SCOR
IR Day 2015

SCOR is fully ready for Solvency II

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IR Day 2015 – SCOR is fully ready for Solvency II

5.1	**SCOR has developed a mature and sophisticated ERM framework firmly embedded in its strategy and decision making processes**
5.2	**SCOR is ready for Solvency II and the opportunities it provides**
5.3	**SCOR has a strong solvency position in the optimal solvency range**

SCOR’s ERM framework remains effective in a changing risk universe

SCOR’s ERM framework covers the full risk spectrum

SCOR is constantly adapting to emerging and developing risks

SCOR's risk appetite framework is one of the foundations of "Optimal Dynamics"

Risk appetite framework

Risk preferences	Risk appetite	Risk tolerances
❑ Business focus on selected reinsurance risks ❑ Most mainstream insurance risks covered in Life and P&C, an increase focus on longevity risk and Nat Cat risk ❑ Low appetite for interest rate risk (at least in the short term), financial D&O[1], and no appetite for operational risk, clients' asset risk and new business GMDB[2]	❑ A mid-level risk profile (after hedging) with a focus on the belly of the risk distribution, limiting exposure to extreme tail events, … ❑ … but aligned with the increased size, diversification and capital base of the Group ❑ Volatility is controlled through diversification and Capital Shield Strategy	see table below

Solvency target	**Capitalization level** SCR, buffer capital and flexible solvency target driving a process of gradual escalation and management responses
System of limits	**Risk drivers *(probabilistic)*** Post-tax net 1:200 annual aggregate loss for each risk driver ≤ 20% Available Capital
	Extreme scenarios *(probabilistic)* Post-tax net 1:200 per-event loss for each risk is maintained within a defined limit
Limits per risk in the underwriting and investment guidelines	
Footprint scenarios *(deterministic)* measure risk exposure and complement SCOR's system of limits	

1) *Directors and Officers liability insurance*
2) *Guaranteed Minimum Death Benefit*

SCOR’s exposures are constantly monitored to stay permanently within risk tolerance limits

Overview of 2015 risk exposures [1)]

Limits and exposures for a 1-in-200 year annual probability in € millions

Risk		*Exposure*	*Limit*
Extreme scenarios	Major fraud in largest C&S exposure	~190	*720*
	US earthquake	~460	
	US/Caribbean wind	~650	
	EU wind	~300	
	Japan earthquake	~180	
	Terrorist attack	~160	
Risk driver	Extreme global pandemic(s)	*~1 000*	*1 570*

- SCOR’s system of limits is designed to ensure that the Group’s annual exposure to each major risk is controlled and to avoid the Group’s overexposure to one single event
- All exposures above are net of current hedging / retrocession / mitigation instruments, with an allowance for tax credit
- For extreme global pandemics, the exposure includes the P&C and asset exposures as well as the mitigation effects of the Atlas IX mortality bond and the contingent capital facility

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1) *The exposures are based on the GIM V-2014 model prior to changes for SII*

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SCOR is fully ready for all key aspects of Solvency II

Pillar 1
Quantitative requirements

Internal Model is deeply embedded in SCOR's Risk Management

Comprehensive application for use of Internal Model filed in May 2015

Pillar 2
Governance

Own Risk and Solvency Assessment (ORSA) well established

Strong governance in place

Pillar 3
Disclosure

Preparatory phase quantitative and narrative reporting successfully submitted

Reporting integrated into SCOR's central reporting systems

SCOR filed its Internal Model application in May 2015 in line with the strategic plan

Comprehensive analysis and dialogue with regulators during pre-application provide solid basis for Solvency II

2011	2012	2013	2014	2015

1- Pre-application

2- Completion of documentation

End of the review period

★ finma 1)

★ Internal model recognized "Good" by S&P

3 – Model refinements and calibration adjustments

4 – Preparation of application

★ Complete filing in May 2015 2)

1) *Approval of internal model of SCOR Switzerland AG by FINMA limited in time and under certain conditions. Credit risk module is not subject to this model approval*
2) *Standard Formula will be used for SCOR UK*

SCOR is ready to meet Solvency II challenges and to seize new business opportunities

① New business opportunities

- Accelerate further the “tiering” of the industry with higher barrier to entry (cost of compliance)
- Develop tailored solutions for clients to optimize their capital structure
- Support clients in adapting products for Solvency II

② ERM framework leveraging on Solvency II

- SCOR’s ERM framework has been developed in line with Solvency II principles for many years
- SCOR contributes to further development of industry best practices in close discussion with regulators

③ Diversification clearly recognized

- Recognition of SCOR’s unique business model, with similar weight between Life and Non-Life activities
- Diversification by geographies, clients and business lines

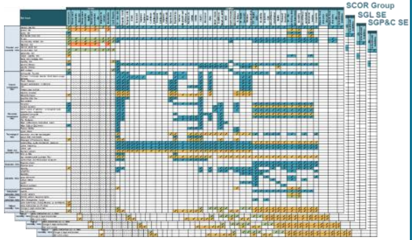
SCOR uses Solvency II as an opportunity to develop additional systematic analyses, rigorous documentations and processes

ORSA

- Powerful tool to communicate the evolution of risk profile and solvency in relation to the strategy

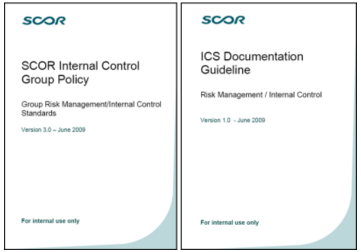
Risk maps

- Demonstration of the completeness of the Group Internal Model
- Comprehensive view of the company's risk exposure across 13 risk categories, with 79 underlying risk factors



Internal control system

- The extension and formalisation of the Internal Control system have strengthened SCOR's management of risks



Operational risk module in the GIM[1]

- The development of a new operational risk module in the Group Internal Model has strengthened the understanding of operational risk

Group Internal Model

1) *Group Internal Model*

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SCOR enjoys the benefits of a full and comprehensive Internal Model, which is used to steer both the Group and solvency assessments

A "home-grown" Internal Model reflecting SCOR's strategy	SCOR's Internal Model takes a holistic view of risk	SCOR's Internal Model is not affected by uncertainties that mainly concern primary insurance
❑ The Internal Model has been developed for more than 10 years to support business ❑ It is built and managed internally, on the basis of SCOR's experience and expertise ❑ It reflects SCOR's risk profile and facilitates management decisions	❑ The full model covers the entire risk spectrum ❑ Default and credit spread risks for sovereign bonds are taken into account ❑ The Internal Model provides a strong link between risk and solvency management	❑ SCOR does not use transitional measures, matching or volatility adjustments ❑ SCOR does not use third-party equivalence but takes a full consolidation approach ❑ The solvency ratio is not sensitive to the Ultimate Forward Rate

SCOR uses one single model for risk and solvency management, facilitating clarity and consistency between internal management and external disclosure

SCOR filed its Solvency II-compliant GIM[1)] V-2015 with the ACPR in May 2015

Comprehensive model documentation management	❑ The application file (May 2015) gives a complete overview of the model, including documentation of all modules, processes and governance ❑ 20 000 pages of documentation have been provided to regulators
Consistency & continuity of modelling framework	❑ GIM V-2015 forms the basis of SCOR's risk and solvency management ❑ Development of risks, own research & development, and discussions with regulators led to various changes in modelling and calibration ❑ Overall model structure is unchanged compared to GIM V-2014
In-depth discussions with regulators	❑ The GIM V-2015 was filed on May 22nd with the ACPR, following in-depth discussions ❑ The ACPR has confirmed that the application is complete ❑ The GIM V-2015 is currently under review for approval by the ACPR by year end

1) Group Internal Model

SCOR's GIM[1)] V-2015 integrates recalibrations and modelling refinements

Recalibrations

- Following discussions with the ACPR, SCOR's GIM has integrated new calibrations of some of the key risk drivers, such as:
  - For Life: Long-term mortality and pandemic
  - For P&C: Terrorism and nuclear risks
- These new calibrations have added conservatism to the already high level of prudence of the GIM V-2014 assumptions. This has the overall effect of reducing the Group's apparent solvency

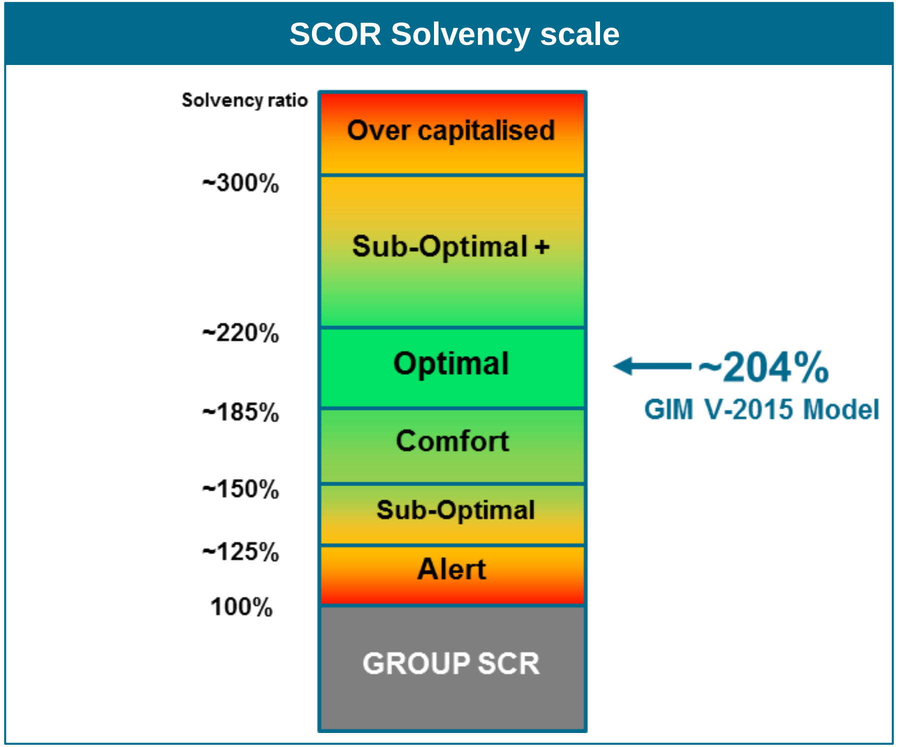
Modelling refinements

- The model has been extended and refined in some areas. The sub-modules concerned are for example:
  - Group tax module
  - Operational risk module
  - Credit risk module
- The aggregated effect of the refinements slightly decreases the capital requirement of the Group

In spite of these recalibrations and modelling refinements,
the decision has been taken NOT to change the solvency scale adopted by the Board in 2013

1) *Group Internal Model*

GIM V-2015 leads to a solvency level in the optimal range of the scale



- Management actions are unchanged
- Business plan remains unchanged
- SCOR's dividend policy remains unchanged

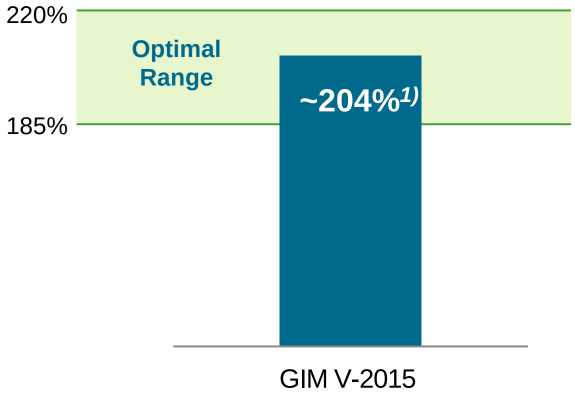
- SCOR has adopted a model change policy following EIOPA guidelines
- Future major model changes will be submitted to the ACPR

- Each internal model rests on different assumptions, integrates different parameters, follows different mathematical functions
- Thus, comparison between solvency models and their specific dynamics is a very difficult exercise

SCOR's GIM V-2015 solvency ratio at ~204% reflects the Group's financial strength and risk distribution is largely unchanged

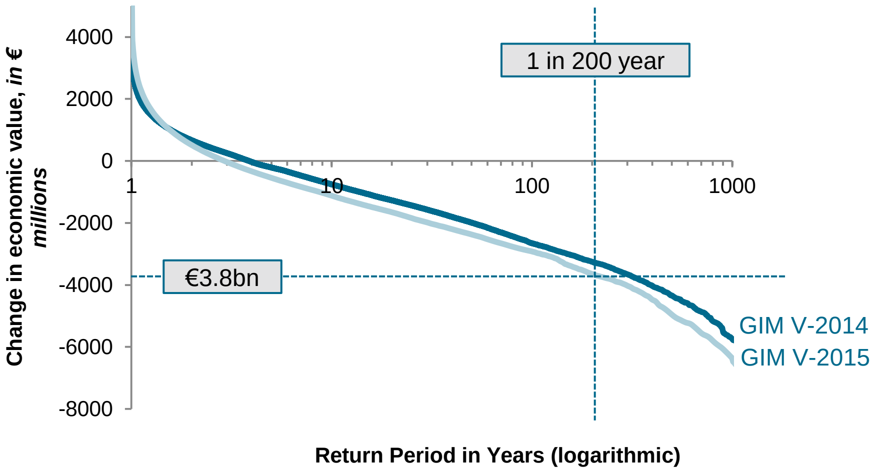
Solvency ratio with GIM V-2015

	GIM V-2015
Available capital (AC)	€7.8 bn
Solvency Capital Requirement (SCR)	€3.8 bn



Shape of risk distribution is virtually stable

Example: 1:200 year change in economic value = 99.5 VaR = €3.8bn

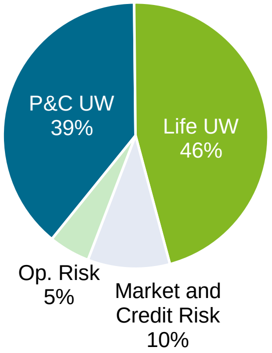


- The increased conservatism is reflected in the deformation of the curve, especially in the tail of the distribution

1) *The 2015 solvency ratio is available capital at year-end 2014 divided by SCR as of that date, allowing for planned business in 2015*

SCOR's solvency capital requirement (SCR) is mainly driven by underwriting risk, and economic and financial sensitivities are contained

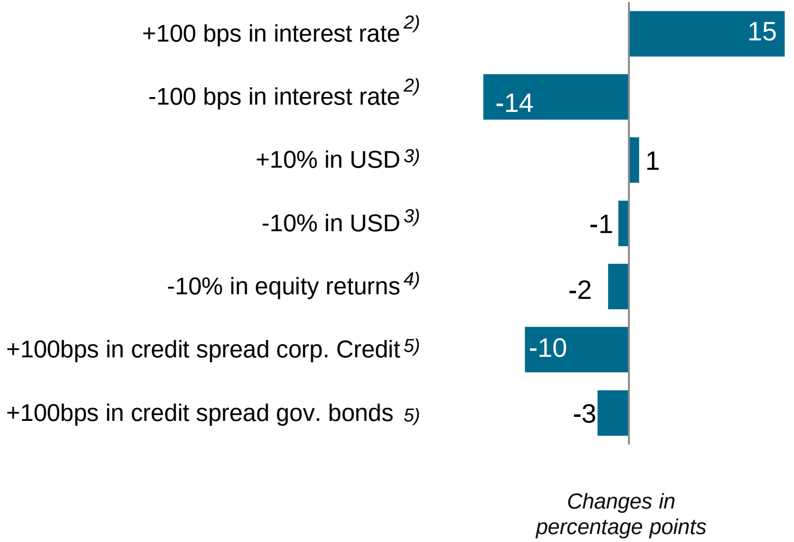
Diversified risk contribution to SCR



	GIM V-2015
Life standalone capital	2.7
P&C standalone capital	2.3
Total undiversified	**5.0**
SCOR SCR diversified	**3.8**
Diversification benefit	**26%**

Economic sensitivities

GIM V-2015 Solvency ratio: ~204%[1)]



1) *The 2015 solvency ratio is available capital at year-end 2014 divided by SCR as of that date, allowing for planned business in 2015*
2) *Global interest scenario assumes an immediate parallel shift in bps*
3) *Scenario of an immediate appreciation/depreciation of the USD against EUR in %*
4) *Equity scenario assumes a global relative price change in equities*
5) *Credit scenario assumes widening of spread of credit portfolio (gov & corp) only*

SCOR is in the optimal solvency range in 2015

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Solvency Target

Solvency ratio in the 185% - 220% range

GIM V-2015 solvency ratio: ~204%[1)]

- SCOR leverages on a strong ERM platform that is firmly embedded in its strategy and decision making process
- SCOR's internal model reflects the strategy currently pursued by the Group
- GIM V-2015 model reflect the in-depth and fruitful dialogue with regulators
- Full Internal model compliant with Solvency II requirements, without using any transitional measures (mitigators)
- Solvency scale unchanged for "Optimal Dynamics"
- Dividend policy and business plan remain unaffected

1) *The 2015 solvency ratio is available capital at year-end 2014 divided by SCR as of that date, allowing for planned business in 2015*