

# SCOR launches its new plan, "Optimal Dynamics"

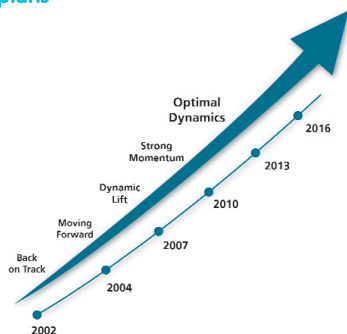


**Denis KESSLER**  
Chairman & Chief Executive Officer of SCOR

## Dear Shareholder,

I am pleased to present "Optimal Dynamics", SCOR's strategic plan covering the period mid-2013 to mid-2016. This plan respects the four cornerstones of the Group - strong franchise, high diversification, controlled risk appetite and robust capital shield. It reaffirms the demanding profitability and solvency targets SCOR has set itself, and achieved, to date. Continuing on from "Strong Momentum", which has come to a successful conclusion, "Optimal Dynamics" is the fifth strategic plan drawn up and implemented by the Group under my chairmanship. This latest plan was approved by the Board of Directors during its meeting of 31 July 2013.

Optimal Dynamics continues SCOR's strong record of executing strategic plans



## "Strong Momentum" a success; SCOR continues to strengthen its global reinsurance market position

SCOR has delivered on all its three-year plans since 2002, including the recently-concluded "Strong Momentum". The relevance of its strategy, combined with the quality of its underwriting policy and the recognised skills of its teams, enabled the Group to record an ROE of more than 1000bps over the risk-free rate<sup>1</sup> over the period of the last plan, while maintaining solvency at the AA level of security. This has been unanimously recognised by the rating agencies, which have all upgraded the Group's ratings over the course of the plan.

At the same time, the Group has strengthened its positioning, notably through robust organic growth marked by expansion into new product lines and markets, a policy of selective external growth with Transamerica Re in 2011 and Generali US in the first half 2013,<sup>2</sup> and the re-balancing of its business portfolio towards the US, Asia-Pacific/rest of the world and emerging markets. Annual growth between 2010 and 2012 was 12.3%, significantly faster than the 5.4% recorded by peers<sup>3</sup>.

The successful execution of its last three-year strategic plan has enabled the Group to record excellent results in terms of profitability, solvency and growth. This performance is all the more striking in that it was achieved in a challenging economic and financial environment.

## "Optimal Dynamics": two main objectives

In the face of a macroeconomic environment that remains highly uncertain, challenging regulatory developments and evolving trends in the reinsurance market, SCOR maintains a steady course with "Optimal Dynamics". The plan balances profitability and solvency, together with a strong shareholder remuneration policy.

The two specific targets of "Optimal Dynamics" are:

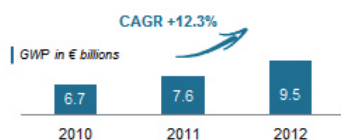
- An ROE of 1000 basis points above the three-month risk-free rate over the cycle;
- A solvency ratio in the 185-220% range (percentage of SCR, according to the Group Internal Model)<sup>4</sup>.

## A focus on technical profitability, operational excellence and optimized capital management results in added value for all stakeholders

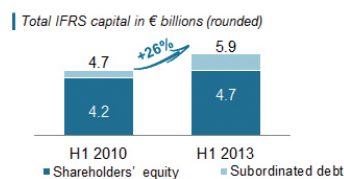
The "Optimal Dynamics" plan defines a set of key assumptions for each of the Group's three engines, including a Group-wide organic growth rate of 7% over the course of the plan:

- SCOR Global P&C is well positioned to further extend sustainable growth thanks to the up-scaling of its core reinsurance business, the development of alternative business platforms and the use of its Cat capacity and retrocession as a strategic leverage tool. It continues to benefit from its recognised expertise and very positive brand image amongst its clients.

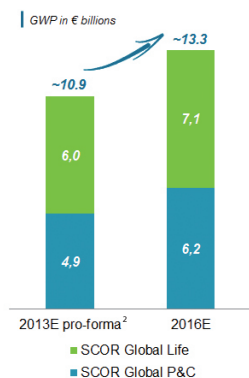
## Growth has outperformed peers



## Capital position has been reinforced

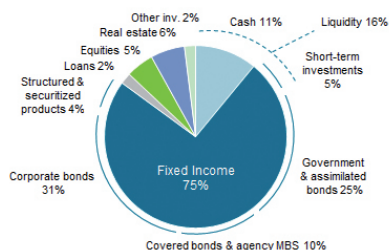


## Organic growth<sup>1</sup> assumption over the plan period



<sup>1</sup> SCOR has no growth target. Actual growth will depend on market conditions  
<sup>2</sup> Pro-forma for Generali US

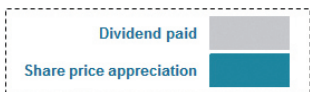
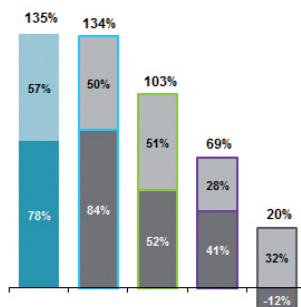
## Conservative asset mix provides upside potential



> in % (rounded); as of 30/06/2013

## Best-in-class shareholder value creation

TSR since January 2005<sup>1</sup>



<sup>1</sup>Source: Factset as of 31/08/2013; peer universe in alphabetical order: Hannover Re, Munich Re, Partner Re, Swiss Re  
 TSR: Total Shareholder Return (share price appreciation + dividends paid)

On the assumption of a stable pricing environment, the Group's P&C arm anticipates a further improvement of the combined ratio to 93-94% while projecting annual premium growth of 8.5%.

- SCOR Global Life pursues growth whilst strengthening its market position and benefits from a dynamic franchise thanks to its status as leader on the US market, the development of its Protection business and the strengthening of its Longevity and financial solutions offerings. The Group's Life reinsurance arm anticipates a technical margin of around 7%, which is aligned with its new business mix (the combination of Protection, Longevity and Financial Solutions), while anticipating annual organic premium growth of 6%.

- SCOR Global Investments sees upside potential thanks to the current positioning of the investment portfolio and the progressive rebalancing towards both a new strategic asset allocation and the target effective duration. It expects a return on invested assets in excess of 3% by 2016.

"Optimal Dynamics" also further refines the Group's risk and capital management. Retrocession strategy is optimized, ALM strategy enhanced and solvency governance strengthened. Moreover, the Group's structurally long liquidity position remains strong thanks to significant operating cashflow from its business engines.

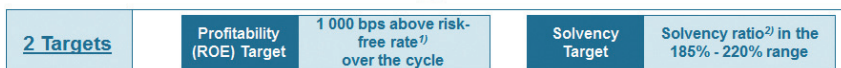
With "Optimal Dynamics", SCOR will bring added value to all of its stakeholders.

I thank you for your loyalty.

Yours faithfully,

Denis Kessler  
 Chairman & Chief Executive Officer

## SCOR's three engines will leverage on the 4 cornerstones of the Group to deliver on its ambitious new plan



<sup>1</sup> Definition of "risk-free rate" is based on 3-month risk-free rate

<sup>2</sup> As per the Group Internal Model; it is the ratio of Available Capital over SCR (Solvency Capital Requirements); see page 21 for details

<sup>1</sup> Excluding equity impairments.

<sup>2</sup> The transaction is subject to regulatory approvals and other customary conditions and is expected to close in the second half of 2013.

<sup>3</sup> Average CAGR of the GWP growth between 2010 and 2012 for Hannover Re, Munich Re, Partner Re and Swiss Re

<sup>4</sup> This is the ratio of Available Capital over SCR (Solvency Capital Requirements).

## FOR MORE INFORMATION...

A detailed presentation of the "Optimal Dynamics" plan is available on SCOR's website: [www.scor.com](http://www.scor.com)

## SHAREHOLDER CONTACTS

SCOR – Investor Relations Department  
 Paris  
 5 avenue Kléber  
 75795 Paris Cedex 16  
 France  
 Tel.: +33 (0)1 58 44 70 00  
[actionnaires@scor.com](mailto:actionnaires@scor.com)

## FORTHCOMING EVENTS:

6 November 2013:  
 Third Quarter Results 2013  
 5 March 2014:  
 FY Results 2013