

**Press Release**

24 February 2016 - N°04

**2015 Annual Results**

**SCOR delivers excellent results with a net income of EUR 642 million, up 25%, and proposes a dividend of EUR 1.50 per share**

SCOR delivers excellent 2015 results, leveraging on the Group's Tier 1 status, and continues to actively implement the "Optimal Dynamics" strategic plan.

- **Gross written premiums** reach EUR 13,421 million, up 18.6% at current exchange rates compared to 2014 (+6.4% at constant exchange rates). This significant growth is driven by the contribution of the two business divisions:
  - SCOR Global P&C gross written premiums increase by 16.0% at current exchange rates (+4.9% at constant exchange rates) to EUR 5,723 million;
  - SCOR Global Life gross written premiums reach EUR 7,698 million, up by 20.6% at current exchange rates (+7.5% at constant exchange rates).
- **SCOR Global P&C** records very strong technical profitability with a net combined ratio of 91.1% in 2015, in an environment of low natural catastrophe losses but with an unusually high frequency of large man-made losses.
- **SCOR Global Life** records a strong technical margin of 7.2% in 2015, consistently delivering above the "Optimal Dynamics" assumption of 7.0%.
- **SCOR Global Investments** achieves a solid 3.1% return on invested assets, while maintaining its prudent portfolio management.
- **The Group cost ratio** remains stable in 2015 at 5.0% of premiums.
- **Group net income** reaches EUR 642 million in 2015, an increase of 25.4% compared to 2014. The annualized **return on equity** (ROE) stands at 10.6% or 1,055 bps above the risk-free rate<sup>1</sup>.
- **Shareholders' equity** increases by 11.1% in 2015 to reach EUR 6,363 million at 31 December 2015, compared to EUR 5,729 million at 31 December 2014, after the payment of EUR 260 million of dividends in May 2015. This translates into a book value per share of EUR 34.03 at 31 December 2015, compared to EUR 30.60 at 31 December 2014. This increase is driven by the high net income contribution and a favourable currency translation adjustment of EUR 316 million.
- SCOR's **solvency ratio**, adjusted for the intended calls of the two debts callable in Q3 2016, stands at 211%<sup>2</sup>, within the optimal solvency range of 185%-220% as defined in the "Optimal Dynamics" plan. This ratio stood at 202% at 31 December 2014.

<sup>1</sup> Three-month risk-free rate.

<sup>2</sup> The 211% adjusted solvency ratio allows for the intended calls of the two debts callable in Q3 2016 (the 6.154% undated deeply subordinated EUR 257 million notes callable in July 2016 and the 5.375% fixed to floating rate undated subordinated CHF 650 million notes callable in August 2016), subject to the evolution of market conditions and supervisory approval. The solvency ratio based on Solvency II requirements is 231% at year-end 2015.

## Press Release

24 February 2016 - N°04

- **SCOR's financial leverage** stands at 27.5% as at 31 December 2015, temporarily above the range indicated in "Optimal Dynamics". This is the result of the successful placement of EUR 250 million dated subordinated debt, issued with a coupon set at 3.25% in June 2015, and the placement of the dated subordinated debt of EUR 600 million<sup>3</sup> to refinance the undated subordinated debt of CHF 650 million callable in August 2016. In addition, SCOR called two debts in 2015, due in 2029 and 2020, for EUR 10 million and EUR 93 million both at par-value. The financial leverage adjusted for the intended calls of the two debts callable in Q3 2016, would stand at 20.6%<sup>4</sup> within the optimal range indicated in "Optimal Dynamics".
- During 2015, the Group's strategy and financial strength continued to be recognized by the rating agencies, with the upgrades to AA- by Fitch and S&P respectively in July and September, and the outlook raised to positive on the respective ratings of A.M. Best (A positive outlook in September 2015) and Moody's (A1 positive outlook in December 2015).
- SCOR will propose to the Annual General Meeting an **increased dividend** of EUR 1.50 per share for 2015, up from EUR 1.40 for 2014, representing a payout ratio of 43%. The proposed ex-dividend for 2015 will be set at EUR 1.50 on 28 April 2016 and the dividend will be paid on 2 May 2016.

### SCOR Group 2015 and Q4 2015 key financial details:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Gross written premiums	13,421	11,316	18.6%	3,425	2,934	16.7%
Group Cost Ratio	5.0%	5.0%	0.0 pts	5.0%	5.2%	-0.2 pts
Return on invested assets	3.1%	2.9%	0.2 pts	2.9%	3.0%	-0.1 pts
Annualized ROE	10.6%	9.9%	0.7 pts	10.0%	10.1%	-0.1 pts
Net income*	642	512	25.4%	150	135	11.1%
Shareholders' equity (at 31/12)	6,363	5,729	11.1%	6,363	5,729	11.1%
P&C Combined ratio	91.1%	91.4%	-0.3 pts	92.2%	91.1%	1.1 pts
Life technical margin	7.2%	7.1%	0.1 pts	7.2%	7.0%	0.2 pts

(\*) Consolidated net income, Group share.

<sup>3</sup> See press releases of 2 June 2015 and 2 December 2015 respectively.

<sup>4</sup> Adjusted financial leverage ratio would be approximately 20.6% assuming the repayment of the CHF 650 million and EUR 257 million subordinated debts callable in Q3 2016, subject to the evolution of market conditions and supervisory approval.

## Press Release

24 February 2016 - N°04

**Denis Kessler, Chairman & CEO of SCOR**, comments: *“The 2015 SCOR results may be qualified as excellent. The Group continued to develop in line with its strategic plan “Optimal Dynamics”. It recorded solid technical and financial profitability and achieved an optimal level of solvency, as demonstrated by its internal model, which was approved by the supervisory authorities. SCOR thus reconfirms its status as a Tier One Reinsurer, as evidenced by the upgrade of its financial rating. The Group is pursuing innovative initiatives, developing new tools to improve its underwriting and management. SCOR is well positioned to meet the challenges posed by the economic, financial, industrial and social changes that will mark 2016.”*

**SCOR Global P&C maintains significant growth and records excellent technical profitability, with a net combined ratio of 91.1%**

SCOR Global P&C key figures:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Gross written premiums	5,723	4,935	16.0%	1,367	1,256	8.9%
Combined ratio	91.1%	91.4%	-0.3 pts	92.2%	91.1%	1.1 pts

SCOR Global P&C posts gross written premium growth of +16.0% at current exchange rates (+4.9% at constant exchange rates) to EUR 5,723 million in 2015. This increase is due to:

- Stronger growth in the USA and on casualty lines, which slightly increases the weight of the Americas in the portfolio;
- The continued expansion of Lloyd’s business with the Channel 2015 syndicate;
- The increased weight of proportional business (which is more attractive in the current market).

For the full year 2016, SCOR Global P&C expects to achieve approximately EUR 6.0 billion in gross written premiums, as stated in the January 2016 renewals disclosure.

In 2015, SCOR Global P&C records excellent technical results with a net combined ratio of 91.1%<sup>5</sup>, driven by:

- The low level of nat cat losses, which comes out at 2.2%;
- Net attritional and commission ratios adding up to 82.1%, 1.1 percentage points above the 81% assumed at the 2015 Investor Day, with 2.0 percentage points of cumulative impact from two large man-made losses (an offshore energy claim in Q2 2015 and the Tianjin explosion in Q3 2015).

<sup>5</sup> The normalized net combined ratio (with a natural catastrophe budget of 7%) stands at 95.9% for 2015, compared to the 91.1% actual net combined ratio.

## Press Release

24 February 2016 - N°04

### SCOR Global Life delivers strong profitability in 2015 across its three product lines, expanding its footprint in Asia-Pacific

SCOR Global Life key figures:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Gross written premiums	7,698	6,381	20.6%	2,057	1,678	22.6%
Life technical margin	7.2%	7.1%	0.1 pts	7.2%	7.0%	0.2 pts

SCOR Global Life gross written premiums stand at EUR 7,698 million in 2015, up 20.6% at current exchange rates compared to 2014 (+7.5% at constant exchange rates), due to:

- The **Protection** business successfully growing in all key markets, with strong business flow in Asia-Pacific;
- The **Longevity** business exceeding “Optimal Dynamics” assumptions, in line with SCOR’s risk appetite thanks to new contracts underwritten in the UK and Canada, thereby demonstrating SCOR Global Life’s ability to leverage its success in the UK longevity market;
- **Financial Solutions** continuing to increase in new business volume, notably in Asia, despite an evolving regulatory environment.

SCOR Global Life consistently delivers above the “Optimal Dynamics” assumption of 7.0%, with a robust technical margin of 7.2% in 2015, benefitting from:

- Profitable new business with a product mix that ensures the technical IFRS profitability of SCOR Global Life;
- The performance of the in-force portfolio is in line with expectations.

### SCOR Global Investments delivers a solid return on invested assets of 3.1% in 2015, in a particularly low yield environment

SCOR Global Investments key figures:

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Total investments	27,552	24,854	10.9%	27,552	24,854	10.9%
• of which total invested assets	17,963	16,247	10.6%	17,963	16,247	10.6%
• of which total funds withheld by cedants	9,589	8,607	11.4%	9,589	8,607	11.4%
Return on investments*	2.6%	2.5%	0.1 pts	2.5%	2.7%	-0.2 pts
Return on invested assets**	3.1%	2.9%	0.2 pts	2.9%	3.0%	-0.1 pts

(\*) Annualized, including interest on deposits (i.e. interest on funds withheld).

(\*\*) Annualized, excluding interest on deposits (i.e. interest on funds withheld).

## Press Release

24 February 2016 - N°04

To face the increased level of economic and financial uncertainties, SCOR Global Investments reinforces its prudent investment strategy and its temporarily increased liquidity position, which stands at 11% of the invested assets portfolio, while maintaining the fixed income portfolio duration (excluding cash) broadly stable at 3.9 years at 31 December 2015.

The stable average rating of AA- bears witness to the quality of the fixed income portfolio. Moreover, SCOR Global Investments continues to exclude any exposure to sovereign debt from the GIIPS countries<sup>6</sup>. Only 1.5% of the invested assets portfolio is exposed to emerging markets, of which 1.2% is in government bonds, as the Group applies a strict policy of congruency between assets and liabilities. In addition, only 3.8% of the invested assets portfolio is exposed to the energy, metals and mining sectors, essentially in high quality corporate bonds with an average rating of A+.

As at 31 December 2015, the expected financial cash flow over the next 24 months stands at EUR 6.6 billion (including cash, coupons and redemptions), which represents more than one third of the invested assets, facilitating dynamic management of the reinvestment policy in view of a possible rise in interest rates.

In 2015, invested assets generate a financial contribution of EUR 534 million. The active asset management policy executed by SCOR Global Investments has enabled the Group to record capital gains of EUR 170 million over the period, coming mainly from the equity portfolio and to a lesser extent from the fixed income portfolio.

The return on invested assets stands at 3.1% for 2015, compared to 2.9% in 2014. Taking account of funds withheld by cedants, the net rate of return on investments stands at 2.6% in 2015. The reinvestment yield stands at 2.5%<sup>7</sup> at the end of 2015.

For 2016, given the mounting headwinds, the estimated return on invested assets could be in the range of 2.8% to 3.1%

Invested assets (excluding funds withheld by cedants) stand at EUR 17,963 million as at 31 December 2015, and are composed as follows: 9% cash, 78% fixed income (of which 2% are short-term investments), 4% loans, 3% equities, 4% real estate and 2% other investments. Total investments, including EUR 9,589 million of funds withheld, stand at EUR 27,552 million at 31 December 2015, compared to EUR 24,854 million at 31 December 2014.

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<sup>6</sup> Greece, Ireland, Italy, Portugal, Spain.

<sup>7</sup> Corresponds to marginal reinvestment yields based on Q4 2015 asset allocation of yielding asset classes (i.e. fixed income, loans and real estate), according to current reinvestment duration assumptions and spreads. Yield curves as at 31/12/2015.

## Press Release

24 February 2016 - N°04

### Executive Committee Appointment

**Romain Launay**, Group General Secretary since 2014, is promoted to Chief Operating Officer (COO) and joins the Executive Committee. He succeeds Nicolas Tissot, who has decided to pursue a new career direction.

*Romain Launay, 36, is a graduate of the Ecole Polytechnique, the Ecole des Mines de Paris and the Centre des Hautes Etudes de l'Assurance. Having occupied various posts at the French Ministry for the Economy and Finance between 2004 and 2009, he became Technical Advisor to the Prime Minister's Office in 2009. He joined SCOR in February 2012 as Senior Advisor to the Chairman & Chief Executive Officer, before becoming Group General Secretary in May 2014.*

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### APPENDIX

#### 1 - P&L Key figures 2015 and Q4 2015

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
<b>Gross written premiums</b>	13,421	11,316	18.6%	3,425	2,934	16.7%
<b>P&amp;C gross written premiums</b>	5,723	4,935	16.0%	1,367	1,256	8.9%
<b>Life gross written premiums</b>	7,698	6,381	20.6%	2,057	1,678	22.6%
<b>Investment income</b>	666	576	15.6%	161	155	3.9%
<b>Operating results</b>	1,048	825	27.0%	246	231	6.5%
<b>Net income<sup>1</sup></b>	642	512	25.4%	150	135	11.1%
<b>Earnings per share (EUR)</b>	3.46	2.75	25.8%	0.81	0.73	10.6%
<b>Operating cash flow</b>	795	894	-11.1%	237	424	-44.1%

1: Consolidated net income, Group share.

## Press Release

24 February 2016 - N°04

### 2 - P&L Key ratios 2015 and Q4 2015

	YTD			QTD		
	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Return on investments <sup>1</sup>	2.6%	2.5%	0.1 pts	2.5%	2.7%	-0.2 pts
Return on invested assets <sup>1,2</sup>	3.1%	2.9%	0.2 pts	2.9%	3.0%	-0.1 pts
P&C net combined ratio <sup>3</sup>	91.1%	91.4%	-0.3 pts	92.2%	91.1%	1.1 pts
Life technical margin <sup>4</sup>	7.2%	7.1%	0.1 pts	7.2%	7.0%	0.2 pts
Group cost ratio <sup>5</sup>	5.0%	5.0%	0.0 pts	5.0%	5.2%	-0.2 pts
Return on equity (ROE) <sup>6</sup>	10.6%	9.9%	0.7 pts	10.0%	10.1%	-0.1 pts

1: Annualized; 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; 6: Annualized.

### 3 - Balance sheet Key figures as at 31 December 2015

In EUR millions (rounded, at current exchange rates)	Balance Sheet Key Figures		
	As at 31 December 2015	As at 31 December 2014	Variation
Total investments <sup>1,2</sup>	27,552	24,854	10.9%
Technical reserves (gross)	27,839	25,839	7.7%
Shareholders' equity	6,363	5,729	11.1%
Book value per share (EUR)	34.03	30.60	11.1%
Financial leverage ratio	27.5%	23.1%	4.4 pts
Total liquidity	2,034	940	116.4%

1: Total investment portfolio includes both invested assets and funds withheld by cedants, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Excluding 3rd party net insurance business investments.

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## Press Release

24 February 2016 - N°04

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### **Forward-looking statements**

SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward-looking statements contained in this communication should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to the 2014 reference document filed on 20 March 2015 under number D.15-0181 with the French Autorité des marchés financiers (AMF) posted on SCOR's website [www.scor.com](http://www.scor.com) (the "Document de Référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including 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.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting". In addition, it should not be viewed, interpreted or analyzed as a substitute for or correlation to the MCEV disclosures, which refer to the European Insurance CFO Forum Market Consistent Embedded Value Principles (Copyright© Stichting CFO Forum Foundation 2008), published by the CFO Forum.

Certain prior year balance sheet items have been reclassified to be consistent with the current year data. The financial results for the full year 2015 included in this press release have been audited by SCOR's independent auditors. Numbers presented throughout this press release may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated on complete figures (including decimals); therefore the press release might contain immaterial differences in sums and percentages due to rounding.

The Group solvency final results are to be filed to supervisory authorities by July 2016, and may differ from the estimates expressed or implied in this press release.