SCOR

Press Release

05 March 2014

N° 06 – 2014

SCOR posts record net income of EUR 549 million and an ROE of 11.5% in 2013, and proposes a dividend of EUR 1.30 per share[1]

SCOR has continued to consistently apply its well-defined strategy and delivers a record level of net income in 2013, while maintaining a strong level of solvency.

- Gross written premiums reach EUR 10 253 million, up 7.8% (11.5% at constant exchange rates), driven by healthy SCOR Global P&C renewals, major new contracts signed by SCOR Global Life and the Generali US contribution:
    - SCOR Global P&C gross written premiums increase by 8.3% at constant exchange rates to EUR 4 848 million;
    - SCOR Global Life gross written premiums reach EUR 5 405 million, up by 14.5% at constant exchange rates, with the Generali US acquisition contributing 4.5 percentage points and strong underlying growth of 10.2%.

- SCOR Global P&C's 2013 net combined ratio stands at 93.9%, compared to 94.1% in 2012, in line with 2013 expectations as indicated in "Optimal Dynamics".

- SCOR Global Life's 2013 technical margin stands at 7.3%, compared to 7.7%[2] in 2012, in line with 2013 expectations.

- Integration of Generali US is proceeding well, with an accretive contribution to the Q4 technical margin and a gain on purchase net of acquisition-related expenses of EUR 183 million recorded in the quarter.

- SCOR Global Investments achieves a 3.1% ongoing return on invested assets (excluding equity impairments), in line with its prudent investment strategy.

- Notable improvement in the Group cost ratio to 5.1%, from 5.3% in 2012.

- Operating cashflow generation of EUR 897 million, up 18% compared to 2012, with increased contributions from both the P&C and life business engines.

- SCOR delivers net income of EUR 549 million in 2013, a 31% increase over 2012, with a return on equity (ROE) of 11.5%.

- Shareholders' equity stands at EUR 4 980 million at 31 December 2013 compared to EUR 4 807 million[3] at 31 December 2012. Book value per share increases to EUR 26.64 at 31 December 2013, compared to EUR 26.16[3] at 31 December 2012.

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[1] 2013 dividend subject to approval of the Shareholders' Annual General Meeting on May 6, 2014.

[2] 2012 includes 0.3 pts of non-recurring items linked to GMDB run-off portfolio reserve release and 2013 includes 0.1 pt.

[3] Shown shareholders' equity is restated due to the retrospective application of IAS 19 "revised". Q4 2012 published shareholders' equity amounted to EUR 4,810 million and Q4 2012 published BVPS amounted to EUR 26.18.

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- 2013 solvency ratio, according to the Group's internal model, stands at 221%, at the top end of the "Optimal Dynamics" target range of 185-220%[4].

- Proposed dividend of EUR 1.30 per share for 2013[1], up from EUR 1.20 for 2012, confirming SCOR's superior risk/return value proposition to its shareholders and representing a payout ratio of 44%. SCOR has paid stable or increasing dividends since 2005. The proposed ex-dividend for 2013 will be set at EUR 1.30 on 12 May 2014 and the dividend will be paid on 15 May 2014.

SCOR Group Q4 2013 key financial details*:

In EUR millions (rounded)	YTD			QTD		
	Q4 2013	Q4 2012	Variation	Q4 2013	Q4 2012	Variation
Gross written premiums	10 253	9 514	+7.8% (+11.5% at constant FX)	2 714	2 300	+18.0% (+23.3% at constant FX)
Group cost ratio	5.1%	5.3%	-0.2 pts	5.4%	5.9%	-0.6 pts
Net return on invested assets[5]	2.6%	3.0%	-0.4 pts	2.6%	3.3%	-0.7 pts
Annualized ROE	11.5%	9.1%	+2.4 pts	21.5%	8.8%	+12.8 pts
Net income	549	418	+31.3%	247	100	147%
Shareholders' equity	4 980	4 807[3]	+3.6%	4 980	4 807[3]	+3.6%
P&C Combined ratio	93.9%	94.1%	-0.2 pts	93.3%	95.0%	-1.7 pts
Life technical margin	7.3%	7.7%	-0.4 pts	7.5%	9.0%	-1.5 pts

* As reported in the 2013 *Document de Reference*

The final quarter of 2013 was again very active for SCOR, including the successful closing and integration of the Generali US acquisition[6], the signing of an innovative longevity transaction[7], and the renewal and significant improvement of the innovative contingent capital facility[8]. These numerous developments, which underline the Group's high level of profitability and solvency, have led to S&P awarding a positive outlook to the Group's A+ rating[9], and to financial market recognition, with a stock price return of 30% and Total Shareholder Returns (TSR)[10] of 36% in 2013.

The current year is also off to a promising start, with the implementation of SCOR's first sidecar facility, "Atlas X"[11], and a strong performance in the January renewals[12].

[4] Ratio of available capital over SCR, projected solvency ratio including Generali US.
[5] Including equity impairments.
[6] See press release of 01 October 2013.
[7] See press release of 04 December 2013.
[8] See press release of 23 December 2013.
[9] See press release of 21 November 2013.
[10] TSR: Total Shareholder Returns: represents the share price appreciation + dividends paid out.
[11] See press release of 06 January 2014.
[12] See press release of 05 February 2014.

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Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: “*Dynamic is the word that best describes the Group throughout 2013, in all our business areas. Thanks to the implementation of major projects, to successful organic as well as external growth, to a disciplined and innovative solvency policy and to the strengthening of our presence on the international market, SCOR has improved its positioning, its image and its reputation as a major reinsurance player. This positioning was reinforced by S&P awarding a positive outlook to our A+ rating. A record level of net earnings and strong ROE, while respecting a strong solvency position, are also a gratifying reflection of our efforts. Finally, 2013 was marked by the conclusion of the Group's fourth strategic plan, “Strong Momentum”, for which all of the objectives were achieved, and by the launch of our new three-year plan, “Optimal Dynamics”. SCOR is well positioned for the current financial environment and reinsurance market developments.”*

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SCOR Global P&C continues to combine growth and technical profitability while performing well towards the “Optimal Dynamics” objectives and assumptions

Key SCOR Global P&C figures:*

	YTD			QTD		
In EUR millions (rounded)	Q4 2013	Q4 2012	Variation	Q4 2013	Q4 2012	Variation
Gross written premiums	4 848	4 650	+4.3% (8.3% at constant FX)	1 201	1 133	+6.0% (+12.3% at constant FX)
Combined ratio	93.9%	94.1%	-0.2 pts	93.3%	95.0%	-1.7 pts

* As reported in the 2013 *Document de Reference*

SCOR Global P&C records gross written premium growth of 4.3% in 2013 (+8.3% at constant exchange rates) to EUR 4 848 million. Taking account of the negative impact of exchange rate developments, this growth rate compares favourably to the annual growth assumption of around 6% indicated at the January 2013 renewals.

SCOR Global P&C achieves a net combined ratio of 93.9%. This is significantly better than the 95-96% “Strong Momentum” assumption and is within the 93-94% “Optimal Dynamics” range. This excellent performance is characterized by:

- A further improved net attritional loss ratio of 57.7%, including a 0.7 point impact of EUR 31 million of reserve releases in the second quarter of 2013. The normalized attritional loss ratio of 58.4% (versus 60.1% in 2012) positions us well in the early part of “Optimal Dynamics” versus the assumed trend towards 57% over the three years of the plan.
- A net nat cat loss ratio of 6.4%, consistent with the transition towards the 7% budget set out in “Optimal Dynamics”.
- An increase in commissions to 23.1%, due to the development of business at Lloyd's.

Throughout 2013, the Group's non-life reinsurance arm has recorded excellent renewals on all continents (+9% in January, +6% in April and +8.5% in July 2013). This trend has continued at the 1 January 2014 renewals with premium growth of 5%. SCOR Global P&C continues to dynamically manage its portfolio and underwriting policy, while developing an overall offering in line with the needs of its clients.

SCOR Global Life combines a healthy technical margin with excellent growth, confirming the dynamism of the franchise

SCOR Global Life key figures:*

In EUR millions (rounded)	YTD			QTD		
	Q4 2013	**Q4 2012**	**Variation**	**Q4 2013**	**Q4 2012**	**Variation**
Gross written premiums	5 405	4 864	+11.1% (+14.5% at constant FX)	1 513	1 167	+29.6% (+33.9% at constant FX)
Life technical margin	7.3%	7.7%	-0.4 pts	7.5%	9.0%	-1.5 pts

* As reported in the 2013 *Document de Reference*

2013 was a very active year for the Group's life reinsurance arm, with the acquisition of Generali US finalised in October, the signing of new contracts in Asia, the UK and the Iberian Peninsula and the successful capture of various opportunities in its financial solutions and longevity strategic segments. All of this has enabled SCOR Global Life to record strong written premium growth of 11% compared to 2012 (+14.5% at constant exchange rates) to EUR 5 405 million.

The excellent performance is notably due to the acquisition of Generali US, which contributes gross written premiums of EUR 209 million in the fourth quarter 2013, and to double-digit organic growth (+10.2% at constant exchange rates). The UK, Ireland, Spain and Asia contribute to the robust organic growth, as do longevity and financial solutions. These growth areas are partly offset by negative exchange rate impacts (EUR 163 million) and selective decreases in the Middle East, France and the Nordic countries, as well as in disability and personal accident.

SCOR Global Life records a healthy technical margin of 7.3% (compared to 7.7% in 2012, which contained a greater element of non-recurring items). Underlying performance is being maintained in line with the "Optimal Dynamics" assumption of 7% (which reflects ongoing changes in the portfolio mix).

The acquisition of Generali US has strengthened SCOR's position on the US life reinsurance market, making SCOR Global Life Americas (SGLA) the leading life reinsurer in the US. The integration is ahead of schedule with business organisation, pricing processes and HR systems already in place. The fact that there has been no client attrition, or key talent loss, confirms SCOR's excellent track record when integrating new acquisitions. A further testament to the successful execution of this acquisition is the confirmation with Q4 results of a gain on purchase of EUR 183 million, net of acquisition-related expenses. This easily confirms SCOR's original estimate of in excess of EUR 100 million and a revised estimate of in excess of EUR 150 million given at the time of the Q3 results.

SCOR Global Investments delivers an ongoing return on invested assets of 3.1% (excluding equity impairments)

SCOR Global Investments key financial details:*

In EUR millions (rounded)	YTD			QTD		
	Q4 2013	Q4 2012	Variation	Q4 2013	Q4 2012	Variation
Total investments	23 368	22 248	+5.0%	23 368	22 248	+5.0%
• of which total invested assets	15 187	13 982	+8.6%	15 187	13 982	+8.6%
• of which total funds withheld by cendants	8 181	8 266	-1.0%	8 181	8 266	-1.0%
Return on investments[13]	2.4%	2.7%	-0.3 pts	2.3%	2.9%	-0.6 pts
Return on invested assets[14]	2.6%	3.0%	-0.4 pts	2.6%	3.3%	-0.7 pts

* As reported in the 2013 *Document de Reference*

In an economic and financial environment that is slightly improved but remains uncertain, SCOR Global Investments continued its policy of progressively reallocating its liquidity in the fourth quarter 2013 while selectively increasing the duration of the fixed income portfolio, in line with the "Optimal Dynamics" strategic plan.

Thus, cash and short-term investments have been reduced by 4 points over the quarter and reinvested mainly within the fixed income portfolio, as well as in corporate loans, infrastructure loans and real estate loans. The duration of the fixed income portfolio reaches 3.4 years (excluding cash) at 31 December 2013, compared to 2.9 years at 30 June 2013 and 2.7 years at 31 December 2012. This increase in duration is mainly on GBP- and USD-denominated portfolios.

The quality of the fixed income portfolio has been maintained, with a stable average rating of AA-. At 31 December 2013, expected cash flow on the fixed income portfolio over the next 24 months stands at EUR 6.1 billion (including cash and short-term investments), facilitating dynamic management of the reinvestment policy.

In 2013, the invested assets portfolio generated a financial contribution of EUR 372 million. The active management policy employed by SCOR Global Investments has enabled the Group to record capital gains of EUR 130 million in 2013. The Group has rigorously applied its amortization and impairment policy to its investment portfolio. Investment impairments through the profit & loss statement stand at EUR 97 million for 2013, of which EUR 64 million apply to equities which are net asset value neutral. The third quarter 2013 marked the end of equity impairments impacting the profit & loss statement. At current market levels, SCOR does not expect further impairments on the equity portfolio.

Excluding equity impairments, the ongoing return on invested assets stands at 3.1% for the full year 2013 (2.6% including equity impairments). Taking account of funds withheld by cedants, the net rate of return on investments is 2.4% over the period.

13 Including interest on deposits (i.e. interest on funds withheld).

14 Including equity impairments, and excluding interest on deposits (i.e. interest on funds withheld).

Invested assets (excluding funds withheld by cedants) stand at EUR 15 187 million at 31 December 2013, representing a growth rate of 9% in 2013. This growth is supported by the Generali US acquisition and comes despite negative currency impacts. Invested assets are composed as follows: 10% cash (down compared to 30 September 2013, essentially taking account of the investment programme and, to a lesser extent, the finalisation of the acquisition of Generali US that took place on 1 October 2013), 76% fixed income (of which 4% are short-term investments), 3% loans, 3% equities, 5% real estate and 3% other investments. Total investments, including EUR 8 181 million of funds withheld, stand at EUR 23 368 million at 31 December 2013, compared to EUR 22 248 million at 31 December 2012.

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In the 2013 annual results presentation and in this press release, two sets of financial data are used: published accounts & pro-forma information. Unless otherwise indicated, press release figures relate to the published accounts.

Audited published accounts: Full year and 4th quarter accounts

- Reflect Q4 2013 figures for Generali US from acquisition date.
- Audited annual accounts have been prepared reflecting the Generali US from acquisition date.
- Prior year comparatives do not include Generali US.

Unaudited pro-forma information: Full year information

- Following IFRS 3 guidance – an acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial impact of business combinations that were effected during the period. In addition, in accordance with AMF rules, pro-forma financial information can be provided on a voluntary basis.
- The unaudited pro-forma financial information as of 31 December 2013 is presented to illustrate the effects on SCOR's income statement of the Generali US acquisition as if the acquisition had taken place on 1 January 2013. A pro-forma income statement is also included in the 2013 DDR.
- No prior year comparatives presented.

P&L Key figures Q4 2013 YTD and QTD (in EUR millions)*

	Q4 2013 YTD	Q4 2012 YTD	Variation (%)	Q4 2013 QTD	Q4 2012 QTD	Variation (%)
Gross written premiums	10 253	9 514	+7.8%	2 714	2 300	+18%
P&C gross written premiums	4 848	4 650	+4.3%	1 201	1 133	+6.0%
Life gross written premiums	5 405	4 864	+11.1%	1 513	1 167	+29.6%
Net investment income	512	566	-9.5%	128	155	-17.4%
Operating results	783	632	+23.9%	329	157	+109.6%
Net income	549	418	+31.3%	247	100	+147%
Earnings per share (EUR)	2.96	2.28	+29.8%	1.32	0.55	+140%
Operating cash flow	897	761	+17.9%	175	205	-14.6%

* As reported in the 2013 *Document de Reference*

P&L Key ratios Q4 2013 YTD and QTD*

	Q4 2013 YTD	Q4 2012 YTD	Variation (%)	Q4 2013 QTD	Q4 2012 QTD	Variation (%)
Return on investments [1]	2.4%	2.7%	-0.3 pts	2.3%	2.9%	-0.6 pts
Return on invested assets [1,2**]	2.6%	3.0%	-0.4 pts	2.6%	3.3%	-0.7 pts
P&C net combined ratio [3]	93.9%	94.1%	-0.2 pts	93.3%	95.0%	-1.7 pts
Life technical margin [4]	7.3%	7.7%	-0.4 pts	7.5%	9.0%	-1.5 pts
Group cost ratio [5]	5.1%	5.3%	-0.2 pts	5.4%	5.9%	-0.6 pts
Return on equity (ROE)	11.5%	9.1%	2.4 pts	21.5%	8.8%	+12.8 pts

* As reported in the 2013 *Document de Reference*
** with equity impairments

1: Annualised; 2: Excluding funds withheld by cedants; 3: The combined ratio is the sum of the total claims, the total commissions and the total P&C management expenses, divided by the net earned premiums of SCOR Global P&C; 4: The technical margin for SCOR Global Life is the technical result divided by the net earned premiums of SCOR Global Life; 5: The cost ratio is the total management expenses divided by the gross written premiums.

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Balance sheet Key figures Q4 2013 (in EUR millions)*

	Q4 2013	Q4 2012	Variation (%)
Total investments [1]	23 786	22 580	+5.3%
Technical reserves (gross)	24 337	23 835	+2.1%
Shareholders' equity	4 980	4 807[2]	+3.6%
Book value per share (EUR)	26.64	26.16[2]	+1.8%
Financial leverage ratio	21.2%	20.0%	+1.2 pts
Total liquidity	2 120	2 735	-22.5%

* As reported in the 2013 *Document de Reference*

1: Total investment portfolio includes both invested assets and funds withheld by cedants, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Shown shareholders' equity is restated due to the retrospective application of IAS 19 "revised". Q4 2012 published shareholders' equity amounted to EUR 4 810 million and Q4 2012 published BVPS amounted to EUR 26.18.

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