOR leverages its experience to forecast a probability distribution for each of these risks and to determine how the different risks interact. SCOR then uses this to produce a single probability distribution of the change in economic value. See Section E.4.3 for more details. The model allows for diversification and for the loss absorbing effect of deferred taxes.

Scope of the internal model

Business units

The internal model is a global model and operates under the same standards across the Group, within and outside the Solvency II regime. SCOR manages its business using a Group and business unit approach as described in Section

A.1.1.5 - Legal and organizational structure of the Group, under which the activities of the L&H and P&C business units are represented alongside SCOR Investments.

The internal model covers the entirety of SCOR's worldwide (re)insurance activities. It is therefore designed to include all known material quantifiable risks to which the Group is exposed and SCOR has robust processes in place to ensure the continued adequacy of the internal model to its risk profile.

The internal model is used to calculate the Solvency II SCR of the Group and the following Solvency II regulated entities: SCOR SE, SGRI and SI.

Risk measure and time period

The risk measure used to determine the Solvency Capital Requirement is the Value-at-Risk (VaR) of the change in basic own funds over a one-year period with a confidence level of 99.5% (i.e. VaR 0.5%).

Risk categories

SGRI groups the risks modelled into five categories as at December 31, 2023: Non-Life underwriting, Life underwriting, market, credit and operational risks. The definitions of the risk categories are as follows:

- **Non-Life underwriting** risk is the risk of change in the value of non-life liabilities. It also includes related risks such as those associated with expenses, deposits to cedents, reinsurance recoverables and reinsurance payables;
- **Life underwriting** risk is the risk of change in the value of life and health liabilities. It also includes related risks such as those associated with deposits to cedents, reinsurance recoverables and reinsurance payables, and interest income on funds withheld;
- **Market** risk is the risk of loss to balance sheet items (for instance provisions, payables, investments and debt) from changes in the level of market prices;
- **Credit** risk is the risk resulting from the default or changes in the creditworthiness of insurance or investment counterparties;
- **Operational** risk is the risk of loss from inadequate or failed internal processes, personnel or systems or from external events. Operational risk includes legal risks and excludes risks arising from strategic decisions and reputational risks.

Underwriting risks cover risks from business written to date and business planned to be written over the next year.

The risk categories are reported before tax and diversification. In addition, the following items are shown:

- **Diversification**. This is the impact of determining the joint capital requirements of the five risk categories. The aggregated capital requirement is less than the sum of the individual capital requirements because of SCOR`s diversified portfolio which significantly reduces the likelihood of simultaneous occurrence of adverse experience, and because losses in one area are offset by gains in another.
- **Loss absorbing capacity of deferred taxes.** For each modelled scenario, the internal model calculates the tax impact of the change in economic value. In unprofitable scenarios, like the 1-in-200 loss scenario associated with the SCR, it captures the loss absorbing capacity of deferred taxes by modelling the change in value of the deferred tax positions which reduces the impact of the loss on the basic own funds. See Section E.4.4 – Loss absorbing capacity of deferred taxes for more details.

Data used in the internal model

The probability distribution forecast of SGRI's economic balance sheet requires forecasts to be made for the economic background, for each risk factor, and for the dependencies between the various risk factors. These forecasts rely on actuarial, economic, financial and business portfolio assumptions and data. Because the accuracy and appropriateness of this data are important, SGRI carefully manages data to ensure its proper and structured storage, reliability, and accessibility. SGRI applies a data quality management framework to identify key data affecting internal model results, in particular the SCR, and data quality criteria to all of this data. Section E.4.3 describes in more detail the data used for each risk category and how SGRI ensures that the data is appropriate.

In some areas, there is little data available or the data lacks credibility. In these cases, SCOR applies expert judgment to enrich data, derive parameters for the forecast, and reduce uncertainty in internal model estimations.

E.4.2 USES OF THE INTERNAL MODEL

The internal model is used to support the Group's business initiatives and to provide input for management decisions. See for example Sections B.3.1.3 – Risk tolerances, B.3.2.3 – Identification and assessment of risks and C.2.3 – Risks related to technical provisions. Other examples are as follows:

- SCOR uses the internal model to determine solvency and profitability and for economic and solvency capital assessment. The internal model is used to produce distributions of scenarios for changes in basic own funds over the coming year for SCOR Group and material Group entities, in accordance with Solvency II principles;

- SCOR uses the internal model for strategic solvency management. The internal model is the core tool for setting and maintaining SCOR's strategic solvency target to align shareholder returns, business growth, profitability and solvency protection for clients;
- the internal model plays an important role in SCOR's System of Governance, and Risk Management System and helps to optimize shareholder return. SCOR designed and developed the model specifically for its own risks, so the internal model provides a better understanding of its risk profile than an industry-standard or standard formula approach;
- SCOR's Capital Shield strategy, uses a range of protection mechanisms to ensure that the retained risk profile remains in line with the risk appetite framework and risk tolerances;
- SCOR's SCR is mainly driven by its underwriting risks, with high diversification through well-balanced Life and Non-Life portfolios. Full distribution modelling and capital allocation steer SCOR's risk return profile to the optimum allocation of economic capital to business units and lines of business, and to new business. Thus, the pricing of new business with an understanding of the resulting capital allocation assists SCOR in targeting business which is expected to provide an attractive return on capital;
- SCOR uses the internal model for risk analysis to support acquisitions and other major decisions and to assess the impact on the Group's (and relevant entity's) solvency.

E.4.3 PROBABILITY DISTRIBUTION FORECASTS

This section describes how SCOR forecasts the probability distribution for each risk category. The approach can be summarized as follows:

- SCOR determines the exposure of the economic balance sheet items exposed to risk using the economic characteristics of its portfolio;
- SCOR analyses each risk category into a number of risk factors and generates probability distributions for each of these risk factors, using its own experience and expertise applied to internal, external and market data;
- SCOR uses Monte-Carlo simulation techniques to produce the full probability distribution forecast for each risk category.

Non-life Underwriting Risk

The business covered by the Non-Life risk category is all Non-Life re/insurance and retrocession contracts from both in-force business and new business within the one-year time period. The forecasts are determined for three categories of business (Treaty, Facultative and Natural Catastrophe) and for reserve risk.

SCOR leverages its own experience to understand its Non-Life risks and to derive observed statistical characteristics of these risks, particularly probability distributions, the nature of the dependencies between them and their expected behavior over the next year. Particular attention is paid to extreme events and SCOR uses a statistical (Bayesian) method to supplement the data on these. This method (PrObEx) combines expert judgment with existing industry and economic data, both internal and external, and improves SCOR's understanding of adverse scenarios.

Probability distributions are generated for each of the three different categories of business and for reserve risk, based on the nature of the underlying risks and forecast using claim inflation curves and economic trends.

L&H Underwriting Risk

To model its life and health risks SCOR combines global expertise and significant amounts of experience, including data from acquisitions. It uses this to derive the statistical characteristics of these risks, particularly their current probability distributions, the nature of the dependencies between them and their expected behaviour over the next year.

Probability distribution functions are chosen to model the underlying risk factors such as mortality, longevity and policyholder behaviour. SCOR applies expert judgment and scenario analyses where experience data are relatively scarce, for example lapse and morbidity risks.

The internal model takes future management actions into account, reflecting the optionality available to SCOR on certain blocks of business in the event of adverse mortality or critical illness experience.

Market Risk

The market risk category comprises a number of risk factors, including interest rates, credit spreads, inflation and currency exchange rates (FX).

SCOR applies probability distributions for these risk factors to the values of economic balance sheet items. Within this risk category, SCOR also applies probability distributions for interest rates to the modelled values of discounted best estimate liabilities and deposits to cedents.

SCOR forecasts the probability distributions of the risk factors, and the dependencies between them, using economic scenarios for a number of major currencies. These economic scenarios are created by SCOR`s Scenario Generator Model

(SGM), which produces scenarios representing various plausible states of the world specified in terms of Life and economic risk factors, to determine how the economic balance sheet would react under these various scenarios.

The internal model determines, for each scenario, the impact on the underlying economic balance sheet item. Repeating this exercise many times for different future scenarios gives the full probability distribution forecast for market risk.

Credit Risk

The probability distribution forecast for credit risk includes migration and default risk and is determined in two stages.

Firstly, the rating migrations (including defaults) of every counterparty are simulated, Secondly, given these rating states, the P&L is determined from the exposure of every counterparty. The calibration of this model is based on historical data and a strong link to the economic risk factors used for the market risk exist.

Operational Risk

SCOR models annual losses at the entity level and by operational areas. There are two main data sources for modelling operational risk: scenario analyses from experts and historical losses. The methodology for modelling losses for each operational risk area is based on a Bayesian approach. This allows for the combination of several input data sources for each modelled operational risk area to obtain credible data.

Other

Minor balance sheet items, such as intangible assets or debt, are assumed to carry a low intrinsic risk. These are modelled in a simplified way and included in the relevant risk category.

E.4.4 LOSS ABSORBING CAPACITY OF DEFERRED TAXES

The modelled economic balance sheet includes deferred tax assets and deferred tax liabilities recognized at valuation date. For each modelled scenario, the internal model calculates the tax impact of the change in economic value (i.e. economic profit or loss).

In unprofitable scenarios, like the 1-in-200 scenario associated with the SCR, it captures the loss absorbing capacity of deferred taxes by modelling the change in value of the deferred tax positions which reduces the impact of the loss on the modelled basic own funds. The internal model determines this item by modelled entity and by scenario. The Group tax effects represent the aggregated tax effects of the modelled entities. A recoverability test is performed based on an estimated evolution of profits in future years to verify that they are sufficient to support the amount of deferred tax assets. This is calculated based on assumptions about the future profitability, which includes a prudent allowance for the increasing uncertainty over time. The tax model parameters are calibrated on the basis of expert judgment provided by experts from the Finance, Tax and Risk Management functions.

At December 31, 2023, the loss-absorbing capacity of deferred taxes reduces the SCR by USD 298 million (or 17% of the SCR before tax), which is expected to be recoverable based on the projected future profits.

E.4.5 KEY DIFFERENCES BETWEEN THE STANDARD FORMULA AND THE INTERNAL MODEL

SGRI uses its approved internal model to calculate its SII SCR (see Section E.4.1), as opposed to the Solvency II standard formula. SCOR designed and developed the internal model specifically for its own risks, so it provides a better understanding of its risk profile than an industry-standard or standard formula approach.

SCOR’s internal model is similar to the standard formula in that both use a risk category approach, apply diversification between the risk categories, and calculate the SCR at a 99.5% VaR. However, in contrast to the simplified factor approach of the standard formula, the full distribution is modelled in the internal model (including stochastically modelling tax).

SCOR’s internal model structure reflects geographical market specificity by use of appropriate risk factor calibration. The standard formula uses generic diversification factors for all (re)insurers, whereas the SCOR internal model reflects the benefits of risk diversification specific to a global reinsurer as compared to a less diversified local insurance undertaking.

Additional key differences are summarized below by risk category:

- for Non-Life underwriting, SCOR determines the probability distributions and models natural catastrophe risk using sophisticated proprietary tools applied to SCOR`s own portfolio. The internal model also captures the specific characteristics of non-proportional reinsurance;
- for Life underwriting, a wider range of risk factors than considered in the standard formula is modelled. In addition, for Life underwriting, the standard formula only covers risks from business in force, whereas the SCOR internal model also includes risks from future business expected to be written over the next year according to the business plan;
- for Market risk, SCOR uses its own scenario generator which reflects dependencies over the full range of outcomes (not just those at the 99.5th percentile) between the different components of market risk;
- for Credit risk, SCOR models migration and default risk comprehensively for marketable securities and covers default of future profits from cedents. Migration risk reflects a potential loss in the book value of assets due to changes in the creditworthiness of counterparties, despite no actual default;

- for Operational risk, SCOR adopts a granular approach, which reflects actual historical operational loss data from key operating areas.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

As at December 31, 2023, SGRI is compliant with the requirements regarding the coverage of the minimum capital requirement and solvency capital requirement.

E.6 Any other information

SGRI has no other material information, in addition to that already contained in other sections, to report about its capital management.

APPENDIX A: PUBLIC DISCLOSURE QRTS SGRI

S.02.01.02 - Balance Sheet

SGRI
Assets as at December 31, 2023
In USD thousands

		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	**-**
Deferred tax assets	R0040	**2,498**
Pension benefit surplus	R0050	**-**
Property, plant & equipment held for own use	R0060	**6,141**
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	**4,200,099**
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	2,251,569
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	1,159,896
Government bonds	R0140	*295,950*
Corporate bonds	R0150	*757,315*
Structured notes	R0160	-
Collateralised securities	R0170	*106,631*
Collective Investments Undertakings	R0180	768,293
Derivatives	R0190	12,839
Deposits other than cash equivalents	R0200	7,502
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	**-**
Loans and mortgages	R0230	**70,847**
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	70,847
Reinsurance recoverables from:	R0270	**684,414**
Non-life and Health similar to Non-life	R0280	322,281
Non-life excluding Health	R0290	322,260
Health similar to Non-life	R0300	22
Life and Health similar to Life, excluding Health and index-linked and unit-linked	R0310	362,133
Health similar to Life	R0320	43,254
Life excluding Health and index-linked and unit-linked	R0330	318,879
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	**2,002,339**
Insurance and intermediaries receivables	R0360	**487,590**
Reinsurance receivables	R0370	**42,097**
Receivables (trade, not insurance)	R0380	**16,120**
Own shares (held directly)	R0390	**-**
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	**-**
Cash and cash equivalents	R0410	**123,965**
Any other assets, not elsewhere shown	R0420	**248**
TOTAL ASSETS	R0500	**7,636,358**

S.02.01.02 - Balance Sheet (continued)

SGRI **Liabilities as at December 31, 2023** **In USD thousands**		**Solvency II value**
		C0010
Technical provisions – Non-life	R0510	**2,242,266**
Technical provisions – non-life (excluding health)	R0520	2,217,795
Technical provisions calculated as a whole	R0530	-
Best estimate	R0540	*2,198,422*
Risk margin	R0550	*19,372*
Technical provisions - health (similar to non-life)	R0560	24,471
Technical provisions calculated as a whole	R0570	-
Best estimate	R0580	*23,124*
Risk margin	R0590	*1,346*
Technical provisions - life (excluding index-linked and unit-linked)	R0600	**2,051,464**
Technical provisions - health (similar to life)	R0610	296,905
Technical provisions calculated as a whole	R0620	-
Best estimate	R0630	*131,847*
Risk margin	R0640	*165,058*
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,754,559
Technical provisions calculated as a whole	R0660	-
Best estimate	R0670	1,005,049
Risk margin	R0680	749,510
Technical provisions – index-linked and unit-linked	R0690	**-**
Technical provisions calculated as a whole	R0700	-
Best estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	
Contingent liabilities	R0740	**-**
Provisions other than technical provisions	R0750	**-**
Pension benefit obligations	R0760	**-**
Deposits from reinsurers	R0770	**-**
Deferred tax liabilities	R0780	**-**
Derivatives	R0790	**11,799**
Debts owed to credit institutions	R0800	**6,728**
Financial liabilities other than debts owed to credit institutions	R0810	**6,172**
Insurance and intermediaries payables	R0820	**579,395**
Reinsurance payables	R0830	**23,448**
Payables (trade, not insurance)	R0840	**13,115**
Subordinated liabilities	R0850	**201,299**
Subordinated liabilities not in basic own funds	R0860	-
Subordinated liabilities in basic own funds	R0870	201,299
Any other liabilities, not elsewhere shown	R0880	**6,990**
TOTAL LIABILITIES	R0900	**5,142,675**
EXCESS OF ASSETS OVER LIABILITIES	R1000	**2,493,683**

S.05.01.02- Premiums, claims and expenses by line of business

SGRI As at December 31, 2023 In USD thousands		Non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)*									Line of business for accepted non-proportional reinsurance				
		Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	**TOTAL**
		C0020	C0030	C0040	C0060	C0070	C0080	C0090	C0100	C0120	C0130	C0140	C0150	C0160	**C0200**
Premiums written															
Gross - Direct business	R0110	-	-	-	-	-	-	-	-	-					**-**
Gross - Proportional reinsurance accepted	R0120	7,107	1,310	106,982	211,420	444,063	134,361	222,570	209	5,748					**1,133,769**
Gross - Non-proportional reinsurance accepted	R0130										1,937	156,334	57,975	263,370	**479,616**
Reinsurers' share	R0140	586	145	6,947	15,472	55,708	12,306	18,931	12	2,074	117	9,367	3,474	23,241	**148,382**
Net	R0200	6,521	1,166	100,034	195,947	388,355	122,054	203,639	196	3,673	1,821	146,967	54,501	240,128	**1,465,003**
Premiums earned															
Gross - Direct business	R0210	-	-	-	-	-	-	-	-	-					**-**
Gross - Proportional reinsurance accepted	R0220	7,254	1,341	111,781	214,766	442,154	120,133	210,036	209	5,579					**1,113,251**
Gross - Non-proportional reinsurance accepted	R0230										1,913	153,634	55,572	264,644	**475,763**
Reinsurers' share	R0240	498	145	6,617	14,054	48,373	9,814	15,805	12	606	117	9,367	3,474	23,241	**132,124**
Net	R0300	6,756	1,196	105,164	200,712	393,780	110,318	194,231	196	4,973	1,797	144,267	52,098	241,403	**1,456,891**
Claims incurred															
Gross - Direct business	R0310	-	-	-	-	-	-	-	-	-					**-**
Gross - Proportional reinsurance accepted	R0320	3,992	774	84,573	133,622	302,813	62,729	97,408	256	(1,504)					**684,662**
Gross - Non-proportional reinsurance accepted	R0330										1,696	112,012	25,602	186,548	**325,859**
Reinsurers' share	R0340	22	21	186	(180)	13,919	943	1,704	-	96	-	-	-	54,192	**70,902**
Net	R0400	3,970	754	84,387	133,802	288,894	61,786	95,703	256	(1,600)	1,696	112,012	25,602	132,356	**939,618**
Expenses incurred	R0550	3,362	245	35,106	71,565	140,920	50,035	83,722	92	1,408	215	23,368	8,276	30,106	**448,419**
Balance - other technical expenses/income	R1200														**556**
Total expenses	R1300														**448,975**

*This table presents lines of business applicable to SGRI

S.05.01.02 – Premiums, claims and expenses by line of business (continued)

SGRI As at December 31, 2023 In USD thousands		Life reinsurance obligations*		
		Health reinsurance	Life reinsurance	**TOTAL**
		C0270	C0280	**C0300**
Premiums written				
Gross	R1410	959,104	817,696	**1,776,800**
Reinsurers' share	R1420	118,484	198,144	**316,627**
Net	R1500	840,620	619,552	**1,460,173**
Premiums earned				
Gross	R1510	959,104	817,696	**1,776,800**
Reinsurers' share	R1520	118,484	198,144	**316,627**
Net	R1600	840,620	619,552	**1,460,173**
Claims incurred				
Gross	R1610	797,589	704,180	**1,501,769**
Reinsurers' share	R1620	104,273	181,774	**286,048**
Net	R1700	693,316	522,406	**1,215,721**
Expenses incurred	R1900	150,302	61,151	**211,453**
Balance - other technical expenses/income	R2500			**9,886**
Total expenses	R2600			**221,339**
Total amount of surrenders	R2700			**0**

*This table presents lines of business applicable to SGRI

S.04.05.21 –Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

SGRI As at December 31, 2023 In USD thousands		Home country*	Top 5 countries (by amount of gross premiums written) - Non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		(CH) Switzerland	(CN) China	(GB) United Kingdom	(DE) Germany	(IN) India	
Premiums written (gross)		-	580,813	337,519	229,228	183,796	109,850	**1,441,206**
Gross Written Premium (direct)	R0020	-	-	-	-	-	-	**-**
Gross Written Premium (proportional reinsurance)	R0021	-	448,630	305,618	106,035	97,591	73,941	**1,031,815**
Gross Written Premium (non-proportional reinsurance)	R0022	-	132,183	31,901	123,193	86,205	35,909	**409,391**
Premiums earned (gross)		-	561,604	307,478	235,207	187,904	111,935	**1,404,128**
Gross Earned Premium (direct)	R0030	-	-	-	-	-	-	**-**
Gross Earned Premium (proportional reinsurance)	R0031	-	431,796	271,656	116,357	101,814	77,542	**999,166**
Gross Earned Premium (non-proportional reinsurance)	R0032	-	129,807	35,821	118,850	86,090	34,394	**404,963**
Claims incurred (gross)		-	305,894	188,007	152,697	131,456	62,069	**840,122**
Claims incurred (direct)	R0040	-						**-**
Claims incurred (proportional reinsurance)	R0041	-	239,033	165,365	72,802	43,973	55,422	**576,595**
Claims incurred (non-proportional reinsurance)	R0042	-	66,861	22,641	79,895	87,483	6,647	**263,527**
Expenses incurred (gross)		-	183,116	110,355	50,069	45,927	23,409	**412,876**
Gross Expenses Incurred (direct)	R0050	-						**-**
Gross Expenses Incurred (proportional reinsurance)	R0051	-	164,043	107,059	31,669	34,300	19,784	**356,855**
Gross Expenses Incurred (non-proportional reinsurance)	R0052	-	19,073	3,296	18,400	11,627	3,625	**56,021**

*Ireland

S.04.05.21– Premiums, claims and expenses by country (continued)

Home country: Life insurance and reinsurance obligations

SGRI As at December 31, 2023 In USD thousands		Home country*	Top 5 countries (by amount of gross premiums written) - Life obligations					Total Top 5 and home country
		C0030	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		(GB) United Kingdom	(CN) China	(KR) Korea, Republic of	(JP) Japan	(BM) Bermuda	
Gross Written Premium	R1020	78,293	463,075	416,508	370,647	100,069	90,621	**1,519,213**
Gross Earned Premium	R1030	78,293	463,075	416,508	370,647	100,069	90,621	**1,519,213**
Gross Claims incurred	R1040	55,600	440,748	331,174	378,508	36,118	88,302	**1,330,450**
Gross Expenses Incurred	R1050	1,196	7,205	75,052	48,088	19,166	15,999	**166,706**

*Ireland

S.12.01.02 - Life and Health SLT Technical Provisions

SGRI As at December 31, 2023 In USD thousands		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020									-	-					-	-
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030									1,005,049	1,005,049					131,847	131,847
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080									318,879	318,879					43,254	43,254
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090									686,170	686,170					88,593	88,593
Risk Margin	R0100									749,510	749,510					165,058	165,058
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110									-	-					-	-
Best estimate	R0120									-	-					-	-
Risk margin	R0130									-	-					-	-
Technical provisions - total	R0200									1,754,559	1,754,559					296,905	296,905

S.17.01.01– Non-life Technical Provisions

SGRI As at December 31, 2023 In USD thousands		Direct business and accepted proportional reinsurance									
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0070	C0080	C0090	C0100	C0110	C0130
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-	-	-	-
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM											
Best estimate											
Premium provisions											
Gross	R0060	-	(128)	3	25,678	(13,422)	(8,294)	(31,684)	(33,611)	-	(61)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	(21)	(8)	(1,112)	(3,932)	(6,693)	(4,072)	(4,914)	-	289
Net best estimate of premium provisions	R0150	-	(107)	11	26,790	(9,490)	(1,601)	(27,612)	(28,696)	-	(350)
Claims provisions											
Gross	R0160	-	12,226	2,201	139,017	238,187	476,216	198,692	201,732	384	1,598
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	41	9	114	33,680	9,797	866	1,307	-	24
Net best estimate of claims provisions	R0250	-	12,185	2,192	138,903	204,508	466,419	197,826	200,425	384	1,574
Total best estimate - gross	R0260	-	12,098	2,204	164,695	224,766	467,922	167,008	168,121	384	1,537
Total best estimate - net	R0270	-	12,078	2,202	165,693	195,017	464,818	170,213	171,728	384	1,224
Risk margin	R0280	-	114	1,164	1,835	1,753	4,637	1,552	1,665	2	38
Technical provisions - total											
Technical provisions - total	R0320	-	12,213	3,368	166,530	226,519	472,559	168,559	169,786	386	1,575
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default -	R0330	-	20	2	(998)	29,748	3,104	(3,206)	(3,607)	-	313
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	12,193	3,366	167,527	196,771	469,454	171,765	173,393	386	1,262

The table above presents lines of business applicable to SGRI

S.17.01.02 – Non-life Technical Provisions (continued)

SGRI As at December 31, 2023 In USD thousands		Accepted non-proportional reinsurance				
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-life obligation
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	-	-	-	-	-
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060	(69)	(38,433)	(10,424)	(54,045)	(164,490)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	(2,297)	(836)	(4,244)	(27,840)
Net best estimate of premium provisions	R0150	(69)	(36,136)	(9,588)	(49,801)	(136,651)
Claims provisions						
Gross	R0160	8,892	621,491	59,134	426,268	2,386,037
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	304,283	350,121
Net best estimate of claims provisions	R0250	8,892	621,491	59,134	121,985	2,035,916
Total best estimate - gross	R0260	8,822	583,058	48,710	372,223	2,221,547
Total best estimate - net	R0270	8,822	585,355	49,546	72,184	1,899,265
Risk margin	R0280	68	3,511	348	4,031	20,719
Amount of the transitional on technical provisions						
Technical provisions calculated as a whole	R0290	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-
Technical provisions - total						
Technical provisions - total	R0320	8,890	586,569	49,058	376,254	2,242,266
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	(2,297)	(836)	300,039	322,281
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	8,890	588,866	49,894	76,216	1,919,983

S.19.01.21 – Non-life Insurance Claims Information

Total Non-life Business - Underwriting year

Gross Claims Paid (non-cumulative) (absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +			In current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100											22,460		R0100	22,460	22,460
N-9	R0160	0	0	0	0	0	0	0	0	9,442	3,942			R0160	3,942	13,385
N-8	R0170	0	0	0	0	0	0	0	8,092	5,903				R0170	5,903	13,995
N-7	R0180	0	0	0	0	0	0	16,432	15,150					R0180	15,150	31,582
N-6	R0190	0	0	0	0	0	34,005	22,398						R0190	22,398	56,403
N-5	R0200	0	0	0	0	43,647	41,790							R0200	41,790	85,437
N-4	R0210	0	0	0	62,564	37,033								R0210	37,033	99,597
N-3	R0220	0	0	170,531	72,539									R0220	72,539	243,069
N-2	R0230	0	345,668	239,827										R0230	239,827	585,494
N-1	R0240	-24,396	297,797											R0240	297,797	273,401
N	R0250	16,748												R0250	16,748	16,748
													Total	R0260	775,587	1,441,573

Gross discounted Best Estimate Claims Provisions (absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			C0360
Prior	R0100											324,301		R0100	295,495
N-9	R0160	0	0	0	0	0	0	0	0	36,757	32,123			R0160	28,533
N-8	R0170	0	0	0	0	0	0	0	50,314	42,769				R0170	37,128
N-7	R0180	0	0	0	0	0	0	89,282	77,434					R0180	69,630
N-6	R0190	0	0	0	0	0	154,637	128,115						R0190	114,802
N-5	R0200	0	0	0	0	241,315	183,019							R0200	165,377
N-4	R0210	0	0	0	229,169	157,631								R0210	144,002
N-3	R0220	0	0	430,305	311,627									R0220	286,349
N-2	R0230	0	774,238	459,631										R0230	420,047
N-1	R0240	679,635	608,754											R0240	562,655
N	R0250	313,271												R0250	262,020
													Total	R0260	2,386,037

S.23.01.01 – Own funds

SGRI **As at December 31, 2023** **In USD thousands**		**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	**3,352**	3,352		-	
Share premium account related to ordinary share capital	R0030	**110,632**	110,632		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	**-**	-		-	
Subordinated mutual member accounts	R0050	**-**		-	-	-
Surplus funds	R0070	**-**	-			
Preference shares	R0090	**-**		-	-	-
Share premium account related to preference shares	R0110	**-**		-	-	-
Reconciliation reserve	R0130	**1,897,137**	1,897,137			
Subordinated liabilities	R0140	**201,299**		201,299	-	-
An amount equal to the value of net deferred tax assets	R0160	**2,498**				2,498
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	**289,465**	289,465	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	**-**				
Deductions						
Deductions for participations in financial and credit institutions	R0230	**-**	-	-	-	-
Total basic own funds after deductions	R0290	**2,504,382**	**2,300,585**	**201,299**	**-**	**2,498**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	**-**			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	**-**			-	
Unpaid and uncalled preference shares callable on demand	R0320	**-**			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	**-**			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	**-**			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	**-**			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	**-**			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	**-**			-	-
Other ancillary own funds	R0390	**-**			-	-
Total ancillary own funds	R0400	**-**			**-**	**-**
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	**2,504,382**	2,300,585	201,299	-	2,498
Total available own funds to meet the MCR	R0510	**2,501,884**	2,300,585	201,299	-	
Total eligible own funds to meet the SCR	R0540	**2,504,382**	2,300,585	201,299	-	2,498
Total eligible own funds to meet the MCR	R0550	**2,501,884**	2,300,585	201,299	-	
SCR	R0580	**1,416,432**				
MCR	R0600	**637,974**				
Ratio of Eligible own funds to SCR	R0620	**176.63%**				
Ratio of Eligible own funds to MCR	R0640	**392.52%**				

SGRI **As at December 31, 2023** **In USD thousands**		**Total**
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	2,493,683
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	190,600
Other basic own fund items	R0730	405,946
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	**1,897,137**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	172,699
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	306,546
Total expected profits included in future premiums (EPIFP)	R0790	**479,245**

S.25.05.21 – Solvency Capital Requirement - for undertakings on Full Internal Models

SGRI As at December 31, 2023 In USD thousands		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Risk type					
Total diversification	R0020	**(956,513)**			
Total diversified risk before tax	R0030	1,714,788			
Total diversified risk after tax	R0040	1,416,432			
Total market & credit risk	R0070	2,239,540			
Market & Credit risk - diversified	R0080	1,375,283			
Credit event risk not covered in market & credit risk	R0190	**0**			
Credit event risk not covered in market & credit risk - diversified	R0200	**0**			
Total Business risk	R0270	**0**			
Total Business risk - diversified	R0280	0			
Total Net Non-life underwriting risk	R0310	**446,296**			
Total Net Non-life underwriting risk - diversified	R0320	398,492			
Total Life & Health underwriting risk	R0400	**1,838,233**			
Total Life & Health underwriting risk - diversified	R0410	982,635			
Total Operational risk	R0510	**31,543**			
Total Operational risk - diversified	R0520	31,543			
Other risk	R0530	(78,663)			

		C0100
Total undiversified components	R0110	**4,476,949**
Diversification	R0060	(2,762,157)
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	**1,416,432**
Capital add-ons already set	R0210	
Capital add-ons already set - Article 37 (1) Type a	R0211	
Capital add-ons already set - Article 37 (1) Type b	R0212	
Capital add-ons already set - Article 37 (1) Type c	R0213	
Capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	**1,416,432**
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	(298,356)
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	

		C0109
Approach based on average tax rate	R0590	**No**

		C0130
Calculation of loss absorbing capacity of deferred taxes		
Amount/estimate of LAC DT	R0640	(298,356)
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	*R0650*	(12,407)
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	(285,949)
Amount/estimate of AC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	(314,528)

The appendix presents the Quantitative Reporting Templates (QRTs) in accordance with the format specified by EIOPA. The QRT can be seen as an amendment or complementary to the figures explained/presented in the report.

S.28.01.01 – Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

SGRI
As at December 31, 2023
In USD thousands

S.28.01.01.01

Linear formula component for Non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	437,608

S.28.01.01.02

		Background information	
		Net (of reinsurance/SPV) Best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	12,078	6,521
Workers' compensation insurance and proportional reinsurance	R0040	2,202	1,166
Motor vehicle liability insurance and proportional reinsurance	R0050	165,693	100,034
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	195,017	195,947
Fire and other damage to property insurance and proportional reinsurance	R0080	464,818	388,355
General liability insurance and proportional reinsurance	R0090	170,213	122,054
Credit and suretyship insurance and proportional reinsurance	R0100	171,728	203,639
Legal expenses insurance and proportional reinsurance	R0110	384	196
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	1,224	3,673
Non-proportional health reinsurance	R0140	8,822	1,821
Non-proportional casualty reinsurance	R0150	585,355	146,967
Non-proportional marine, aviation and transport reinsurance	R0160	49,546	54,501
Non-proportional property reinsurance	R0170	72,184	240,128

S.28.01.01.03

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	781,019

S.28.01.01.04

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) Best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	
Obligations with profit participation - future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	-	
Other life (re)insurance and health (re)insurance obligations	R0240	774,763	
Total capital at risk for all life (re)insurance obligations	R0250		1,092,498,799

S.28.01.01.05

Overall MCR calculation

		C0070
Linear MCR	R0300	1,218,627
SCR	R0310	1,416,432
MCR cap	R0320	637,394
MCR floor	R0330	354,108
Combined MCR	R0340	637,394
Absolute floor of the MCR	R0350	4,305
Minimum Capital Requirement	R0400	**637,394**