

Shaping a business fit for the post-crisis area

Denis Kessler, Chairman and CEO of SCOR SE

BoAML Conference

London, September 30th, 2015

“Shaping a business fit for the post-crisis area”

- 1 What does it mean to be a Tier 1 reinsurer?**
- 2 SCOR meets all the criteria to be a Tier 1 reinsurer**
- 3 Becoming a Tier 1 player: what does it change for SCOR?**
- 4 SCOR is well prepared to weather the current industry headwinds**

SCOR had to go all out and face many challenges to finally reach Tier 1 status

2 0 0 3 BBB-

2 0 0 4 BBB+

2 0 0 5 A-

2 0 0 9 A

2 0 1 2 A+

2 0 1 5 ...

AA-

SCOR's strength stands out clearly

“ SCOR consistently delivers. Since 2003, SCOR has overcome obstacles, faced economic and financial crises, and absorbed major natural catastrophes. Throughout this long journey, the Group has held its course and achieved the strategic targets set out in its successive plans. The Group has reinforced its financial strength, and expanded and deepened its franchise. It has diversified, developed a state-of-the-art risk management strategy, and become a truly global group.”

The upgrade of our rating to AA- by S&P and Fitch* demonstrates the relevance of SCOR's business strategy, which continues to withstand the current macroeconomic and market environment. It confirms SCOR as a Tier 1 global reinsurer. The Group's strength is a clear benefit for our clients. ”

Denis Kessler
Chairman & Chief Executive Officer

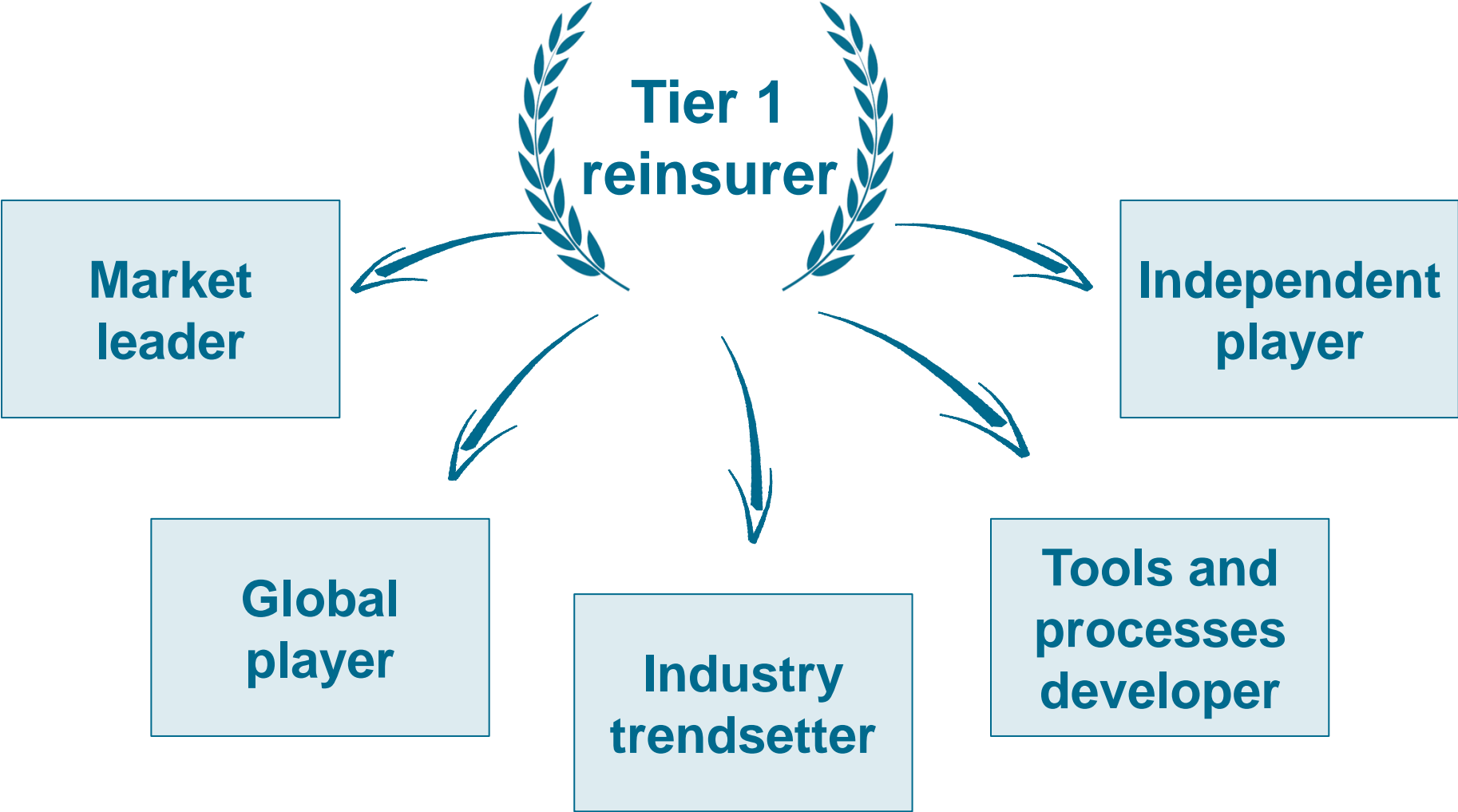
* Fitch on 14/11, Standard & Poor's on September 1, 2015.

The Art & Science of Risk

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A vision in action

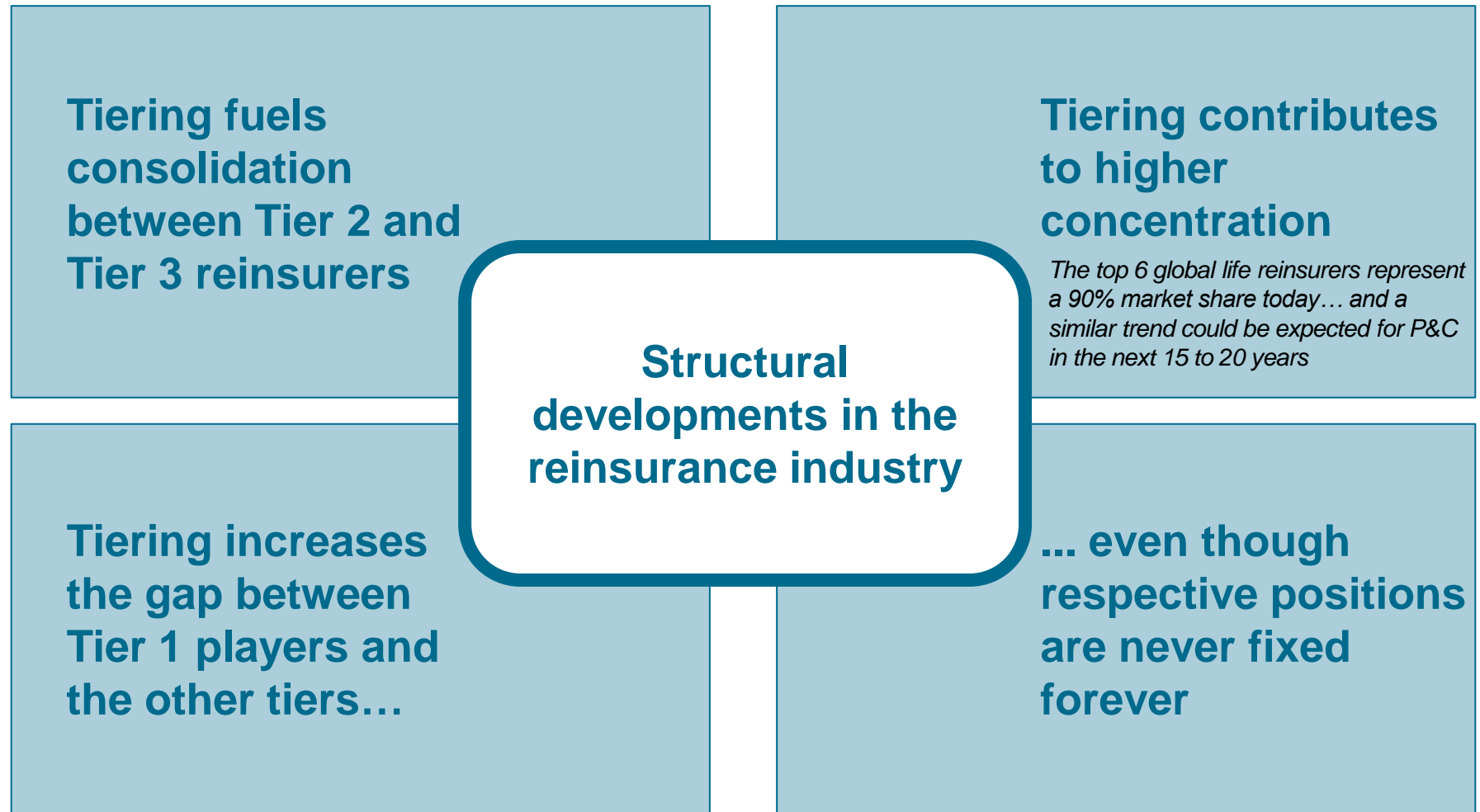
What does it mean to be a Tier 1 reinsurer?



The tiering of the reinsurance industry is underway and explained by four structural trends noticed at the cedants level...

Optimal use of resources	<ul style="list-style-type: none">❑ Increasing economies of scale leading to greater critical size❑ Increasing recognition of diversification benefits by regulators and rating agencies
Size and nature of risk	<ul style="list-style-type: none">❑ Increasing severity and size of risks due to the globalization boosting the demand for capacity
Counterparty risk	<ul style="list-style-type: none">❑ Awareness of counterparty risks and increased cost of monitoring leading to a smaller reinsurer panel
Contestability	<ul style="list-style-type: none">❑ Companies are increasingly exposed to financial market competition (ILS, cat bonds, etc.)❑ Contestability of traditional reinsurance by financial markets will increase

... leading to strong structural developments in the reinsurance industry




SCOR is indeed wearing the Tier 1 club tie...



Yes we
AA- re

... And this status is recognized by the rating agencies


Upgrade



AA- Stable outlook

“Very strong capital and earnings, strong financial profile and exceptional liquidity”

Upgrade



AA- Stable outlook


“Very strong level of capitalization”

Positive Outlook



A Positive outlook

“Robust risk-adjusted capitalization, resilient overall earnings”



A1 Stable outlook

“Consistently good profitability with a very low level of volatility, strong financial flexibility”

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To be a member of “the Tier 1 club”, 5 criteria have to be met

Market leader

- ❑ To have a critical size to fully benefit from economies of scale and scope
- ❑ To be a price maker with a chosen strategy
- ❑ To quote all business lines
- ❑ To be influential on terms and conditions
- ❑ To be highly diversified both geographically and by business lines

Global player

- ❑ To be global... and not just international
- ❑ To pursue a global underwriting strategy
- ❑ To respect global risk management policies
- ❑ To implement a global human capital strategy
- ❑ To favour a genuine global culture

Industry trendsetter

- ❑ To participate actively in the key industry issues
- ❑ To take part in regulatory discussions and projects
- ❑ To play a role in identifying emerging risks
- ❑ To contribute to filling the protection gap in the reinsurance market

Tools and processes developer

- ❑ To be innovation driven
- ❑ To implement state-of-the-art tools (pricing, reserving, simulation, etc.)
- ❑ To possess teams with high levels of expertise
- ❑ To have the capacity to build and run an internal model

Independent player

- ❑ To serve large clients on a global basis
- ❑ To avoid conflicts of interest with clients through direct competition

Market leader

SCOR is a market leader with the critical size and diversification



Largest reinsurer in the world

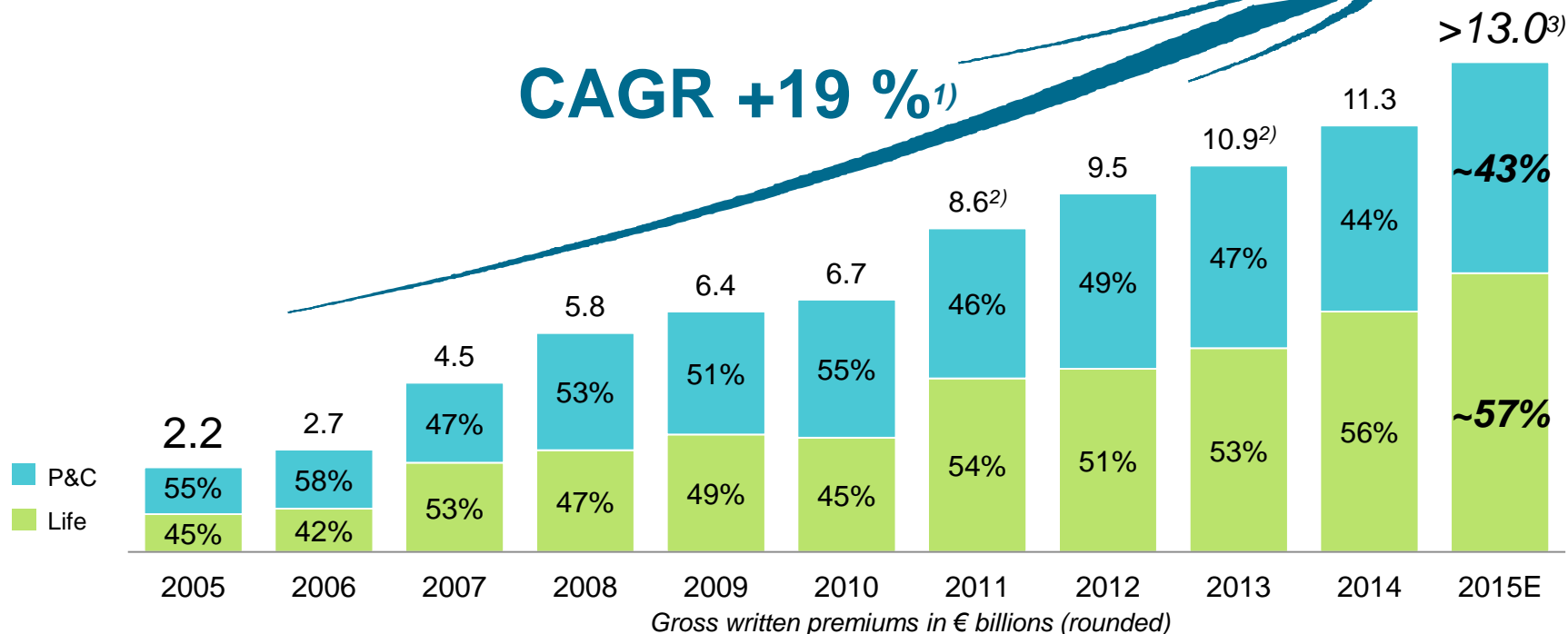


4,000+ clients around the world



Risks covered in 160 countries

CAGR +19 %¹⁾

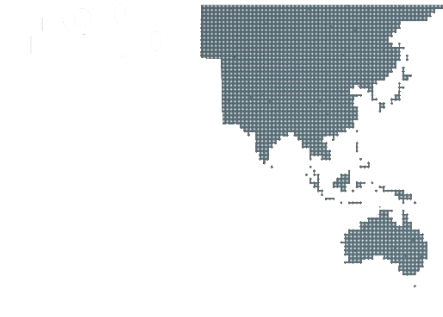


Global
player

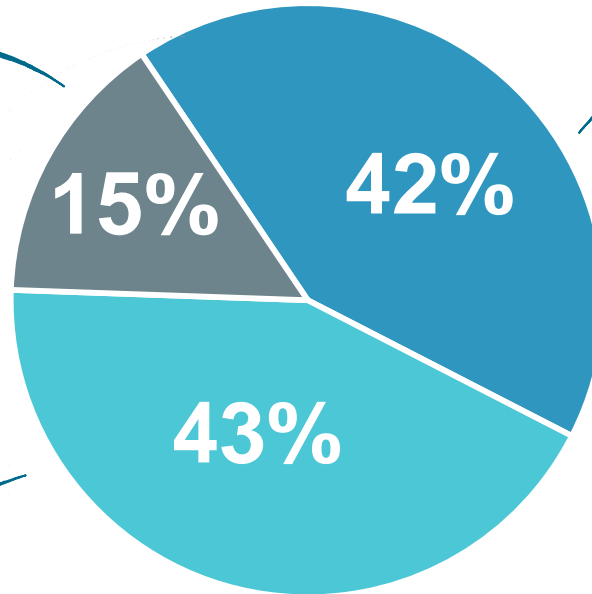
SCOR is a global player with a geographically well-balanced book of business

| in % of 2014 GWP (rounded)

ASIA-PACIFIC



AMERICAS



EMEA

- ✓ Global underwriting policy
- ✓ Global asset management strategy
- ✓ Global risk management strategy
- ✓ Global acquisition policy
- ✓ Global human capital strategy
- ✓ Global tools

SCOR Global P&C leads its clients' programs across their business

Leads in % of gross premiums ¹⁾

Western Europe, Japan, South Korea



36%

Latin America, Eastern Europe, Middle-East & Africa, Asia-Pacific



40%

Canada, Australia, South Africa / Chile, Colombia, Mexico, Turkey



26%

USA



19%

China, India



59%

What makes a lead ?

- Ability to lead, provide technical assistance, claims management and servicing to its clients

SCOR Global P&C: a Tier 1 leader

- Chosen strategy of not underwriting the whole market
- Aiming rather to be influential and to lead in targeted segments

SCOR constantly develops and invests in new tools and processes to successfully execute its strategy



State-of-the-art “home-grown” internal model

- ❑ “Home-grown” internal model developed for more than 10 years to support business
- ❑ Built and managed internally, on the basis of SCOR’s experience and expertise
- ❑ Reflecting SCOR’s risk profile
- ❑ Enabling strong link between risk and solvency management
- ❑ Facilitating management decisions



Global tool architecture

- ❑ **Business development tools:** *Velogica* (distribution solution), *Forewriter* (underwriting platform), *CatPlatform* (monitor cat exposure), etc.
- ❑ **Risk management tools:** *GIM* (*Group Internal Model*), *Forewriter* (underwriting platform), etc.
- ❑ **Talent management tools:** *SCOR University*
- ❑ **Finance and management tools:** *One Ledger* (global accounting solution), *Omega* (global information system), etc.

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What does it mean to become a Tier 1 reinsurer?



Enhances our franchise

Adds degrees of freedom

Lowers the cost of refinancing

Eases the access to long-term lines

What does being a Tier 1 reinsurer change?

Everything ... and nothing at the same time

<p>Tier 1 status is a key asset to preserve</p>	<p>SCOR will maintain its proven strategy and consistent policy</p>
<p>A proven strategy</p>	<ul style="list-style-type: none"> ✓ SCOR delivers on its successive strategic plans ✓ SCOR reaffirms that the “Optimal Dynamics” targets are within reach ✓ SCOR is already preparing its next plan 2016-2019 to be announced in 2016
<p>Solvency target maintained</p>	<ul style="list-style-type: none"> ✓ SCOR keeps its risk appetite as defined in “Optimal Dynamics” ✓ SCOR aims to maintain its solvency ratio¹⁾ in the range of 185% to 220%
<p>Profitability target maintained</p>	<ul style="list-style-type: none"> ✓ SCOR aims to deliver ROE of 1,000 bps above risk-free rate²⁾ over the cycle
<p>Strategic development</p>	<ul style="list-style-type: none"> ✓ SCOR gives priority to organic growth for both Life and P&C ✓ SCOR expects a GWP organic growth of ~8%³⁾ per annum ✓ SCOR believes it can profitably increase its GWP by ~7%³⁾ per annum in P&C and ~9%³⁾ in Life per annum ✓ SCOR has no need to conduct M&A at the moment and can expand organically

For M&A in the reinsurance industry, the dance floor is open...



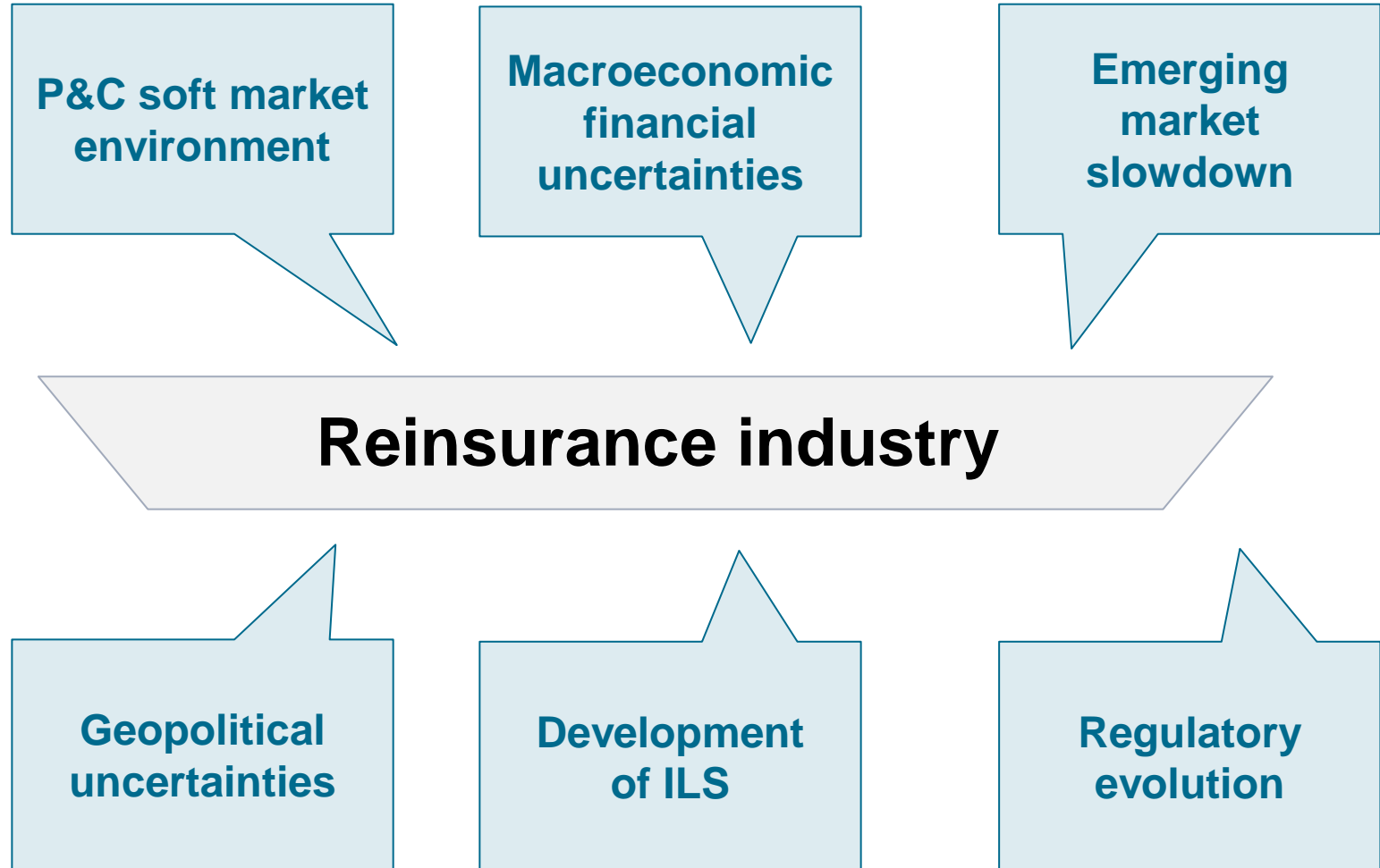
... But our tuxedo is hanging in the closet right now !



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SCOR is well prepared to weather the current industry headwinds (1/2)



SCOR is well prepared to weather the current industry headwinds (2/2)

The market is facing some headwinds...	... for which SCOR is well prepared
P&C soft market environment	<input type="checkbox"/> SCOR pursues an efficient policy of “portfolio management” and reallocation of its capacity
Macroeconomics financial uncertainties	<input type="checkbox"/> SCOR has a unique currency mix in order to fully benefit from a potential increase in rates
Slowdown in emerging countries	<input type="checkbox"/> Only 2% of invested assets are exposed to emerging markets
Geopolitical risks	<input type="checkbox"/> SCOR has 96% of its capital located in advanced economies
Development of ILS	<input type="checkbox"/> SCOR sees opportunities in the presence of alternative capital (retrocession efficiency improved, protection by the Atlas ILS series, issuance of extreme mortality risk transfer instruments, development of ILS funds proposed to third parties)
Regulatory evolution	<input type="checkbox"/> SCOR benefits from diversification gains clearly recognized <input type="checkbox"/> SCOR filed its internal model (GIM V-2015) on May 22th with the ACPR ¹⁾ and it is currently under review for approval by the end of November <input type="checkbox"/> GIM V-2015 leads to a solvency level of ~204% in the optimal range of the scale

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Q&A

Forthcoming events and Investor Relations contacts

Forthcoming scheduled events

4 November 2015

- ❑ SCOR Group:
Q3 2015 results

SCOR is scheduled to attend the following investor conferences

- ❑ UBS, London (November 10th)
- ❑ Natixis, Paris (November 24th)
- ❑ Société Générale, Paris (December 2nd)
- ❑ Citi, Hong Kong (December 3rd)
- ❑ Natixis, London (December 9th)
- ❑ Kepler Cheuvreux, Brussels (December 10th)

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These statements are typically identified by words or phrases indicating an anticipation, assumption, belief, continuation, estimate, target, expectation, forecast, intention, and possibility of increase or fluctuation and similar expressions or by future or conditional verbs. This information is not historical data and must not be interpreted as a guarantee that the stated facts and data will occur or that the objectives will be met. Undue reliance should not be placed on such statements, because, by nature, they are subject to known and unknown risks, uncertainties, and other factors, which may cause actual results, performance, achievements or prospects of SCOR SE to differ from any future results, performance, achievements or prospects explicitly or implicitly set forth in this presentation.

Any figures for a period subsequent to 30 June 2015 should not be taken as a forecast of the expected financials for these periods and, except as otherwise specified, all figures subsequent to 30 June 2015 are presented in Euros, using closing rates as per the end of 31/12/2014. “Optimal Dynamics” and “Strong Momentum” figures previously disclosed have been maintained at unchanged foreign exchange rates unless otherwise specified.

In addition, such forward-looking statements are not “profit forecasts” in the sense of Article 2 of Regulation (EC) 809/2004.

The 2013 pro-forma figures in this presentation include estimates relating to Generali USA to illustrate the effect on the Group’s financial statements, as if the acquisition had taken place on 1 January 2013.

Certain prior year balance sheet, income statement items and ratios have been reclassified to be consistent with the current year presentation.

Finally, SCOR is exposed to significant financial, capital market and other risks, including, but not limited to, movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

Additional information regarding risks and uncertainties that may affect SCOR’s business is set forth in the 2014 reference document filed 20 March 2015 under number D.15-0181 with the French Autorité des marchés financiers (AMF) posted on SCOR’s website www.scor.com.

SCOR undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.